

ANNUAL REPORT FOR 2013

Integrated Operational Programme



Intended for the 13th meeting of the IOP Monitoring Committee
held on June 3, 2014

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EXECUTIVE SUMMARY

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

Details concerning the **progress and implementation of IOP until 31 Dec 2013** are presented in this Annual Report, compiled by the IOP Managing Authority in cooperation with other actors involved in the programme.

The total IOP allocation (ERDF contribution) amounts to EUR 1 619.1 million, major part of which in the amount of EUR 1 591.4 million is channelled to the Convergence objective, while EUR 27.7 million goes to the Regional competitiveness and employment objective.

In the course of 2013, a total of 723 project applications in the amount of EUR 166.7 million were submitted, 679 projects in the amount of EUR 69.8 million were approved. The beneficiaries were paid the funds amounting to EUR 277.5 million. The certified expenditure reached the amount of EUR 355.97 million.

By the end of the monitored period, projects totalling EUR 1 770 million (total eligible expenditure) were approved for implementation, which accounts for 93 % of the total allocation. The beneficiaries were paid the funds in the amount of EUR 1 008.5 million, representing 52.9 % of the total allocation. Expenditure amounting to EUR 987.3 million (51.5 %) was certified.

Due to the concurrence of n+3 and n+2 rules, the so far largest volume of expenditure had to be certified. The forecast of absorption made at the beginning of 2013 estimated the loss of allocation in the amount of CZK 5 billion. Thanks to the adoption of multiple measures, the loss of allocation was successfully reduced to EUR 1 to 2.17 million under the Regional competitiveness and employment objective. Under the Convergence objective, there was no loss of allocation. The final amount of loss will be known only after the application of Article 95 of the General Regulation is considered by the European Commission.

Moreover, in 2013 **the IOP Programming Document was amended**, with the largest impact on fulfilment of n+3 and n+2 rule constituted by the inclusion of two major projects in Intervention area 3.4 - Services in security, risk prevention and management, and the associated reallocation of funds between priority axes.

IOP MA submitted to the EC the **applications for both the major projects** (“Preparedness of the Fire Rescue Service of the Czech Republic for floods” and ”Increasing flood preparedness of the Police of the CR to save lives and property“). The projects are currently being evaluated by the EC.

On account of unsatisfactory state of play in Intervention area 5.1, low absorption of funds in particular, pursuant to Government Resolution No 567/2013 the delegated activities of the MoC IB have been transferred to the MRD CR and CRD CR. As of 1 November 2013, the role of the Intermediate Body has been performed by the CRD CR.

In 2014, the fulfilment of n+2 rule is threatened due to the risk of a failure to achieve the forecast absorption especially as a consequence of delays in timetable of projects. There is a risk of a loss of allocation in the amount of EUR 41.9 million. This is why the IOP MA has adopted a number of preventive measures. It stresses the importance of reducing changes in timetable of projects, on dividing the projects into stages with the certification of a maximum volume of project expenditure until the end of 2014, it holds talks with the OPC in order to encourage it to finish the investigation particularly in projects with submitted applications for payment or applications for payment planned to be submitted in 2014.

1 PROGRAMME IDENTIFICATION

OPERATIONAL PROGRAMME	Objective concerned: Convergence and Regional Competitiveness and Employment
	Eligible area concerned: <ul style="list-style-type: none"> • NUTS 2 Prague • NUTS 2 Central Bohemia • NUTS 2 Southwest • NUTS 2 Northwest • NUTS 2 Northeast • NUTS 2 Southeast • NUTS 2 Central Moravia • NUTS 2 Moravia-Silesia
	Programming period : 2007-2013
	CCI number of the Programme: 2007CZ16UPO002
	Programme title: Integrated Operational Programme
ANNUAL IMPLEMENTATION REPORT	Reporting year: 2013
	Date of approval of the Annual Report by the Monitoring Committee:

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

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

1.1 IOP objectives

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

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

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

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

Table 1 - Allocation by year and objective (EUR)

Year	ERDF Convergence objective	ERDF RCE objective	Total
	1	2	3=1+2
2007	192 686 939	3 951 894	196 638 833
2008	202 164 946	4 030 931	206 195 877
2009	211 684 389	4 111 551	215 795 940
2010	221 648 970	4 193 781	225 842 751
2011	237 465 225	4 277 657	241 742 882
2012	247 398 119	4 363 210	251 761 329
2013	278 308 099	2 736 597	281 044 696
Total – 2007 - 2013	1 591 356 687	27 665 621	1 619 022 308

Source: Programming Document, December 2013

Table 2 - Allocation by priority axis for the period 2007-2013 (EUR)

Number of Priority axis	Name of Priority axis	Fund/rate of co-financing related to	EU share	National funds	Indicative breakdown of national funds		Total funds	Co-financing rate	For information	
					National public funds	National private funds			EIB	Other funds
					A	b(=c+d)				
1a	Modernisation of public administration – Convergence objective	ERDF/total eligible expenditure Convergence objective	290 942 083	51 342 721	51 342 721		342 284 804	85 %		
1b	Modernisation of public administration – Regional competitiveness and employment objective	ERDF/total eligible expenditure RCE objective	22 380 161	3 949 441	3 949 441		26 329 602	85 %		
2	Introducing ICT in territorial public administration – Convergence objective	ERDF/total eligible expenditure Convergence objective	148 510 867	26 207 801	26 207 801		174 718 668	85 %		
3	Improving public services quality and accessibility – Convergence objective	ERDF/total eligible expenditure Convergence objective	614 618 060	108 462 012	105 334 619	3 127 393	723 080 072	85 %		
4a	National support of tourism – Convergence objective	ERDF/total eligible expenditure Convergence objective	60 567 416	10 688 368	10 014 023	674 345	71 255 784	85 %		
4b	National support of tourism – Regional competitiveness and employment objective	ERDF/total eligible expenditure RCE objective	4 659 032	822 183	770 310	51 873	5 481 215	85 %		
5	National support of territorial development – Convergence objective	ERDF/total eligible expenditure Convergence objective	442 643 474	78 113 556	48 946 987	29 166 569	520 757 030	85 %		
6a	Technical assistance – Convergence objective	ERDF/total eligible expenditure Convergence objective	34 074 787	6 013 199	6 013 199		40 087 986	85 %		
6b	Technical assistance – Regional competitiveness and employment objective	ERDF/total eligible expenditure RCE objective	626 428	110 548	110 548		736 976	85 %		
TOTAL (Convergence objective + Competitiveness objective)			1 619 022 308	285 709 829	252 689 649	33 020 180	1 904 732 137	85 %		
Of which: Convergence objective			1 591 356 687	280 827 657	247 859 350	32 968 307	1 872 184 344	85%		
Competitiveness objective			27 665 621	4 882 172	4 830 299	51 873	32 547 793	85%		

Source: Programming Document, December 2013

1.2 Division of Powers between the Managing Authority and Intermediate Bodies

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

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

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

As of 1 July 2012 there has been a change in delegated activities in Intervention areas 2.1 and 3.4. The delegated activities in Intervention areas 2.1 and 3.4 have been transferred by the IOP MA in cooperation with the CRD CR from the MoI CR to the MRD CR and CRD CR. It aimed to improve quality, to reduce error rate and to accelerate administration.

In the course of 2013, an amendment was made to the Agreement on delegating the tasks of the Managing Authority of the Integrated Operational Programme to the Ministry of Culture of the CR as the Intermediate Body for Intervention area 5.1 National support for utilising the cultural heritage potential. As of 1 November 2013, the activities of the MoC CR were transferred to the Ministry for Regional Development of the CR and the Centre for Regional Development of the CR.

Table 3 - IOP Intermediate Bodies broken down by intervention area

Intervention area	Intermediate Body
1.1 a,b Developing information society in public administration	Ministry of Interior CR (SF Department)
2.1 Introducing ICT in territorial public administration	Ministry of Interior CR (SF Department) until 30 June 2012, Centre for Regional Development CR (from 1 July 2012)
3.1 Social integration services	Ministry of Labour and Social Affairs CR (EU Funds Implementation Department and Programme Financing Department), Centre for Regional Development CR
3.2 Public health services	Ministry of Health CR (EU Funds Department)
3.3 Employment services	Ministry of Labour and Social Affairs CR (EU Funds Implementation Department and Programme Financing Department), Centre for Regional Development CR
3.4 Services in security, risk prevention and management	Ministry of Interior CR (SF Department) until 30 June 2012, Centre for Regional Development CR (from 1 July 2012)
4.1 a,b National support of tourism	Centre for Regional Development CR

Intervention area	Intermediate Body
5.1 National support for utilising the cultural heritage potential	Ministry of Culture (Strategy and Aid Policy Department) until 31 October 2013 Centre for Regional Development from 1 November 2013
5.2 Improving the environment in problematic housing estates	Centre for Regional Development CR
5.3 Modernisation and development of systems for creating territorial policies	Centre for Regional Development CR
6.1 a,b Activities connected with the IOP management and 6.2 a,b Other costs of the IOP technical assistance	Centre for Regional Development CR

1.3 Links of IOP to Strategic Documents

The links of IOP to strategic documents relate to the following documents¹.

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

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

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

Table 4 - IOP links to NRP

NRP focus	IOP priority axis			
	PA-1, PA-2	PA-3	PA-4	PA-5
Macroeconomic part				
Macroeconomic stability and sustainable growth	XX	XX	XX	XX
Microeconomic part				
Business environment		X		X
Research and development, innovation	X	X		
Sustainable use of resources				X
Modernisation and development of transport and ICT networks	XX		X	
Employment part				
Flexibility in labour market	X	X		X
Inclusion in labour market		X	X	
Education	X	X		

Note: XX – direct link; X – indirect link

Source: Programming Document, December 2013

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

Community Strategic Guidelines

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

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

Table 5 - IOP links to CSGs

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

Note: XX – direct link; X – indirect link

Source: Programming Document, December 2013

National Strategic Reference Framework of the CR 2007-2013

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

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

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

Table 6 - IOP links to NSRF

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

Note: XX – direct link; X – indirect link

Source: Programming Document, December 2013

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

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

Europe 2020 Strategy

Some priority axes or intervention areas of the Integrated Operational Programme are directly linked to Europe 2020 strategy targets even though the IOP was adopted and implemented before the adoption of this strategy.

Linked to the thematic objectives stipulated in Article 9 of Regulation No 1303 of 17 December 2013 laying down common provisions on ESI Funds are the Priority axes 1a, 1b and 2 (thematic objective 2), Intervention areas 3.1 and 3.2 (thematic objective 9), Intervention area 3.3 (thematic objective 8), Intervention area 3.4 (thematic objective 5), Intervention area 5.2 (thematic objectives 4 and 9) and Intervention area 5.3 (thematic objective 11).

More details on these matters are provided in section 2. 1. F – Qualitative analysis (IOP contribution to Europe 2020 strategy).

1.4 Overall Economic Situation and Its Impact on IOP

The financial and economic crisis that started in 2008 has dramatically changed the economic environment of both the EU and CR. The global crisis on financial markets and subsequent recession were manifested in the Czech economy by a marked slowdown of economic growth. Whereas in 2005–2007 period the GDP in the CR grew annually by more than 6 % on average and in 2008 it

dropped to 3.1 % (in EU 28 the GDP rose by 0.3 %), **in 2009 the GDP fell by 4.5 %** (in EU 28 it fell by 4.5 %), which has been the worst ever result since the Czech Republic was founded in 1993.

Even though in 2010 and 2011 the Czech economy reported an overall recovery (GDP grew by 2.5 %, or by 1.8 % respectively), since the beginning of 2011 the growth has started to slow down and towards the end of 2011 the economy was again going into a recession; in 2012 the GDP dropped by 1.0 %, in 2013 the GDP continued to decline by additional 1.4 %. As a result, the **GDP level in 2013 still failed to reach its pre-recession level of the turn of 2008 and 2009**. Ranking among the risks threatening future EU development are especially the persistent problems in financial sector, high levels of public debt in majority of EU Member States and subsequent impacts of budget consolidation as well as uneven development in Eurozone countries. These risks have and may have a negative impact on the situation in the CR.

The economic downturn was accompanied by **growing unemployment both in 2009 and 2010**. The number of unemployed in 2008-2010 grew by more than 60 %, in 2011 the unemployment rate slightly decreased. In 2012 the unemployment rate remained at the level of 2011, but **in the course of 2013 it grew to 7.7 %** (annual average).

Table 7 - Development of economic indicators in 2007-2013 period

Indicator	2007	2008	2009	2010	2011	2012	2013
Increase/decrease in GDP (in %)	5,7	3,1	- 4,5	2,5	1,9	-1,0	- 1,4
Registered unemployment rate (in %, annual average)	5,0	4,1	6,1	7,0	6,7	6,8	7,7
General government balance – in % of GDP	- 0,7	- 2,2	- 5,8	- 4,7	- 3,2	- 4,4	-2,5
General government debt – in % of GDP	27,9	28,7	34,6	38,4	41,4	46,2	46,3

Source: MoF and MoLSA – status as of 10 February 2014

The adverse development of economy did not have any major impact on IOP implementation. The main reason is the fact that a prevailing part of aid beneficiaries are public sector entities, with public sector being much less hit by the crisis than business entities. The state budget funds earmarked for financing the operational programmes co-financed from the EU Funds have not been cut down, this expenditure ranks among top priorities when the budget is drafted.

More details on matters related to economic situation in the CR are provided in Chapter 2.4 of the Annual Report.

2 OVERVIEW OF PROGRAMME IMPLEMENTATION

Programme milestones in 2013

Date	Activity
3 Jan 2013	Submission of the 1 st aggregate payment claim to the MoF
4 Jan 2013	Closing of the 12 th call of MoH for Intervention area 3.2, activity c)
8 Jan 2013	Closing of the 17 th call of MRD for Intervention area 5.3, activity b)
15 Jan 2013	Publishing of the 15 th call of MoI for Intervention area 1.1, activity d)
17 Jan 2013	Publishing of the 18 th call of MRD for Intervention area 3.4, activity d)
31 Jan 2013	Closing of the 13 th call of MoH for Intervention area 3.2, activity a)
8 Feb 2013	Publishing of the 14 th call of MoH for Intervention area 3.2, activity a)
7 Mar 2013	Submission of the 2 nd aggregate payment claim to the MoF
8 Mar 2013	Submission of the 3 rd aggregate payment claim to the MoF

Date	Activity
22 Mar 2013	Meeting of the European Commission on the state of play of Intervention areas 3.1 and 3.3 of IOP and Smart Administration
25 Mar 2013	Publishing of the 15 th call of MoH for Intervention area 3.2, activity c)
15 Apr 2013	Submission of the 4 th aggregate payment claim to the MoF
15 Apr 2013	Closing of the 15 th call of MoI for Intervention area 1.1, activity d)
15 Apr 2013	Issuance of the MoC IB OM, version 1.3
17 Apr 2013	Closing of the 18 th call of MRD for Intervention area 3.4, activity d)
26 Apr 2013	Issuance of the Handbook of Working Procedures of MoLSA IB, versions 1.5
2 May 2013	Publishing of the 16 th call of MoI for Intervention area 1.1, activity c), d)
3 May 2013	Submission of the 5 th aggregate payment claim to the MoF
6 May 2013	Receipt of applications was terminated under IA 3.1 a) – call No 7, IA 3.1 b) – call No 6, IA 3.1 c) – call No 8
6 May 2013	Closing of the 6 th call of MoLSA for Intervention area 3.1, activity b)
6 May 2013	Closing of the 7 th call of MoLSA for Intervention area 3.1, activity a)
6 May 2013	Closing of the 8 th call of MoLSA for Intervention area 3.1, activity c)
14 May 2013	Increase of the allocation to the 12 th call of MRD for Intervention area 4.1, activity a), c), e)
6 Jun 2013	11 th meeting of the IOP Monitoring Committee
6 Jun 2013	Closing of the 14 th call of MoH for Intervention area 3.2, activity a)
11 Jun 2013	Closing of the 15 th call of MoH for Intervention area 3.2, activity c)
18 Jun 2013	Submission of the 7 th aggregate payment claim to the MoF
19 Jun 2013	Submission of the 6 th aggregate payment claim to the MoF
28 Jun 2013	Handbook for Applicants and Beneficiaries in Intervention area 3.1 a) was approved
28 Jun 2013	Approval of the revision of the Manual of Internal Procedures of MoI IB, version 1.6
30 Jun 2013	Closing of the 9 th call of MoLSA for Intervention area 3.3, activity c)
8 Jul 2013	Submission of the 8 th aggregate payment claim to the MoF
31 Jul 2013	Resolution of the Government No 567 on the Information on risky projects and areas under IOP - the Minister for Regional Development and the Minister of Culture were tasked to amend the Agreement on delegating the tasks of the IOP MA to the MoC as the IB in the framework of IOP implementation and to delegate the performance of the IB function and assistance provider in Intervention area 5.1 to the MRD
7 Aug 2013	Submission of the 9 th aggregate payment claim to the MoF
30 Aug 2013	Publishing of the 19 th call of MRD for Intervention area 2.1, activity a), b), c), d)
1 Sep 2013	Publishing of the 16 th call of MoH for Intervention area 3.2, activity c)
5 Sep 2013	Increase of the allocation to the 17 th call of MRD for Intervention area 5.3, activity b)
5 Sep 2013	Submission of the 10 th aggregate payment claim to the MoF
6 Sep 2013	Closing of the 16 th call of MoI for Intervention area 1.1, activity c), d)
25 Sep 2013	Signing the Addendum No 1 to the Agreement on delegating the tasks of IOP MA to the MoC as the IB
26 Sep 2013	Extraordinary meeting of the IOP Monitoring Committee
30 Sep 2013	Closing of the 16 th call of MoH for Intervention area 3.2, activity c)
30 Oct 2013	On 30 Oct 2013 and 1 Nov 2013 the IOP Managing Authority submitted to the EC two major projects of the FRS CR and P CR aimed to increase the operational capability of these IRS units during extraordinary natural disasters, floods in particular
1 Nov 2013	On 1 Nov 2013, a change was made in delegated activities in Intervention area 5.1. The IOP MA in cooperation with CRD, pursuant to Government Resolution No 567 of 31 July 2013 and Addendum No 1 to the Agreement on delegating the tasks of the IOP MA to the MoC as the IB, transferred the delegated activities in Intervention area 5.1 of the MoC to the MRD and CRD.
15 Nov 2013	Revision of the Handbook for Applicants and Beneficiaries for calls of the SFD of the MoI No 3, 7, 10, 14 and 15

Date	Activity
29 Nov 2013	Revision of the 4 th call for Intervention area 3.3 a) and b) – extension of the deadline for submission of applications until 31 Mar 2014, extension of the deadline for closing the project implementation until 30 Nov 2015
9 Dec 2013	Publishing of the call No 21 intended for developing and upgrading of IRS radio communication network Pegas. Activities supported under this call are logically linked to the implementation of “Integrated operational centres of IRS” supported under call No 11. In 2013, the application was not submitted, its submission is anticipated in the first quarter of 2014.
20 Dec 2013	Publishing of the 17 th call for activity 3.2 c) Quality and cost management of the public health system (innovative equipment for measuring and evaluating the quality and costs of the care). The date of closing of the call is set at 14 Mar 2014.
20 Dec 2013	Publishing of the 18 th call for activity 3.2 a) Controlled modernisation and replacement of medical equipment (medical devices) of national networks of health care facilities, including the technical infrastructure (it concerns specifically the support of trauma network). The date of closing of the call is set at 14 Feb 2014.

2.1 Progress Achieved and Its Analysis

2.1.A Information on physical progress of the Programme

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

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

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

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

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

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

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

The values of IOP context and impact indicators as of 31 Dec 2013 are presented in the following tables.

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

Table 8 - Context indicators as of 31 Dec 2013^{3,4}

NCI code	Name of indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	2012	2013	Total	
10200	Created GDP at current prices	CZK mil.	CSO	Achieved	3 662 573	3 848 411	3 758 979	3 790 880	3 823 401	3 845 926	N/A	3 845 926	
				Baseline	2 994 400	3 662 573	3 848 411	3 758 979	3 790 880	3 845 926	2 994 400		
				Target	N/A								
72200	Employment rate in population aged 15-64 – total	%	CSO	Achieved	66,1	66,6	65,4	65	65,7	66,5	N/A	66,5	
				Eurostat	Baseline	64,8	66,1	66,6	65,4	65	65,7	66,5	64,8
				Target	N/A								
72201	Employment rate in population aged 15-64 – men	%	CSO	Achieved	74,8	75,4	73,8	73,5	74,04	74,33	N/A	74,33	
				Eurostat	Baseline	73,3	74,8	75,4	73,8	73,5	74,04	74,33	73,3
				Target	N/A								
72202	Employment rate in population aged 15-64 – women	%	CSO	Achieved	57,3	57,6	56,7	56,3	57,23	58	N/A	58	
				Eurostat	Baseline	56,3	57,3	57,6	56,7	56,3	57,23	58	56,3
				Target	N/A								
20101	State budget balance (SB)	mil. Kč	CNB, CSO	Achieved	66 392	20 003	192 394	156 416	142 771	101 000	81 264	101 000	
				Baseline	56 300	66 392	20 003	192 394	156 416	142 771	101 000	56 300	
				Target	N/A								
412500	Overnight stays of guests in collective accommodation establishments	Počet (tis.)	CSO	Achieved	40 831	39 283	36 662	36 909	38 236	39 568	N/A	39 568	
				Baseline	40 320	40 831	39 283	36 662	36 909	38 236	39 568	40 320	
				Target	N/A								
412600	Overnight stays of guests in collective accommodation establishments, of which	Počet (tis.)	CSO	Achieved	20 620	19 987	17 747	18 366	19 425	20 522	N/A	20 522	
				Baseline	19 595	20 620	19 987	17 747	18 366	19 425	20 522	19 595	
				Target	N/A								
21103	ICT expenditure - percentage of GDP	%	CSO	Achieved	2,2	2	2,2	18,1	17,8	16,5	N/A	16,5	
				Eurostat	Baseline	3	2,2	2	2,2	18,1	17,8	16,5	3
				Target	N/A								
21101	Total health care expenditure – percentage of GDP in current prices	%	CSO	Achieved	6,1	6,9	7,8	7,5	7,56	N/A	N/A	7,56	
				Institute of Health Information and Statistics	Baseline	7	6,1	6,9	7,8	7,5	7,56	N/A	7
				Target	N/A								
21102	Total culture and sports expenditure - percentage of GDP	%	CSO	Achieved	0,99	1,02	1,18	1,21	1,07	1,07	N/A	1,07	
				(NIPOS)	Baseline	1,7	0,99	1,02	1,18	1,21	1,07	1,07	1,7
				Target	N/A								
11406	Average annual energy consumption	GJ/byt	CSO	Achieved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
				Baseline	78,2	N/A	N/A	N/A	N/A	N/A	N/A	78,2	
				Target	N/A								

Source: MSC 2007 as of 3 Mar 2014

³ Indicator 011406 – the baseline value was ascertained based on the ENERGO 2004 questionnaire survey, in the following years no survey was conducted, which is why for 2007-2011 the value of this indicator is not given. The MA seeks to find an alternative way of monitoring of this indicator.

⁴ Indicator 153501 – it is monitored for individual years in % based on the following source: http://info.worldbank.org/governance/wgi/sc_chart.asp

Table 9 - Result indicators as of 31 Dec 2013

NCI code	Name of indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	2012	2013	Target value 2015	Total
153501	Government effectiveness indicator	Index	World Bank	Achieved	78,6	81,1	77,0	78,5	77,7	76,6	N/A	N/A	76,6
				Baseline	76,6	78,6	81,1	77,0	78,5	77,7	76,6	N/A	76,6
				Target	N/A								
412700	Increase in the share of tourists in the number of visitors to the	%	MRD	Achieved	41,4	42,9	42,8	39,2	39,5	39,3	N/A	N/A	39,3
				Baseline	31	41,4	42,9	42,8	39,2	39,5	39,3	N/A	31
				Target	N/A								
520513	Employment rate in tertiary sector	%	CSO	Achieved	56,2	56,1	58,1	58,6	58,2	58,8	N/A	N/A	58,8
				Baseline	56	56,2	56,1	58,1	58,6	58,2	58,8	N/A	56
				Target	N/A								

Source: MSC 2007 as of 3 Mar 2014

2.1.B Information on IOP financial data

By the end of 2013 the total amount of certified eligible expenditure incurred by beneficiaries was EUR 987.3 million. The contribution from public funds accounts for EUR 905.4 million which equals 47.53 % of IOP financial resources.

The largest share of certified eligible expenditure is reported in Priority axis 6a, 6b (58.8 %, or EUR 24 million), in Priority axis 5 (55.24 %, or EUR 287.7 million) and Priority axis 1a, 1b (53.43 %, or EUR 197 million). The smallest share is shown in Priority axis 4a and 4b, namely 45.01 %, equalling EUR 34.5 million.

Table 10 - Financial data (EUR)

	Funds of the operational programme - total (EU and national)	Basis for the calculation EU contribution (from public funds or total)	Total certified eligible expenditure incurred by beneficiaries	Contribution from public sources	Rate of fulfilment in %
Priority axis 1a	342 284 804	Total	182 875 801	182 875 801	53,43%
Priority axis 1b	26 329 602	Total	14 067 370	14 067 370	53,43%
Priority axis 2	174 718 668	Total	89 363 599	89 363 599	51,15%
Priority axis 3	723 080 072	Total	274 086 000	272 816 872	37,73%
Priority axis 4a	71 255 784	Total	32 157 335	32 070 374	45,01%
Priority axis 4b	5 481 215	Total	2 473 518	2 466 828	45,01%
Priority axis 5	520 757 030	Total	368 294 905	287 683 526	55,24%
Priority axis 6a	40 087 986	Total	23 575 063	23 575 063	58,81%
Priority axis 6b	736 976	Total	433 562	433 562	58,83%
Sum total	1 904 732 137		987 327 153	905 352 995	47,53%

Source: MSC2007 as of 31 Dec 2013

CZK/EUR exchange rate: valid at the time of accounting for in IS VIOLA

Table 11 - IOP financing plan

Priority axis	Name of Priority axis/Intervention area	Objective of the intervention	Contribution in EUR (ERDF)	Share in allocation in % (IOP=100%)
1a	Modernisation of public administration – Convergence objective	CONVERGENCE	290 942 083	17,97%
1.1	Developing information society in public administration	CONVERGENCE	290 942 083	17,97%
1b	Modernisation of public administration – Regional competitiveness and employment objective	RCE	22 380 161	1,38%
1.1	Developing information society in public administration	RCE	22 380 161	1,38%
2	Introducing ICT in territorial public administration – Convergence objective	CONVERGENCE	148 510 867	9,17%
2.1	Introducing ICT in territorial public administration	CONVERGENCE	148 510 867	9,17%
3	Improving Public Services Quality and Accessibility – Convergence objective	CONVERGENCE	614 618 060	37,96%
3.1	Social integration services	CONVERGENCE	54 643 234	3,38%
3.2	Public health services	CONVERGENCE	248 481 706	15,35%
3.3	Employment services	CONVERGENCE	40 206 551	2,48%
3.4	Services in security, risk prevention and management	CONVERGENCE	271 286 569	16,76%
4a	National support of tourism – Convergence objective	CONVERGENCE	60 567 416	3,74%
	National support of tourism	CONVERGENCE	60 567 416	3,74%
4b	National support of tourism - Regional competitiveness and employment objective	RCE	4 659 032	0,29%
	National support of tourism	RCE	4 659 032	0,29%
5	National support of territorial development - Convergence objective	CONVERGENCE	442 643 474	27,34%
5.1	National support for utilising the cultural heritage potential	CONVERGENCE	213 735 411	13,20%
5.2	Improving the environment in problematic housing estates	CONVERGENCE	213 377 956	13,18%
5.3	Modernization and development of systems for creating territorial policies	CONVERGENCE	15 530 107	0,96%
6a	Technical Assistance – Convergence objective	CONVERGENCE	34 074 787	2,10%
6.1	Activities connected with the IOP management	CONVERGENCE	27 177 687	1,68%
6.2	Other costs of the IOP technical assistance	CONVERGENCE	6 897 100	0,43%
6b	Technical Assistance – Regional competitiveness and employment objective	RCE	626 428	0,04%
6.1	Activities connected with the IOP management	RCE	499 612	0,03%
6.2	Other costs of the IOP technical assistance	RCE	126 816	0,01%
IOP TOTAL			1 619 022 308	100,00%
Of which: CONVERGENCE	1a + 2 + 3 + 4a + 5 + 6a	CONVERGENCE	1 591 356 687	98,29%
RCE	1b + 4b + 6b	RCE	27 665 621	1,71%

Source: Programming Document, December 2013

Convergence obj.; RCE obj.

List of advance and interim payments

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

By the end of 2012, the EC reimbursed 8 interim payments in the amount of EUR 413 540 856. Seven interim payments were executed in the period from 2009 to 2011. In December 2011, the MA through the PCA submitted to the EC an application for the eighth interim payment in the amount of EUR 29 563 594. This interim application for payment was withdrawn by the MA in February 2012 and it was not reimbursed by the EC. The 9th interim application for payment was submitted in October 2012 once the issues concerning the error rate stated in the Annual Control Report of AA for 2010 were settled and it was reimbursed in November 2012.

In December 2013, the MA, through the PCA, submitted the application for the 10th interim payment in the amount of EUR 400 320 077 to the EC. The EC will reimburse the payment in 2014, which is why it is not included in the table.

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

Order and date of advance/interim payment ⁵	Advance payments received from EC – separately		Interim payments received from EC – separately	
	CONV	RCE	CONV	RCE
1 st advance payment 23 Jan 2008	31 060 213	587 590		
2 nd advance payment 1 Apr 2008	46 590 320	881 385		
3 rd advance payment 5 Feb 2009	31 060 213	587 590		
4 th advance payment 20 Apr 2009	31 060 213	587 590		
1 st interim payment 16 Dec 2009			5 008 671	3 569
2 nd interim payment 27 May 2010			18 395 859	40 343
3 rd interim payment 30 Aug 2010			21 911 277	62 328
4 th interim payment 28 Dec 2010			40 318 211	748 314
5 th interim payment 4 May 2011			33 623 868	288 784
6 th interim payment 29 Aug 2011			40 952 914	276 952
7 th interim payment 24 Nov 2011			58 609 916	1 572 239
9 th interim payment 12 Nov 2012			187 337 383	4 390 225
Total	139 770 960	2 644 155	406 158 101	7 382 754

Source: MSC 2007 as of 31 Dec 2013

Fulfilment of n+3/n+2 rule

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

The target for 2013 amounted to EUR 1 001.4 million under the Convergence objective, when the advance payments are included, funds in the total amount of EUR 939.2 million were received from the EC.

⁵ In December 2011, the 8th interim application for payment was submitted in the amount of EUR 28 120 764.12 for CONV objective and EUR 1 442 828.55 for RCE objective. In February 2012 the application was withdrawn.

Table 13 - Summary of fulfilment of n+3/n+2 rule for CONV objective (EUR)

Financing plan – year	Total allocation of EU funds 2007-2013 - annual	n+3/n+2 targets – aggregate	EC advance payments - annual	Interim/financial applications for payment submitted to the EC - annual	Advance payments from the EC + payment claims of the CR – annual	Advance payments from the EC + payment claims - aggregate	Difference between targets and payments - aggregate	Allocation to major projects to be deducted with respect to n+3/n+2 rule	Difference between the payments and the targets if major projects are included
		a							
2007	192 686 939				0	0			
2008	202 164 946		77 650 533		77 650 533	77 650 533			
2009	211 684 389		62 120 427	5 008 671	67 129 098	144 779 631			
2010	221 648 970			80 625 348	80 625 348	225 404 979			
2011	237 465 225	234 279 436		133 186 699	133 186 699	358 591 678	124 312 242		124 312 242
2012	247 398 119	478 078 315		187 337 383	187 337 383	545 929 061	67 850 746		67 850 746
2013	278 308 099	1 001 421 489		393 274 551	393 274 551	939 203 612	-62 217 878	97 501 024	35 283 146
2014		1 280 934 098							
2015		1 591 356 687							
Total	1 591 356 687	1 591 356 687	139 770 960	799 432 652	939 203 612	939 203 612			

Source: MSC 2007 as of 31 Dec 2013, IOP Programming Document, December 2013

The target for 2013 under the Regional competitiveness and employment objective accounted for EUR 19 248.5 million, the payments received from the EC, with advance payments included, totalled EUR 17.1 million.

Table 14 - Summary of fulfilment of n+3/n+2 rule for RCE objective (EUR)

Financing plan – year	Total allocation of EU funds 2007-2013 - annual	n+3/n+2 targets - aggregate	EC advance payments - annual	Interim/financial applications for payment submitted to the EC - annual	Advance payments from the EC + payment claims of the CR – annual	Advance payments from the EC + payment claims – aggregate	Difference between targets and payments - aggregate
		a					
2007	3 951 894				0	0	
2008	4 030 931		1 468 975		1 468 975	1 468 975	
2009	4 111 551		1 175 180	3 569	1 178 749	2 647 724	
2010	4 193 781			850 986	850 986	3 498 710	
2011	4 277 657	4 689 580		2 137 974	2 137 974	5 636 684	947 104
2012	4 363 210	9 459 780		4 390 225	4 390 225	10 026 909	567 129
2013	2 736 597	19 248 516		7 045 526	7 045 526	17 072 436	-2 176 080
2014		24 270 375					
2015		27 665 621					
Total	27 665 621	27 665 621	2 644 155	14 428 281	17 072 436	17 072 436	

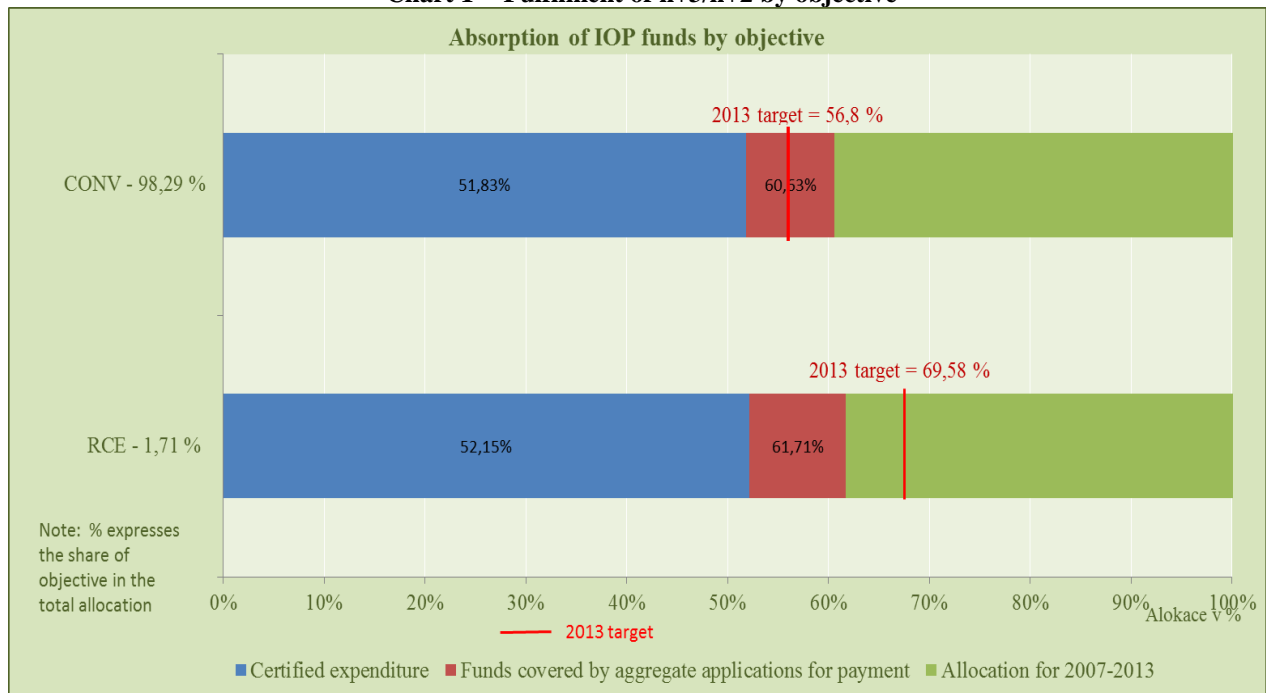
Source: MSC2007 as of 31 Dec 2013, IOP Programming Document, December 2013

Evaluation of the fulfilment of n+3/n+2 rule by individual objective in 2013 is illustrated in the chart below. Under the Convergence objective, the target was achieved provided the advance payments are deducted. Altogether 51.83 % of the allocation for this objective was certified (contrary to the amount of payments received from the EC in this case the recoveries are included). When the advance payments received from the EC are deducted, altogether 60.63 % has been absorbed. In 2013, a total

of 62.93 % of the allocation had to be absorbed. Thanks to the inclusion of major projects, the target decreased to 56.8 %, therefore the n+3/n+2 target was achieved. In order to fulfil the n+3/n+2 rule, a part of the advance payment totalling EUR 79.1 million was deducted.

The target to meet the n+3/n+2 rule under the RCE objective for 2013 was 69.58 %, the certified expenditure equalled 52.15 % and altogether 61.71 % was absorbed in case the advance payments received from the EC are deducted. In 2013, the loss under the RCE objective reached EUR 2.18 million. In case Article 95 of the General Regulation is applied, the loss could be lower. Under the RCE objective, the full amount of advance payment was used in order to meet the n+3/n+2 rule.

Chart 1 - Fulfilment of n+3/n+2 by objective



Source: MSC2007as of 31 Dec 2013

CZK/EUR exchange rate: 27.48

The IOP MA monthly evaluates the progress in financial status of both the objectives with regard to the achievement of the n+3/n+2 target. The following charts illustrate the volume of funds committed in the published calls, the volume of funds in individual stages of project implementation, including the certified expenditure (recoveries inclusive) as of 31 Dec 2013, and **the forecast certified expenditure until the end of 2014** - all as against the respective targets.

Chart 2 - Fulfilment of n+3 rule under the Convergence objective



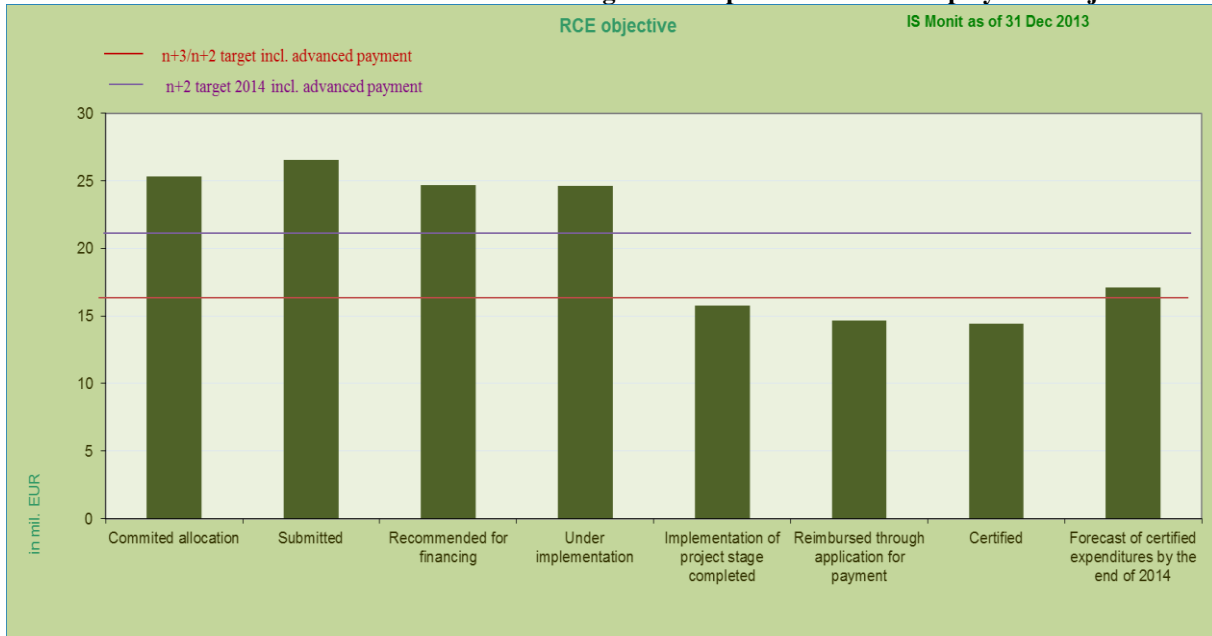
Source: IS Monit7+ as of 2 Jan 2014

Source of funding: EU share

CZK/EUR exchange rate: 27.48

According to the data from IS Monit7+ IOP as of 2 Jan 2014, the allocation committed to the Convergence objective, i.e. the funds committed to the ongoing calls and financial requirements of projects submitted under the closed calls, totals EUR 1 478 million. Projects amounting to EUR 1 347.2 million are recommended for financing and the amount of completed stages equals EUR 824.9 million. Altogether EUR 824.8 million was paid to beneficiaries.

Based on the current predictions, the **expenditure amounting to EUR 971.7 million should be certified** by the end of 2014, with the target for fulfilment of n+2 rule in 2014 **being EUR 1 141.2 million with the advance payments deducted, or to EUR 1 043.6 million** with the allocation to major projects deducted. In 2014, there is a risk of the loss of allocation amounting to EUR 37.3 million.

Chart 3 - Fulfilment of n+3 rule under the Regional competitiveness and employment objective

Source: IS Monit7+ as of 2 Jan 2014

Source of funding: EU share

CZK/EUR exchange rate: 27.48

Based on the current predictions, the expenditure totalling EUR 16.8 million should be certified by the end of 2014 and the target for fulfilment of n+2 rule in 2014 equals EUR 21.6 million in case the advance payments are deducted. In 2014, there is a risk of the loss of allocation in the amount of EUR 4.6 million under the RCE objective.

Therefore, the IOP MA adopted a set of preventive measures. It stresses the necessity to reduce changes in project timetables, to divide projects into stages with the highest possible amount of project expenditure to be certified before the end of 2014, it holds talks with the OPC concerning the completion of investigations mainly in projects with submitted applications for payment or applications for payment planned to be submitted in 2014.

Cross financing

IOP allows for the exploitation of cross-financing in Intervention areas 3.2 Public health services and in Priority axes 4a - National support of tourism – Convergence objective and 4.1b - National support of tourism – Regional competitiveness and employment objective. The non-investment expenditure, eligible for financing from ESF, shall not exceed 9 % of the total eligible expenditure of the project.

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

In Priority axes 4a and 4b National support of tourism, cross-financing was applicable in the 4th continuous call of the MRD CR.

Table 15 - Overview of the use of cross-financing

IA	Allocation for the whole PA	Number of the call	Project status	Number of projects with cross-financing	Total eligible expenditure	Cross financing – total eligible expenditure	Share of cross-financing in the allocation	Certified cross-financing	Share of certified funds in the total eligible expenditure
4.1a	71 255 784	4	P7 Expenditure of the project was certified	1	2 517 415	2 872	0,004%	801	0,032%
4.1a	71 255 784	4	N7 Project not completed /withdrawn	1	2 652 584	236 536	0,332%	-	-
4.1a total	71 255 784	4		2	5 169 999	239 408	0,336%	801	0,015%
4.1b	5 481 215	4	P7 Expenditure of the project was certified	1	193 647	221	0,004%	62	0,032%
4.1b	5 481 215	4	N7 Project not completed /withdrawn	1	204 039	18 195	0,332%	-	-
4.1b Total	5 481 215	4		2	397 687	18 416	0,336%	62	0,015%

Source: IS Monit7+ as of 2 Jan 2014

CZK/EUR exchange rate: 27.14

Source of funding: Total eligible expenditure

2.1.C Information on the use of funds

Priority theme	Form of finance	Type of territory	Economic activity	Location	Amount in EUR as of the end of 2013	Allocation to priority theme 2007-2013 (EUR)
13 – Services and applications for citizens (<i>e-health, e-government, e-learning, e-inclusion</i>)	1	01, 05	17	CZO	386 420 267,50	461 833 111
53 – Risk prevention (incl. the drafting and implementation of plans and measures to prevent and manage natural and technological risks)	1	01, 05	17, 19	CZO	147 951 612,70	290 853 059
55 – Promotion of natural assets ⁶	1	01, 05	14, 17, 22	CZO	46 068 406,59	45 006 249,00
57 – Other assistance to improve tourist services	1	1	17, 22	CZO	7 235 105,95	20 220 199,00
58 – Protection and preservation of the cultural heritage	1	01, 05	17, 18, 22	CZO	188 636 888,40	198 389 481,00
59 – Development of cultural infrastructure	1	1	18, 22	CZO	12 100 505,17	15 345 930
61 – Integrated projects for urban and rural regeneration	01, 02	1, 05	00, 16, 17, 21, 22	CZO	161 738 633,94	213 377 956,00
75 – Education infrastructure	1	1	17, 22	CZO	5 744 393,85	7 241 304
76 – Health infrastructure	1	01, 05	19, 22	CZO	217 246 298,99	228 915 216,00
79 - Other social infrastructure	1	01, 05	03, 04, 06, 11, 12, 13, 14, 16, 17, 19, 20, 21, 22	CZO	83 469 277,01	87 608 481
81- Mechanisms for improving good policy and programme design, monitoring and evaluation at national, regional and local level, capacity building in the delivery of policies and programmes	01, 02	01, 05	17	CZO	14 538 362,40	15 530 107,00
85 - Preparation, implementation, monitoring and inspection	1	1	17	CZO	23 236 696,99	27 677 299,00
86 - Evaluation and studies; information and communication	1	1	17	CZO	5 206 262,72	7 023 9160
IOP total					1 299 592 712,21	1 619 022 308

Source: MSC2007 as of 31 Dec 2013, CZK/EUR exchange rate: 27.48, source of funding: EU share

Note: Form of finance: 01 – Non-repayable grant, 02 – Repayable grant

Territory type: 01 – Urban areas, 05 – Rural areas (other than mountains, islands and thinly or very thinly populated areas)

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

Location: CZO – Czech Republic

⁶ In the course of implementation of IA, the IOP MA identified differences between the actual absorption capacity and the originally planned shares of allocation distributed to priority themes 55 and 57. Priority theme 55 was overfulfilled due to higher absorption capacity of supported themes than anticipated, and at the same time lower absorption capacity was identified in priority theme 57. For this reason the lower share of originally planned funds was channelled to this theme.

2.1.D Assistance by target group

The target group with respect to beneficiaries are the public administration bodies and organisations established by them, non-governmental non-profit organisations, business entities and interest associations of legal persons.

Detailed classification of aid beneficiaries under individual priority axes is as follows:

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

A monthly updated list of assisted projects and aid beneficiaries is available on the Structural Funds website: <http://www.strukturalni-fondy.cz/cs/Microsites/Integrovaný-OP/Zadatele-a-prijemci/Seznam-podporenych-projektu>.

Investments in regions with concentrated state aid

Investments in regions with concentrated state aid are made in line with the approved Strategy for Regional Development of the CR for 2007 – 2013 period pursuant to the Resolution of the CR Government No 344 of 15 May 2013 which defined the regions facing economic difficulties supported by the state that consist of 57 municipalities with extended powers.

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

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

2. 1.E Assistance re-paid or re-used

In the monitored period, the IOP MA registered a total of 74 new cases of suspected irregularity, the total amount concerned / at risk was CZK 60 821 148 (EUR 2 366 417). The irregularities were registered in all intervention areas, except for 3.3, 3.4, 4.1, 6.1 and 6.2, with the largest number of irregularities registered in Intervention area 2.1.

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

The structure of the total number of newly registered suspected irregularities is as follows:

- 63 cases of justified irregularities,
- 2 cases of unjustified irregularities,
- 9 cases of confirmed irregularities,
- 0 cases of unconfirmed irregularities.

In confirmed irregularities, the sums wrongly paid were calculated at CZK 2 149 484.

According to the records in MSC2007, in 2013 the beneficiaries repaid a total of CZK 56 776.34 (EUR 2 195.87) of wrongly paid funds based on 9 cases of confirmed irregularities. All the funds were returned to the National Fund account and to the state budget.

In the course of 2013, the IOP MA closed the investigation of altogether 158 irregularities: Specifically, 4 irregularities were closed in Intervention area 1.1, 138 irregularities in IA 2.1, 1 irregularity in IA 3.4, 12 irregularities in IA 5.1, 1 irregularity in IA 5.2, and 2 irregularities in IA 5.3.

Table 16 - Irregularities registered in 2013 broken down by IA-MS2007

IA	Number of irregularities	Amount of funds affected by irregularities in CZK	Amount of funds affected by irregularities in EUR	Stage of irregularity investigation				
				Addressing the justification	Justified	Unjustified	Confirmed	Un-confirmed
1.1	8	43 132 293	1 677 223	0	3	2	3	0
2.1	58	5 033 348	194 591	0	56	0	2	0
3.1	1	56 776	2 196	0	0	0	1	0
3.2	4	7 484 865	293 159	0	3	0	1	0
3.4	0	0	0	0	0	0	0	0
4.1	0	0	0	0	0	0	0	0
5.1	1	4 930 204	191 859	0	1	0	0	0
5.2	1	27 662	1 128	0	0	0	1	0
5.3	1	156 000	6 261	0	0	0	1	0
6.1	0	0	0	0	0	0	0	0
Total	74	60 821 148	2 366 417	0	63	2	9	0

Source: MSC2007 as of 31 Dec 2013

At the same time 35 system irregularities were identified in operations or in the operational programme:

- 1 system irregularity at the Ministry of Culture IB in the amount of CZK 185 408 386,-,
- 34 system irregularities in the total amount of CZK 17 405 455 corresponding to the extrapolated corrections in the Annual Control Report 2011 (hereinafter referred to as the "ACR"), accounted for as at 18 October 2012 (see Table 17). In this case the errors are not caused by serious deficiencies identified in management and control systems. All these system irregularities entered in MSC2007 in September 2013 represent the **extrapolated corrections in the ACR 2011** which were deducted from the Statement of expenditure 2013.

Table 17 - System irregularities registered in 2013

IA	Number of irregularities	Volume of funds affected by irregularities in CZK
1.1	1	1 253 176
2.1	24	4 693 224
3.1	0	0
3.2	1	2 338 138
3.4	1	125 234
4.1	1	622 497
5.1	2	187 264 145
5.2	1	657 755
5.3	2	2 215 988
6.1	1	2 387 585
6.2	1	1 256 100
Total	35	202 813 841

Source: MSC2007 as of 31 Dec 2013

2. 1.F Qualitative analysis

In 2013, the approved projects reached the amount of EUR 1 770 million, which represents 93% of the total allocation for the programme. In majority of intervention areas the issued guidance documents cover more than 90 % of the allocation. The smallest share of approved projects is reported by Intervention area 3.4, namely 55.1 % of the allocation, where most of the remaining funds are allocated to two major projects submitted to the EC. Less than 90 % of the allocation has been approved in Intervention areas 1.1a, 1.1b (88.9 %) and 4.1a, 4.1b (89.9 %).

The share of approved funds in Intervention area 5.2 totalling 138.9 % is the result of a change in calculation of the EU share. Following the approval of revision of the IOP Programming Document by the EC in December 2013, the EU share is calculated from the total amount of funds, not from the public funds only. The MA adjusted the distribution of allocation between the sources of finance in financial tables so that the ratio between the Community and national financing is maintained at 85 %. At the level of projects, the structure of funds remained the same, with the share of private financing higher than that in the financial table of programme allocation.

The beneficiaries have received EUR 1 008.5 million, i.e. 52.9 % of programme allocation. The largest share of reimbursed funds in the allocation is shown in Intervention area 5.2 (97 %), 5.3 (93.8 %), 6.1a, 6.1b (65.1 %) and 3.2 (60.2 %). The lowest share of funds paid to beneficiaries is seen in Intervention areas 3.1 (22.3 %) and 3.4 (23.3 %).

The certified funds have reached the amount of EUR 980.4 million (51.5 % of the allocation). The largest share of certified expenditure is in intervention areas with the highest share of funds reimbursed to beneficiaries: 5.2 (95.5 %), 5.3 (93.1 %), 6.1a, 6.1b (61 %). The lowest share of certified expenditure is on the very contrary shown by intervention areas with the lowest share of funds reimbursed to beneficiaries: 3.1 (23 %), 3.4 (22.4 %).

Table 18 - Financial status of IOP in 2013

Intervention area	2007-2013 allocation	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Funds to be certified	
	EUR	EUR	%	EUR	%	EUR	%
1.1a	342 284 804	304 307 899	88,9%	185 997 275	54,3%	182 875 801	53,4%
1a	342 284 804	304 307 899	88,9%	185 997 275	54,3%	182 875 801	53,4%
1.1b	26 329 602	23 408 301	88,9%	14 307 380	54,3%	14 067 370	53,4%
1b	26 329 602	23 408 301	88,9%	14 307 380	54,3%	14 067 370	53,4%
2.1	174 718 668	158 618 680	90,8%	89 808 503	51,4%	89 363 599	51,1%
2	174 718 668	158 618 680	90,8%	89 808 503	51,4%	89 363 599	51,1%
3.1	64 286 158	61 180 996	95,2%	14 320 443	22,3%	14 765 442	23,0%
3.2	292 331 419	282 430 781	96,6%	175 867 953	60,2%	166 741 368	57,0%
3.3	47 301 825	45 561 914	96,3%	21 641 060	45,8%	21 053 034	44,5%
3.4	319 160 670	175 834 486	55,1%	74 287 196	23,3%	71 526 155	22,4%
3	723 080 072	565 008 177	78,1%	286 116 652	39,6%	274 086 000	37,9%
4.1a	71 255 784	64 075 444	89,9%	32 324 348	45,4%	32 157 335	45,1%
4a	71 255 784	64 075 444	89,9%	32 324 348	45,4%	32 157 335	45,1%
4.1b	5 481 215	4 928 899	89,9%	2 486 362	45,4%	2 473 518	45,1%
4b	5 481 215	4 928 899	89,9%	2 486 362	45,4%	2 473 518	45,1%
5.1	251 453 425	243 824 441	97,0%	111 312 643	44,3%	111 838 102	44,5%

Intervention area	2007-2013 allocation	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Funds to be certified	
	EUR	EUR	%	EUR	%	EUR	%
5.2	251 032 890	348 779 701	138,9%	243 614 524	97,0%	239 444 365	95,4%
5.3	18 270 715	18 411 630	100,8%	17 130 807	93,8%	17 012 438	93,1%
5	520 757 030	611 015 772	117,3%	372 057 973	71,4%	368 294 905	70,7%
6.1a	31 973 750	30 478 968	95,3%	20 799 910	65,1%	19 500 804	61,0%
6.2a	8 114 236	8 027 494	98,9%	4 148 158	51,1%	4 074 259	50,2%
6a	40 087 986	38 506 462	96,1%	24 948 068	62,2%	23 75 063	58,8%
6.1b	587 779	560 349	95,3%	382 516	65,1%	358 631	61,0%
6.2b	149 197	147 584	98,9%	76 298	51,1%	74 931	50,2%
6b	736 976	707 933	96,1%	458 814	62,3%	433 562	58,8%
Total for IOP	1 904 732 137	1 770 577 568	93,0%	1 008 505 374	52,9%	980 475 289	51,5%

Source MSC2007 as of 31 Dec 2013; CZK/EUR exchange rate: 27.48; Source of funding: EU share +national public funds + private financing; **Convergence objective**; RCE objective

In 2013, the amount of funds covered by the Decision increased by EUR 134.4 million, which equals 8.3 % of the programme allocation. The most notable increase was achieved in Intervention areas 3.1 (33.85 %) and 4.1a and 4.1b (22.9 %). A decline was seen in Intervention areas 2.1 (-8.11 %) and 1.1a, 1.1b (-2.78 %) due to the withdrawal of projects from implementation and savings made in conducted tenders.

Funds paid to beneficiaries in 2013 amounted to EUR 277.5 million (17.14%), the most notable increase was made in Intervention areas 3.3 (36.45 %). 4.1a, 4.1b (27.9%) and 2.1 (25.8 %). The slowest progress in reimbursing the funds to beneficiaries was recorded in Intervention areas 5.3 (2.65 %), 6.2a, 6.2b (7.02 %) and 3.2 (10 %).

In 2013, **expenditure** amounting to EUR 356 million **was certified**, which represents 22 % of the programme allocation. The most distinctive rise was seen in Intervention areas 3.3 (37.36 %), 4.1 (33.17 %), 2.1 (32.65 %). The smallest increase of certified expenditure was shown in intervention areas with low increase in the volume of reimbursed funds: 5.3 (3.78 %), 3.2 (11.73 %) and 6.2a, 6.2b (12.7 %).

Evaluation of progress made in individual intervention areas in 2013 is provided in Chapter 3 Programme Implementation by Priority Axis.

Table 19 - Financial progress of IOP in 2013

Intervention area	2007-2013 allocation	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Funds to be certified	
	EUR	EUR	%	EUR	%	EUR	%
1.1a	290 942 083	-8 101 480	-2,78%	57 465 635	19,75%	69 498 886	23,89%
1a	290 942 083	-8 101 480	-2,78%	57 465 635	19,75%	69 498 886	23,89%
1.1b	22 380 161	-623 191	-2,78%	4 420 434	19,75%	5 346 068	23,89%
1b	22 380 161	-623 191	-2,78%	4 420 434	19,75%	5 346 068	23,89%
2.1	148 510 867	-12 038 497	-8,11%	38 312 819	25,80%	48 485 786	32,65%

Intervention area	2007-2013 allocation	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Funds to be certified	
	EUR	EUR	%	EUR	%	EUR	%
2	148 510 867	-12 038 497	-8,11%	38 312 819	25,80%	48 485 786	32,65%
3.1	54 643 234	18 495 502	33,85%	8 514 832	15,58%	9 947 288	18,20%
3.2	248 481 706	39 218 495	15,78%	25 569 169	10,29%	29 141 684	11,73%
3.3	40 206 551	5 217 987	12,98%	14 656 794	36,45%	15 022 025	37,36%
3.4	271 286 569	13 524 765	4,99%	39 386 725	14,52%	41 084 929	15,14%
3	614 618 060	76 456 749	12,44%	88 127 521	14,34%	95 195 926	15,49%
4.1a	60 567 416	13 868 789	22,90%	16 906 001	27,91%	20 093 452	33,18%
4a	60 567 416	13 868 789	22,90%	16 906 001	27,91%	20 093 452	33,18%
4.1b	4 659 032	1 397 643	30,00%	1 300 459	27,91%	1 545 547	33,17%
4b	4 659 032	1 397 643	30,00%	1 300 459	27,91%	1 545 547	33,17%
5.1	213 735 411	16 090 425	7,53%	39 731 125	18,59%	48 469 829	22,68%
5.2	213 377 956	44 178 099	20,70%	24 771 057	11,61%	58 681 705	27,50%
5.3	15 530 107	1 392 444	8,97%	412 259	2,65%	587 343	3,78%
5	442 643 474	61 660 967	13,93%	64 914 441	14,67%	107 738 876	24,34%
6.1a	27 177 687	1 747 884	6,43%	5 447 446	20,04%	7 047 388	25,93%
6.2a	6 897 100	26 578	0,39%	484 570	7,03%	875 608	12,70%
6a	34 074 787	1 774 462	5,21%	5 932 016	17,41%	7 922 996	23,25%
6.1b	499 612	32 134	6,43%	100 149	20,05%	129 564	25,93%
6.2b	126 816	489	0,39%	8 909	7,02%	16 098	12,69%
6b	626 428	32 623	5,21%	109 058	17,41%	145 661	23,25%
Total for IOP	1 619 022 308	134 428 065	8,30%	277 488 383	17,14%	355 973 198	21,99%

Source MSC2007 as of 31 Dec 2013; CZK/EUR exchange rate: 27.48; Source of funding: EU share +national public funds + private financing; **Convergence objective**; RCE objective

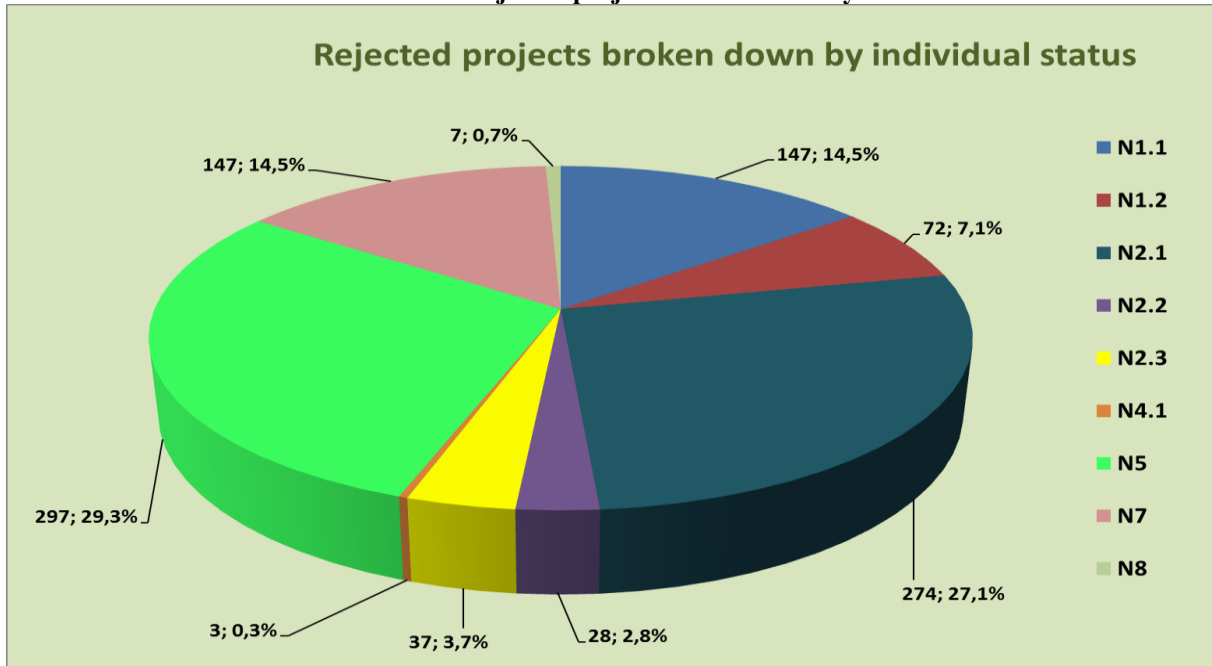
Information on rejected projects

The IOP MA monitors the statistics of rejected projects based on their positive and negative status. The rejection of a project in the period prior to the issuance of the legal act (status N1.1, N1.2, N2.1, N2.2, N2.3 and N5) is distinguished from the rejection in the period following the issuance of the legal act (status N7, N8). Projects can be rejected based on a decision of the applicant, which corresponds to status N5 Project application withdrawn by the applicant and N7 Project not completed/withdrawn in IS Monit7+ IOP), or based on a decision of the MA/IB (hereinafter referred to as denied projects).

As of 31 Dec 2013, of the total number of 9 284 submitted project applications 1 012 applications were rejected. In 297 cases the project application was withdrawn by the applicant, which constitutes 29 % of all the rejected applications. The most frequent reason for project denial was the non-compliance with evaluation requirements, namely in 274 cases representing 27 % of all the rejected projects, whereas 147 project applications, i.e. 14.5 %, failed to meet at least one eligibility criterion.

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

Chart 4 - Rejected projects broken down by status



N1.1 Project application failed to meet at least one of the eligibility criteria

N1.2 Project application failed to meet formal requisites

N2.1 Project failed to meet evaluation requirements

N2.2 Letter on rejection of project application based on ex-ante check was sent

N2.3 Project was not recommended for financing by the Selection Committee

N4.1 Issuance of Decision on providing a grant/Statement of expenditure was denied

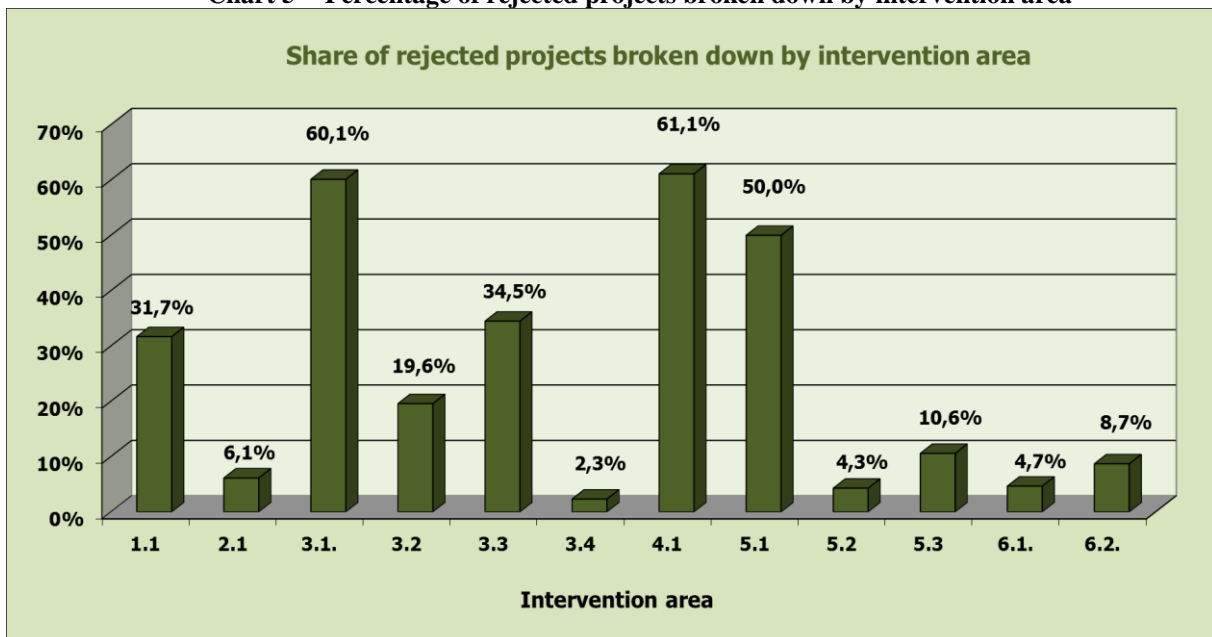
N5 Project application was withdrawn by the applicant

N7 Project was not completed/project was withdrawn

N8 Contract was terminated by the MA/IB

Source: IS Monit7+ IOP as of 2 Jan 2014

Chart 5 - Percentage of rejected projects broken down by intervention area



Source: IS Monit7+ IOP as of 2 Jan 2014

A high percentage of rejected projects **in Intervention area 3.1** is caused to a certain degree by the development in recent years, when the share of rejected projects in this IA was always the highest. In 2013, the share of rejected projects increased - from 55.2 % in 2012 to 60.1 %. In 2013, altogether 73 project applications were rejected, most often on the grounds of not meeting the evaluation requirements (in 43 cases), and additional 12 applicants withdrew their application.

Intervention area 4.1 shows a persistently high share of rejected projects and as against 2012 (64.5 %) in 2013 it slightly dropped to 61.1 %. Of the total number of 110 rejected project applications, 12 applications were rejected in 2013. In 8 cases the project application failed to meet the evaluation requirements.

Intervention area 5.1 reports the third highest share of rejected projects. It is caused most frequently by non-compliance with the conditions of the call and in more than 50 percent of cases by the failure to meet the eligibility criteria. In 2013, no new projects were evaluated and no project application was withdrawn by the applicant.

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

Horizontal themes

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

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

Equal opportunities

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

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

Table 20 - Equal opportunities

Monitoring of horizontal themes	Unit of measurement	Number of projects
Project focuses on equal opportunities	Number of projects	96
Project has a positive impact on equal opportunities	Number of projects	6236
Project has a neutral impact on equal opportunities	Number of projects	1927

Source: IS Monit7+ as of 2 Jan 2014

Before the end of 2013, the Decision on providing a grant/Statement of expenditure was issued for a total of 8 259 projects⁷, of which 1 927 projects have a neutral impact on equal opportunities, 6 236 projects have a positive impact on equal opportunities, and the remaining 96 projects are focused on supporting equal opportunities. The high number of projects with a positive impact is given by the high number of project applications received in call No 2 for CzechPoint projects, where all 5 272 approved projects have a positive impact on equal opportunities.

Sustainable development

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

Table 21 - Sustainable development

Monitoring of horizontal themes	Unit of measurement	Number of projects
Project focuses mainly on the environment	Number of projects	8
Project has a positive environmental impact	Number of projects	998
Project is environmentally neutral	Number of projects	7120
Project will help improve the air quality	Number of projects	226
Project will help improve the quality of water	Number of projects	179
Project will use alternative sources	Number of projects	16
Project will enlarge the area of urban vegetation	Number of projects	40
Project will improve population awareness of environmental protection	Number of projects	31
Project requires an environmental impact assessment	Number of projects	80

Source: IS Monit7+as of 2 Jan 2014

Projects, for which by the end of 2013 the Decision on providing a grant/Statement of expenditure was issued are mostly environmentally neutral – 7 120 projects, of which 5 272 in Intervention area 2.1, under which the CzechPoint type projects are implemented. Fairly many projects have a positive environmental impact (998 projects), or require an environmental impact assessment (226 projects). Moreover, 179 projects under IOP will help improve the air quality, 80 projects will improve population awareness of environmental protection, 31 projects will enlarge the area of urban vegetation, 40 projects will use alternative sources, 16 projects will help improve the quality of water, and 8 projects focus on the environment (all of them under Intervention area 5.2).

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

- a) In construction projects the applicants shall present the zoning and planning decision and building permission, whose inseparable part is also the assessment and elimination of the environmental impact of the project,
- b) If a project is subject to the environmental impact assessment pursuant to Act No 100/2001 Coll., or the assessment of the project impact on the NATURA 2000 sites pursuant to Act No 114/1992 Coll., on nature and landscape protection as amended, the beneficiary shall also present these documents,

⁷ Throughout this report, where reference is made to monitoring of the impact of projects on equal opportunities or sustainable development, it concerns only the approved projects in positive status (i.e. without rejected projects).

- c) In project application the applicants shall describe the impact of the project on the environment,
- d) When assessing the projects at the level of IB, the environmental effects or impacts of the project are considered: during the eligibility check the projects showing negative impact on the environment are automatically rejected, while when evaluating the projects based on the pre-determined selection criteria, the projects having a positive impact on the environment are awarded preferential scoring.

Lisbon Strategy

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

The NRP of the CR (Government Resolution No 1200/2005) provides integrated and coherent interlinkage between the macroeconomic and microeconomic policies and the employment policy. The NRP is scheduled for a three-year period and when defining priorities the emphasis was put on their feasibility in the given period, on the set expenditure frameworks of the CR budget, on the mutual synergy effect of individual measures and the ability of evaluating them.

Table 22 - Lisbon strategy priorities as reflected in IOP priorities

Priority theme	2007-2013 allocation (EUR)	Absorbed in 2013 of 2007-2013 allocation ⁸
13 – Services and applications for citizens (e-health, e-government, e-learning, e-inclusion)	461 833 111	28,52 %
TOTAL	461 833 111	28,44 %

Source: MSC2007 as of 31 Dec 2013

IOP contribution to Europe 2020 strategy

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

Each CSF Fund (in case of IOP it concerns only the ERDF) shall support 11 thematic objectives in accordance with its mission in order to contribute to the Union strategy for smart, sustainable and inclusive growth, defined in Article 9 of Regulation of the EP and of the Council (EU) No 1303/2013 laying down common provisions on ESI funds. The thematic objectives are reflected in investment priorities defined in specific rules applicable for each ESI Fund (in case of ERDF stipulated in Article 5 of Regulation of the EP and of the Council (EU) No 1301/2013 on the ERDF).

The Integrated Operational Programme was adopted by the European Commission in December 2007, i.e. at the time of validity of the so called Lisbon strategy. In line with Article 9 para 3 and Annex IV to Regulation No 1083/2006 (Regulation laying down general provisions) the support of EU priorities in the framework of IOP concerns only the Priority axes 1a and 1b (Modernisation of public

⁸ The value of 90 % of approved projects was given in the Annual Report of IOP for 2011. The value of 28.52 % given in the Annual Report of IOP for 2013 means the absorbed funds of the total allocation for the priority theme.

administration) and 2 (Introducing ICT in territorial public administration). It largely consists in the introduction of information and communication technology in central and territorial public administration. In total, 28.5 % of IOP allocation (IOP Programming Document, 2013) goes into the support of these priority axes.

Even though the IOP was adopted and implemented long before the adoption of Europe 2020 strategy, it is directly linked to the objectives of Europe 2020 strategy. It applies to the following priority axes or intervention areas of IOP:

- a) PA 1a, 1b and 2 – a link to the integrated guideline 4 (interalia the development of e-government) and thematic objective 2 Enhancing access to, and use and quality of, ICT (also a link to thematic objective 11 Enhancing institutional capacity and efficient public administration),
- b) Intervention area 3.1 Social integration services – a link to the integrated guideline 10 (Promoting social inclusion) and thematic objective 9 Promoting social inclusion and combating poverty,
- c) Intervention area 3.2 Public health services – a link to integrated guideline 10 (efforts should also concentrate on ensuring equal opportunities, including through access to affordable, sustainable and high quality services and public services) and thematic objective 9, investment priority 9a (investing in health and social infrastructure which contributes to national, regional and local development,
- d) Intervention area 3.3 Employment services – a link to integrated guideline 7 (increasing labour market participation) and thematic objective 8 Promoting employment and supporting labour mobility, namely to investment priority 8d (investing in infrastructure for employment services),
- e) Intervention area 3.4 Services in security, risk prevention and management – a link to thematic objective 5 Promoting climate change adaptation, risk prevention and management, namely investment priority 5b Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems (equipment of the Integrated Rescue System of the Czech Republic),
- f) Intervention area 5.2 Improving the environment in problematic housing estates – a partial link to integrated guideline 5 (Improving resource efficiency and reducing greenhouse gases – energy savings in housing stock) and integrated guideline 10 (Promoting social inclusion); a partial link to thematic objective 4 Supporting the shift towards a low-carbon economy in all sectors (investment priority 4c – Supporting energy efficiency and renewable energy use in public infrastructure, including in public buildings, and in the housing sector) and thematic objective 9 Promoting social inclusion (investment priority 9b – Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas),
- g) Intervention area 5.3 Modernisation and development of systems for creating territorial policies – a link to thematic objective 11 Enhancing institutional capacity and efficient public administration.

The referred to priority axes and intervention areas with a link to Europe 2020 strategy cover roughly four fifths of IOP allocation.

Table 23 - Links of IOP intervention areas to thematic objectives of Europe 2020 strategy

Priority axis, intervention area	Link to thematic objective (number of TO)	Share in IOP allocation (in %)
Priority axis 1a, 1b Modernisation of public administration	TO – 2/TO 11	19,35
Priority axis 2 Introducing ICT in territorial public administration	TO – 2/TO 11	9,17
Intervention area 3.1 Social integration services	TO - 9	3,38
Intervention area 3.2 Public health services	TO - 9	15,35
Intervention area 3.3 Employment services	TO - 8	2,48
Intervention area 3.4 Services in security, risk prevention and management	TO - 5	16,76
Intervention area 5.2 Improving the environment in problematic housing estates	TO - 4/TO - 9	13,18
Intervention area 5.3 Modernisation and development of systems for creating territorial policies	TO - 11	0,96
Total		80,63

Source: Programming Document IOP 2013

On 10 July 2012 the Council of the European Union adopted the Recommendation on the Czech Republic's 2012 National Reform Programme and the opinion on the Czech Republic's Convergence Programme for 2012 – 2015. The Council of the European Union adopted a total of 6 recommendations for the Czech Republic.

- Recommendation 1 – it is not relevant for the IOP implementation, it focuses on addressing macroeconomic issues (budget deficit, improving tax collection, reducing tax evasion, avoiding across-the-board cuts in the budget, etc.).
- Recommendation 2 – it is not relevant for the IOP implementation, it focuses on changes in the public pension scheme to ensure its long-term sustainability.
- Recommendation 3 – it is not relevant for the IOP implementation. Matters related to substantial improvement in availability of affordable and quality pre-school childcare are in the CR mainly within the competence of municipalities and falls under the Regional Operational Programmes.
- Recommendation 4 – a link to IOP and OP HRE with the view to strengthen public employment services. In IOP these matters are covered by Intervention area 3.3 Employment services which since the very beginning has faced difficulties in the absorption of allocated funds. In 2012 and 2013 measures were taken to accelerate the implementation of projects (responsible for the implementation was MoLSA CR).
- Recommendation 5 – Adopt and make effective the Civil Servants Act, to ensure adequate implementation of the new Public Procurement Act, to ensure flawless use of EU Funds and to step up the fight against corruption. The preparation of the Civil Servants Act is within the remit of the MoI CR and MoLSA CR. The Act is likely to be adopted in 2014. The amendment to Public Procurement Act (Act No 55/2012 Coll.) was incorporated in the IOP documentation. The matters concerning the flawless use of EU Funds were addressed throughout the year in the framework of crisis management in cooperation with the MRD – NCA (a total of 36 corrective measures ensuing from the measures included in the Action Plan).
- Recommendation 6 – it is not relevant for the IOP implementation. It concerns the system for quality evaluation of higher education and research institutions which is under the responsibility of MEYS CR. The evaluation framework aimed at improvements in compulsory

school attendance is within the remit of MEYES CR, but also within the remit of regions and municipalities. (It is linked primarily to the implementation of the OP Education for Competitiveness.)

On 9 July 2013, the Council adopted the Recommendations on the Czech Republic's 2013 National Reform Programme and the opinion on the Czech Republic's Convergence Programme for 2012 – 2016. The Council of the European Union adopted a total of 7 recommendations for the Czech Republic.

- Recommendation 1 – it is not relevant for the IOP implementation, it is focused on eliminating an excessive budget deficit in 2013 and in the following years (a link to the recommendation 1 of 2012). Essential for IOP is the fact that the expenditure on co-financing the Structural Funds programmes was not cut down in 2013 or 2014 budget and it was committed in a timely manner.
- Recommendation 2 – it is not relevant for IOP implementation, it addresses matters concerning the reduction of high labour taxation by shifting the taxation to those areas that affecting the growth to a lower degree.
- Recommendation 3 – it is not relevant for IOP implementation, it deals with raising the retirement age (a link to the recommendation 2 of 2012), associated measures promoting employability of senior persons, and measures that would markedly improve the cost-effectiveness of health care.
- Recommendation 4 – a link to IOP and OP HRE with the view to strengthen public employment services (see the recommendation 4 of 2012). The question of increasing the availability of childcare facilities is irrelevant for IOP, it is addressed by Regional Operational Programmes (see the recommendation 3 of 2012).
- Recommendation 5 – see the recommendation 5 of 2012. With respect to combating corruption, in January 2013 the Government approved the updated anti-corruption strategy for 2013–2014. Its crucial element is the amendment to the Public Procurement Act (Act No 55/2012 Coll.). The Civil Servants Act will be prepared most likely in 2014. As concerns better administration of EU funds in the programming period 2014–2020, the MRD – NCA has been working on the uniform methodological environment in keeping with the Government Resolution No 345 of 15 May 2013. In the course of 2013, the following methodological guidelines were approved: for preparation of programming documents, rules of management and coordination of the Partnership Agreement, for evaluation, creation and use of indicators, eligibility of expenditure and their reporting, risk management, a guideline for managing the calls, evaluation and selection of projects. Methodological documents have been compiled on monitoring, award of public contracts, publicity and communication, and preparation of guidance documents of programmes; more methodological guidelines will be drafted in the first half of 2014.
- Recommendation 6 – it is not relevant for IOP, the recommendation falls within the remit of MEYS (evaluation framework for primary education, improving the system of accreditation and funding of higher education institutions, performance-based funding for research institutions).
- Recommendation 7 – the recommendation concerning the reduction of a high number of regulations of professions is not relevant for IOP. Measures on improving the energy performance of buildings and industries is partly relevant for IOP, Intervention area 5.2 Improving the environment in problematic housing estates, activity 5.2b Regeneration of residential buildings.

2.2 Compliance with Community legislation

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

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

Rules of competition

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

The central state administration authority ensuring the support and protection of competition is pursuant to Act No 273/1996 Coll. the Office for the Protection of Competition. As defined in Act No 215/2004 Coll., on regulating certain relationships in the field of state aid, as amended and in Act No 137/2006 Coll., on public contracts as amended, the OPC also ensures the coordination and monitoring in the field of public contracts and state aid. By amendments to Act No 215/2004 Coll. implemented through Act No 109/2009 Coll., including the follow-up implementing Decree No 465/2009 Coll. of 15 Dec 2009 and Act No 236/2012 Coll., the central register of de minimis aid was set up in the Czech Republic, in which starting from 1 January 2010 all the providers are obliged to enter the data on de minimis aid. In the framework of IOP, this obligation is applicable to Intervention area 3.1 Social integration services, activity 3.1c) Social economy, where the assistance is provided by MoLSA.

The observance of the rules of competition is incorporated in eligibility checks of applications for support, in risk analysis of projects and checklists for the conduct of administrative checks and on-the-spot checks. An obligatory component of the call for project proposals and the Handbook for Applicants and Beneficiaries is, in line with the IOP Operational Manual, the information on public procurement and state aid rules.

Public procurement

All the beneficiaries are obliged to proceed in line with Act No 137/2006 Coll. which reflects the European Directives 2004/17/EC and 2004/18/EC governing the award of public contracts.

In order to supplement the public procurement rules, the IOP MA in 2013 issued the Methodological Guidelines No 38, 42 and 45. Summary information on methodological guidelines is given in Chapter 2.4.

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

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

State aid

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

- aid compatible with de minimis rule pursuant to Commission Regulation (EC) No 1998/2006 on the application of Articles 107 and 108 of the Treaty to de minimis aid; it applies to activity 3.1c), (when the aid is granted by MoLSA; since 1 January 2010 the providers of de minimis aid shall register in the central register of de minimis aid every provision of de minimis aid no later than 5 working days following the issuance of the Decision on providing a grant,
- aid granted in Intervention area 5.2, activities related to regeneration of residential buildings, approved by the European Commission on 10 December 2008 by Decision No K(2008) 7845, the European Commission confirmed that the proposed aid scheme constitutes state aid as defined in Article 107 para 1 of the Treaty of the Functioning of the EU, the aid is granted by MRD CR.

On 19 July 2012 the MA requested the launch of pre-notification of the change of support N 342/2008, approved by Commission Decision C(2008) 7845 of 10 December 2008, consisting in the addition of JESSICA financial instrument. The process of notification was completed on 23 January 2013 by the issuance of the Decision of the Commission on changes in the original state aid scheme.

The European Commission approved the extended period of application of the regional aid map. Based on the conditions laid down in the prolonged regional aid map, the regional support can be granted in the territory of the Czech Republic until and including 30 June 2014.

The European Commission in its Decision of 24 October 2013 stated that the prolongation of the regional aid map 2007-2013 until 30 June 2014 fulfils the conditions laid down in the Guidelines on national regional aid for 2007-13 and is in accordance with the extended period of application of these Guidelines as provided for in the Guidelines on Regional State Aid for 2014-20.

State aid related matters are monitored in projects:

- during the project eligibility check, one of the specific project eligibility criteria is the assessment as to whether the project complies with the state aid rules for the respective intervention area,
- based on the monitoring reports on the progress of project implementation,
- during the control of applications for payment,
- during the project risk analyses
- during ex-ante, interim and ex-post checks of projects,
- during the audit on a sample of operations conducted by the Audit Authority,
- when investigating the suspected irregularity.

Revenue-generating projects

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

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

The IOP Operational Manual lays down the procedures for revenue-generating projects, the total costs of which are higher than EUR 1 million and that simultaneously meet other conditions as laid down in Article 55 of the General Regulation. In IOP the procedures for revenue-generating projects required by the General Regulation are applied to all the projects if the total forecast expenditure, as stated in project application, is higher than or equal to CZK 20 million.

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

Table 24 - Overview of calls in IOP, facilitating the submission of revenue-generating projects

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

Source: IOP MA

In 2012 and 2013 only the calls for projects not generating revenues were published.

Environmental protection

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

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

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

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

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

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

IBs are obliged to monitor the environmental impact of the project:

- during risk analyses,
- during ex-ante, interim and ex-post checks of projects,
- during the checks of monitoring reports,
- during the checks of progress reporting,
- during the checks of applications for payment,
- when assessing changes in projects.

Promoting equal opportunities

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

Within the IOP, matters related to equal opportunities are considered for the first time during the project eligibility check, when the potential negative impact of the project on equal opportunities is checked. In case a negative impact on equal opportunities is ascertained, the project fails to meet the eligibility criterion and is rejected from further administration. When evaluating the quality of projects, the IOP OM gives a list of various types of activities which can have a positive impact on equal opportunities and which always have a neutral impact on equal opportunities. The positive impact on equal opportunities is given preferential scoring and subsequently, during the following administration and controls fulfilment and sustainability of these impacts are monitored.

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

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

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

IBs are obliged to monitor the impact of the project on equal opportunities:

- during risk analyses,
- during ex-ante, interim and ex-post checks of projects,
- during the checks of monitoring reports,
- during the checks of progress reporting,
- during the checks of applications for payment,
- when assessing changes in projects.

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

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

Audit of the European Commission

Audit of the European Commission No 2011/CZ/REGIO/J4/870/8

Focus of the audit: On 12 – 16 September 2011, the Directorate-General for Regional Policy of the European Commission conducted audit No 2011/CZ/REGIO/J4/870/8 at the Audit Authority, or at the Delegated Audit Body, and also at the IOP MA, IOP Intermediate Bodies and at selected aid beneficiaries.

The main aim of the audit was to obtain assurance that activities performed by the Audit Authority and bodies on which it relies, comply with the requirements laid down in Council Regulation (EC) No 1083/2006, especially with Article 62. It also aimed to evaluate the reliability of results of activities carried out by the Audit Authority that are presented in the Annual Control Report and in the Annual Opinion. The final report from the audit was received by the IOP MA on 15 April 2013.

Audit findings: All the findings referring to the IOP were closed by DG Regio, except for the finding related to project No CZ.1.06/6.1.00/01.00131 “Other costs of IOP Technical assistance – MoC IB“. The EC requests a financial correction in line with COCOF 07/0037/03 to the extent of 25 % of the contract value. The correction concerned two public contracts, where the contractors were Produkční společnost GH, s.r.o. and Anect, a.s.

Implementation of measures: The corrections in project No CZ.1.06/6.1.00/01.00131 were addressed by the IOP MA with the PCA and the Audit Authority of the MoF CR. On 3 December 2013, the required correction was accounted for by the PCA and according to the IOP MA the finding was closed.

Audits of the Supreme Audit Office

Audit No 12/36 of SAO

Focus of the audit: On 26 Aug 2013, the SAO Board approved the audit conclusions from the audit No 12/36 called “Funds used for the purchase and operation of the system of data boxes“. The audit covered the project No CZ.1.06/1.1.00/03.05334 called “Information system of data boxes“. The audit verified whether the funds used for introduction and operation of the system of data boxes (hereinafter referred to as the DS) were used in an effective and economic way and to what extent the required objectives were accomplished.

Audit findings: The SAO findings indicate that the Ministry of Interior of the CR failed to impartially evaluate whether the introduction of the system of data boxes brought the expected benefits in the form of cutting short the duration of procedures at public authorities and more effective performance of their activities. By the end of the audit the MoI CR failed to purchase licences for the DS software and databases. The sustainability of the DS is guaranteed by a contract between the MoI and Česká pošta (hereinafter referred to as the ČP) until the end of 2017. In case of postal market liberalisation the MoI may be exposed to the risk of more challenging conditions for the selection of a supplier. According to the SAO finding, the Act No 300/2008 Coll. allowed Česká pošta, s. p., which is the only postal licence holder in the territory of the CR, to act as the only possible supplier towards the MoI. This situation placed the ČP into an advantageous position when entering into the contract with the MoI. The Ministry of Interior signed a contract and several addenda to this contract with Česká pošta, s. p. in the manner that made it impossible for the Ministry to influence the prices charged for the

services. The SAO in its conclusion from the audit No 12/36 did not state any violation of budgetary discipline.

Measures taken: On 17 Sep 2013, the IOP MA commenced a public administration on-the-spot check No 57/2013/I, focusing on the achievement of objectives of Smart Administration strategy and IOP indicators in Intervention area 1.1. As of 31 Jan 2014 the check was still under way.

In this project, the IOP MA has registered an irregularity ever since the 3rd quarter of 2011 based on the audit on operation No 23/11/005/DAB, which quantified the certified ineligible expenditure associated with the award of public contracts at CZK 1 862 098. The Tax Office, upon the received motion, conducted a control and on 15 Aug 2012 imposed a levy upon the beneficiary. The Tax Office recovered CZK 1 764 777.97, equalling the SF share, and CZK 311 431.41 equalling the SB share of funds. On 18 Oct 2012, an individual correction was accounted for in this project in line with the ACR 2011 in the amount of CZK 118 170.53, which corresponds to the SF share, and CZK 20 853.62, which corresponds to the SB share of funds.

Audit No 13/12 of SAO

Focus of the audit: The SAO Board on its meeting held on 2 Dec 2013 approved the audit conclusion from audit No 13/12 - “Funds spent on the preparation, implementation and operation of the system of basic registers“. The audit focused on project No CZ.1.06/1.1.00/03.05889 – Register of Inhabitants (hereinafter referred to as “ROI”), on project No CZ.1.06/1.1.00/03.05890 - Register of Rights and Obligations (hereinafter referred to as the “RRO“) and on project No CZ.1.06/1.1.00/03.05891 - Information System of Basis Registers” (hereinafter referred to as “ISBR“). The audit concentrated on procedures of preparation, implementation, operation and administration of referred to projects. As of 30 Jun 2013, the MoI and the National Registers Authority (hereinafter referred to as the “NRA”) spent a total of CZK 1 602 925 637 on the referred to activities and expenditure amounting to CZK 1 556 655 928 was audited.

Audit findings: The MoI caused a delay in the launch of operation of basic registers by drawing up addenda to tender documentation, provision of additional information and by concluding a contract on implementation of ISBR only after a year following the issuance of the decision on selection of the best bid, by which it violated Act No 137/2006 Coll., on public contracts (Public Procurement Act). The delays were also brought about by decisions of the Office for the Protection of Competition, which revoked the decisions of the Evaluation Committees on selection of the best bids for ROI and RRO.

The MoI delegated to the NRA the responsibility ensuring data centres, where the technology of basic registers should be placed. The NRA was pressed for time when it concluded contracts on provision of services of data centres due to the necessity to observe the deadline for the basic registers going live. The NRA did not examine whether or not the use of other centres would be more cost-effective.

The way of financing the operation of basic registers in 2013 - 2015 period was approved by the Resolution No 661 of the CR Government of 12 September 2012 on providing financial support to the operation of basic registers in 2013-2015 period. As to the conditions for financing from the EU funds, the sustainability of basic registers projects for the period of five years shall be ensured. By the end of the SAO audit, the way of financing of the operation of basic registers in 2016 - 2018 period in order to ensure the project sustainability has not been identified. After a one year of operation of basic registers, the ISBR performed its function, i.e. facilitated an access to basic registers and the use of data stored therein; the ROI kept the data on natural persons; RRO was prepared in keeping with the concept of managing the access of all agenda information systems and their users to the basic registers' services. Nonetheless, the RRO failed to meet the objectives of its reference section since it could not use the reference data on legislation obtained from the inputs of *eCollection* project or the information

helping to optimise the public administration processes obtained from the project called *Process modelling of agendas* because these projects have not yet been completed.

Opinion of MoI CR to the SAO audit finding:

The SAO in agreement with the MoI stated that the operation of ROI, RRO and ISBR projects at the time of the audit was stable and met the expectations in terms of impact and efficiency. The operation of basic registers was in compliance with the Act on basic registers launched on 1 July 2012 and at present the basic registers are, together with the information system of data boxes and the Czech POINT system, an indispensable part of the Czech eGovernment.

Controls of basic registers carried out by the MoI CR and IOP MA

The IOP MA or the MoI CR Intermediate Body carried out controls of all projects of basic registers. In 2013, the MoI CR imposed financial corrections in the course of controls of tenders for an implementor of RRO, ROI and ISBR. The finding was confirmed by the Audit Authority within the audit of operations 2013.

Based on the results of the control of tenders at the MoI CR, the IOP MA decided to carry out a control of all approved tenders as a control of completeness of documents in 267 tenders and a physical check in a total of 244 tenders (letter with Ref. No MV-81657-1/OSF-2013 of 1 July 2013). By the end of 2013 those tenders were checked, the funds of which were certified in 2013 (altogether 129 tenders). If a deficiency was identified, financial corrections were applied. In 2013, a total of 142 checks of public contracts were commenced, in 32 cases administrative shortcomings were detected and in 11 public contracts an error was identified, which resulted in an application of financial correction.

MoI CR controls all tender documentation before the launch of the contract award or tender procedure in the amount of CZK 200 000 or more, therefore it tries hard to prevent the occurrence of ineligible expenditure. It checks the documents before the contract is signed with the contractor if the expected value of delivery exceeds the amount of CZK 499 999.9 and after the contract with the contractor is signed.

Audits of operations 2013

In 2013, the audit of operations was conducted by the Audit Authority of the Ministry of Finance of the CR (hereinafter referred to as the "AA") in 69 projects under IOP. Of the total number of 69 audits, 46 were closed with no corrections. Altogether 23 projects with a finding were reported in the ACR 2013 and the irregularities were registered in MSC2007 system. These irregularities were in accordance with the current version of the Methodology of financial flows and controls of programmes co-financed from the Structural Funds, Cohesion Fund and the European Fisheries Fund for the programming period 2007-2013 registered as "confirmed irregularity".

The error rate of IOP, ensuing from the ACR for 2013, was set by the AA at 2.46 %, which represents the share of ineligible expenditure reported by the AA in the total volume of audited certified expenditure included in the sample of audit of operations in the period from 1 Jul 2012 to 30 Jun 2013. At the same time, the AA quantified the extrapolated correction at 2.08 %.

Table 25 - Overall impact of corrections in IOP

Total certified expenditure	CZK 6 492 013 235.77
Total audited expenditure	CZK 3 810 301 084.46
Individual corrections in audited projects	CZK 93 689 505.90
Extrapolated correction	CZK 55 779 612.74

Source: ACR 2013

The IOP MA quantified the individual corrections by individual IOP IB (grant provider).

Table 26 - Individual correction for audited projects by ministry

Ministry	Individual correction for audited projects (CZK)
MoI	62 992 230,75
MoH	24 739 382,65
MoC ⁹	1 038 907,19
MoLSA	0
MRD ¹⁰	4 918 985,30
TOTAL	93 689 505,90

Source: ACR 2013

The highest value of individual corrections was reported in IA 1.1 of IOP. In this intervention area a total of 12 projects were audited, in 9 projects ineligible expenditure was identified. The most pressing issue was the violation of Act No 137/2006 Coll., on public contracts – inappropriately set technical qualification requirements, disregard of 3E principle, inadequate transparency of the process of assessing the qualification criteria of a public contract.

In Intervention areas 3.1 and 3.3 of IOP, 3 projects were audited that had no impact on eligibility of expenditure. In Intervention area 3.2 of IOP, 9 projects were audited, in 4 projects ineligible expenditure was identified. The individual error rate in this intervention area is to the highest degree caused by findings in 2 projects, where the AA auditors claim that the contracting entity failed to appropriately examine the existence of due competition between the respective bidders. A correction of 25 % of the value of the public contract was applied for this error. Neither the IOP MA, nor the IBs agree with this finding, but the AA did not take into the account the arguments presented in the challenge procedure.

In the IAs that fall under the competence of the MRD CR (or the CRD CR), altogether 10 irregularities were registered and also in this case the most frequently identified findings consisted in violation of provisions of Act No 137/2006 Coll., on public contracts – discriminatory behaviour of the contracting entity during the assessment and evaluation of recommended bids, inappropriately set evaluation criteria, setting out the qualification requirement in contradiction to the Public Procurement Act.

Findings based on the checks performed by the MA and IBs

In 2013, the IBs and MA carried out a total of 1 332 checks of projects and checks of delegated activities (controls commenced and completed in 2013), of which 1 021 checks were completed as positive with no finding and 311 as negative with a finding. The total volume of expenditure of CZK 11 000 341 490 was subject to checks. The volume of ineligible expenditure identified by checks amounted to CZK 212 124 310.

In total, 1 506 checks were completed in 2013 (these are controls commenced in previous periods and completed in 2013), of which 1 117 checks were completed as positive with no finding and 389 as negative with a finding. The total volume of expenditure of CZK 14 058 186 199 was subject to checks. The volume of ineligible expenditure identified by checks amounted to CZK 365 933 977.

Of the number of checks conducted in 2013 (commenced and completed in 2013), 264 checks were performed on-the-spot, of which 259 checks were completed as positive with no finding and 5 as negative with a finding. Moreover, a total of 59 checks were carried out, 49 were completed as positive with no finding and 10 as negative with a finding. In 2013, altogether 301 on-the-spot checks were completed (checks commenced in the previous periods and completed in 2013), of which 286

⁹ Pursuant to Government Resolution No 567 of 31 July 2013, the performance of the duty of the Intermediate Body and grant provider for Intervention area 5.1 of IOP was as of 1 November 2013 delegated from the Ministry of Culture to the Ministry for Regional Development.

¹⁰ Corrections relate to the grant provider of the Ministry for Regional Development, the role of the Intermediate Body is played by the CRD.

checks were completed as positive with no finding and 15 as negative with a finding. In addition, a total of 66 checks were performed as monitoring visits, 54 checks were completed as positive with no finding and 12 checks as negative with a finding.

Ranking among the most significant findings are incorrect procedures pursued by applicants and beneficiaries in the award of public contracts. Although all the contracts are mostly checked already during the award procedure, the problems faced in the implementation of tenders and award procedures have a significant impact on successful completion of implementation of projects and absorption of funds. The Intermediate Bodies in cooperation with the Managing Authority apart from timely control, which makes it possible to rectify the errors in tenders, offer consultations to applicants and beneficiaries. Frequent errors include the failure to meet the deadlines for submission of monitoring reports, ineligible expenditure and activities in the project, late provision of information on substantial changes in the project, inadequate files of the project.

In 2013 the IOP MA commenced 58 checks and before 31 Dec 2013 the IOP MA completed 46 checks focused on the performance of activities delegated to the Intermediate Bodies. 18 of these checks were completed with a finding. The most significant and most frequent findings were the non-compliance with the set out procedures and deadlines and the failure to enter the topical data in IS Monit7+, insufficient assurance of audit trail, incorrect or insufficient use of checklists. The IOP MA also performed checks as a response to complaints filed by beneficiaries or upon request of the CRD Intermediate Body.

In the course of 2012, an extensive control of control activities and a control of the sample of tenders were carried out at the MoI (the protocol was handed over to the auditee in 2012). The following findings from this control concerned the delegated activities: The MoI failed to provide for systemic ensuring of conditions for keeping all the documents, it failed to obtain all the required documents for the control and did not conduct the four-eyes check of selected tenders. The MoI failed to use the updated versions of checklists included in the IOP OM for controls, thus did not adequately verified the public contracts. The following control of the sample of tenders performed at the MoI in 2013 revealed that the MoI did not apply financial corrections in findings as required by the applicable conditions. This situation was remedied prior to the certification of expenditure 2013.

2.3.2 Design of management and control systems

Transfer of activities from the MoC CR

On account of unsatisfactory state of play of the implementation in Intervention area 5.1 under the responsibility of the MoC, the IOP MA pursuant to the Government Resolution No 567 of 31 July 2013 transferred the delegated activities of the Intermediate Body to the MRD CR and CRD CR. This change is described in detail in Addendum No 1 to the Agreement on delegating the tasks of the IOP Managing Authority to the MoC as the Intermediate Body in the framework of IOP implementation for the period 2007-2013.

The reasons behind the adoption of this measure are the following:

- Until May 2013, the MoC IB approved only 29.6 % of the allocation in Intervention area 5.1 and reimbursed 26.5 % of the allocation,
- The MoC IB extended the deadlines in many procedures, mainly in the controls of award procedures, approval of extra work, approval of the notification of a change, or approval of invoices,
- In the 1st quarter of 2013, the MoC IB refused to reimburse the beneficiaries' invoices pursuant to the amendment to Act No 218/2000 Coll. This step caused huge difficulties to beneficiaries, resulted in suspension of financing, cancellation of contracts by contractors, going past the due dates, or sanctions. Despite the arguments raised by the IOP MA and MoF CR, this situation prevailed until the end of March 2013.

2.3.3 Staffing of the Programme

Table 27 - Provision of administrative capacity broken down by the IB

Body	Actual number of FTE according to administrative capacity in 2013	Number of commenced employment contracts	Number of terminated employment contracts
IOP Managing Authority + MRD CR departments involved in IOP MA activities	63,60	15,10	5,95
Centre for Regional Development of the CR	46,76	6,08	2,41
Ministry of Interior of the CR	22,23	9,84	7,58
Ministry of Culture of the CR ¹¹	11,81	NR	NR
Ministry of Labour and Social Affairs of the CR	21,61	3	3
Ministry of Health of the CR	24,00	5	4
TOTAL	190,01	39,02	22,94

Source: Report on the provision of administrative capacities of IOP implementation structure for 2013

With regard to the transfer of activities from the MoC CR to the MRD CR and CRD CR in accordance with Government Resolution No 567/2013 of 31 July 2013, a total of 18 posts have been transferred from the MoC CR, of which 6 posts to IOP MA and 12 posts to CRD CR, which resulted in an increased number of hired employees in both the bodies. In the monitored period the number of IOP MA staff rose due to the preparation of the new programming period.

Also in 2013 the key issue of IOP staffing was its high turnover. The IOP MA continued to work on the “Analysis of administrative capacities and outsourcing of IOP Intermediate Bodies“. More detailed information on the conducted analysis of ensuring the administrative capacities is given in the chapter called “Evaluation of the Programme“.

The IOP MA is aware of the commitment ensuing from Chapter 4.2 of the IOP Programming Document – Administrative capacity, which stipulates the anticipated target number of IOP implementation structure staff at 179 FTE. In 2013, this number was exceeded by 11.01 FTE. In the upcoming period, the IOP MA shall continuously monitor the administrative capacity and step by step decrease the number of employees across the implementation structure.

Progress is made in the implementation of IOP and in 2014 more calls will be published, applications for support will be evaluated, more demanding requirements will be placed on control activities, especially with respect to public contracts, and contrary to the original assumptions the need to ensure administrative capacities remains.

2.3.4 Reinforced risk management of NCA

On 4 Jul 2012 the Government by its Resolution No 498 approved the document submitted by the National Coordination Authority called “Risky Operational Programmes – Proposed Measures Promoting the Accomplishment of Objectives of the National Strategic Reference Framework“. This document was followed by two Resolutions of the CR Government, namely Resolution No 387 of 22 May 2013 on the Evaluation of the management of risky operational programmes, and the subsequent Resolution No 726 of 18 September 2013 on the Analysis of the state of play of the European Funds in 2007 – 2013 period, and proposals for measures.

¹¹ The MoC CR– transfer of agenda to the MRD CR – the CRD CR as of 1 Dec 2013 and termination of employment as of 31 Oct 2013.

The above mentioned Resolution No 387 stipulated a plan of actions, the so called Action Plan of the Integrated Operational Programme (IOP), and the Minister for Regional Development was tasked to inform the Government of the CR on the state of play of fulfilment of tasks laid down in this Action Plan.

The IOP Action Plan comprises five monitored areas of implementation, for which partial tasks were assigned:

1. Fulfilment of n+3/n+2 rule,
2. Absorption capacity,
3. Implementation of IOP,
4. Administrative capacity,
5. Management and control system.

The CR Government and the NCA were continuously informed on the state of play in risk management, namely through a document providing information to the Government on the status as at 10 July 2013 and 10 November 2013. The absolute majority of tasks were accomplished in the course of 2013. There are just a few partial, but important tasks to be completed, regarding mainly the absorption of funds and certification (its relaunch by the EC). Detailed information on accomplishment of individual tasks throughout 2013 is given in Annex No 4.

2.3.5 Crisis management of selected intervention areas

2.3.5.1 Sleeping and risky projects of IOP

The IOP MA in cooperation with the Intermediate Bodies in July 2012 started to implement the system of monitoring and management of sleeping projects (the dates of implementation are at the edge of feasibility) and high-risk projects (difficult communication with the beneficiary and serious shortcomings in observing the deadlines) and started to hold discussions with problem beneficiaries on crisis timetables of implementation. The evaluation of projects that face difficulties is a component part of the Action Plan for improving the system of management and control in the framework of the Structural Funds in the Czech Republic. Information on this evaluation was forwarded to the CR Government in a separate document. Long lasting difficulties with the implementation of projects relate mostly to beneficiaries from among the government agencies.

In the course of 2013, the IOP MA, within its regular evaluation, drew up a document adopted by the Government Resolution No 567 of 31 July 2013, which requested the conduct of a detailed analysis of crisis management of problematic projects and the provision of information on these steps to the Minister for Regional Development.

Based on regular evaluation, carried out by individual Intermediate Bodies, and after the control performed by the IOP MA, as of 31 December 2013 three sleeping projects in the amount of approximately CZK 697 million and fourteen risky projects in the amount of approximately CZK 3.1 billion were registered.

Table 28 - Overview of sleeping and high-risk projects in the period from 30 Nov 2012 to 31 Dec 2013

	Sleeping		High-risk		Total	
	Number	Volume in million CZK	Number	Volume in million CZK	Number	Volume in million CZK
Status of projects from the survey as of 30 Nov 2012	4	1 111	40	2 833	44	3 944
Status of projects from the survey following the adoption of measures as of 25 Mar 2013	2	253	11	1 138	13	1 391

	Sleeping		High-risk		Total	
	Number	Volume in million CZK	Number	Volume in million CZK	Number	Volume in million CZK
Newly identified projects from the survey as of 25 Mar 2013	2	428	5	1 274	7	1 702
Total as of 25 Mar 2013	4	682	16	2412	20	3095
Status of projects from the survey following the adoption of measures as of 28 Jun 2013	1	99	8	1 546	9	1 645
Newly identified projects from the survey as of 25 Aug 2013	0		9	2 552	9	2 552
Total as of 28 Jun 2013	1	99	17	4099	18	4198
Status of projects from the survey following the adoption of measures as of 28 Jun 2013	0	0	11	2 879	11	2 879
Newly identified projects from the survey as of 30 Sep 2013	5	1 100	7	1 477	12	2 577
Total as of 30 Sep 2013	5	1 100	18	4 057	23	5 157
Status of projects from the survey following the adoption of measures as of 30 Sep 2013	3	697	7	1 372	10	2 069
Newly identified projects from the survey as of 6 Jan 2014	0	0	7	1 599	7	1 599
Total as of 6 Jan 2014	3	697	14	2 540	17	3 237

Source: IS Monit7+IOP and IOP MA in cooperation with IBs as of 31 Dec 2013

2.3.5.2 Measures taken to ensure the fulfilment of n+3/n+2 rule

Overview of measures to ensure the fulfilment of n+3/n+2 rule

In 2013, the so far largest volume of expenditure had to be certified due to the concurrence of n+3 and n+2 rule. The absorption forecast made at the beginning of 2013 estimated the loss of allocation in the amount of CZK 5 billion. Thanks to the adoption of multiple measures, the loss of allocation was successfully reduced to EUR 1 to 2.17 million under the Regional competitiveness and employment objective. Under the Convergence objective, there was no loss of allocation. The final amount of loss will be known only after the application of Article 95 of the General Regulation is considered by the European Commission.

Measures taken to minimise the loss of allocation in 2013:

- Redesign of procedures with the view to shorten the deadlines and eliminate the duplicate activities,
- Use of good and bad practice examples from the administration of applications for payment,
- Consultations on the applications for payment and monitoring reports prior to their submission to Intermediate Bodies,
- Cutting short the stages so that at least some of the expenditure can be checked, reimbursed and certified in 2013,
- Effective control of tenders, applications for payment and Notifications of a change (modification) in order to eliminate delays in administration of applications for payment in the critical months of the 2nd and 3rd Q 2013,
- Monthly meetings with representatives of financial sections of Intermediate Bodies so as to identify the causes of delays in administration and to propose solutions,
- By means of new tabs in MONIT information system which enable more detailed monitoring of status of tenders and Notification of a change, to identify projects facing problems in administration.

2.4 Changes in the Context of Programme Implementation

Socio-economic changes

In the course of 2008-2013 period the Czech Republic witnessed considerable socio-economic changes in consequence of the global economic crisis. The development is illustrated in the table below:

Table 29 - Development of basic socio-economic indicators in 2007 – 2013 period

Indicator	2007	2008	2009	2010	2011	2012	2013
Increase/decrease in GDP (%)	5,7	3,1	- 4,5	2,5	1,8	-1,0	-1,4
Average annual inflation rate (%)	2,8	6,3	1,0	1,5	1,9	3,3	1,4
Job applicants (ths of persons, data as of 31 December of the given year)	354,9	352,3	539,1	561,6	508,5	545,3	596,8
Share of unemployed persons (% , data as of 31 December of the given year)	4,5	4,5	7,1	7,4	6,8	7,4	8,2
Share of unemployed persons (in % , annual average)	5,0	4,1	6,1	7,0	6,7	6,8	7,7
State budget balance (in billion CZK, difference between revenues and expenditure)	- 66,4	- 19,4	- 192,4	- 156,4	- 142,8	-101,0	- 81,3
State budget balance in % of GDP (current prices)	- 1,8	- 0,5	- 5,1	- 4,1	- 3,7	-2,6	- 2,1
Government deficit (surplus) in % GDP ¹²	- 0,7	- 2,2	- 5,8	- 4,7	- 3,2	- 4,4	- 2,5

Source: CSO, MoLSA and MoF; status as of 10 Feb 2014

Following a steep growth of GDP in 2005-2007 period (annually by more than 6 % on average), the year 2008 marked a turning point: From the 4th quarter of 2008 to the 2nd quarter of 2009 the Czech economy was in recession, while in the 3rd quarter of 2009 the situation changed and since that period until the mid-2011 the Czech economy exhibited growth recovery. The year 2010 already showed an overall recovery of the economy, the annual GDP growth (2.5 %) was higher than that of EU-28 (2.0 %). In 2011, the GDP rose again by 1.8 % (in EU 28 by 1.7 %), the growth, however, gradually slowed down and from the end of 2011 until the end of 2013 the Czech economy underwent shallow recession.

In 2012, the GDP dropped by 1.0 % and also the situation in relation to the EU deteriorated (in EU 28 the decline was only 0.4 %). This trend continued also in 2013, when further drop of GDP by 1.4 % is anticipated, namely on account of the downswing of fixed capital investments (stagnation in EU 28). Despite the growth in 2010–2011, **the level of GDP in 2013 still failed to reach the pre-recession level at the turn of 2008 and 2009**. According to the MoF outlook, the GDP should grow in 2014 (estimated growth of 1.4 %) and also in 2015 (+2.0 %).

As concerns the **regional GDP** (NUTS 2 regions) there were no major changes in 2007-2012 period (the data for 2013 are not available), a strongly dominant position is still held by Prague, with GDP more than twice as high as the average GDP per capita in the CR (208 %). The other regions reach the values of 80-90 % of average GDP per capita in the CR, the highest GDP is reported by Southeast (over 91 %) and Central Bohemia (89 %) regions, the lowest GDP is reported by Northeast (81 %), Central Moravia (82 %) and particularly Northwest (78 %).

¹² It serves for the verification of fulfilment of Maastricht convergence criteria (the deficit should be below 3.0%); the increase in 2012 was influenced by the methodology to the degree of approximately 1.8% (church restitutions, the part of EU funds for certain operational programmes that was not reimbursed).

In 2007–2012 period, **the average level of GDP per capita in purchasing power standard (PPS, EU 28 = 100%)** in the CR now **did not increase**; both in 2007 and 2012 it reached the level of 80 – 81 %. None of the NUTS 2 regions falling under the Convergence objective in 2007–2013 period (7 regions) exceeded in 2012 the value of 75 % of average GDP per capita in purchasing power standard (PPS, EU 28 = 100 %); the level of and exceeding 70 % was reached only by Central Bohemia (around 72%), Southwest (just above 70%), Southeast regions (73 – 74%) and Moravia-Silesia (just above 70%).

In terms of structure, the GDP in 2012 and 2013 was driven primarily by **foreign trade** results, whereas the consumption expenditure of households and fixed capital investments dropped. In 2013, as compared to 2012, the exports rose by 2.8 % and the imports by 1.4 %, the balance of trade at the end of the year reported a surplus of CZK 350.8 billion, which means a year-on-year increase by CZK 45.1 billion. The share of exports in GDP (current prices), which in 2000 accounted for 63 %, reached almost 82 % in 2013 (e.g. only 50 % in Germany).

After two years of **growing industrial production** (2010 and 2011) in 2012 there was a drop by 0.8 %, the industrial production reached approximately the pre-recession level of 2008 (in 2008-2012 it grew only by 0.2 %). In the course of 2013, gradual recovery of industrial production was obvious, the year 2012 reported an increase by 0.5%.

The year 2013 was the fifth year in a row in which the decline of **construction industry output** was reported, namely by 8.3 % year-on-year; in 2013 the construction industry compared to the boom in 2008 dropped by 25 %, a downward trend was reported also in the value of newly concluded construction contracts and the volume of housing construction.

The decreased consumption of households and the government sector led also in 2013 to year-on-year **drop in the sales in services**; in 2013 the sales in services decreased in real terms year-on year by 0.9 %; growth was reported only by transport and storage, accommodation and food services, and administrative and support activities. **In tourism**, in 2013 the number of guests in collective accommodation establishments rose by 1.6 % and exceeded the level before recession, the number of overnight stays fell by 0.6 % on account of ever shorter average number of overnight stays. The number of overnight stays in 2013 was still lower than in 2007 – 2008.

Despite the economic recovery in 2010-2011, **the labour market continues to feel the consequences of recession**. The number of the employed dropped not only in 2009 (by 1.4 %), but also in 2010 (drop by additional 1.0 %), a slight increase of employment by 0.4 % was achieved only in 2011 and also in 2012 (increase by 0.4 %). In 2013 the MoF outlook (January 2014) reckons with the growth of employment by 0.9 % thanks to an increased number of part-time jobs and decline in the number of hours worked per person. In 2014 and 2015 stagnation of the growth of employment is anticipated.

Due to the fact that since 2009 (7 431 thousand persons) the population aged 15-64 has been on a permanent decline (in 2012 - 7 229 thousand persons, 2013 – 7 156 thousand persons), the economic activity rate of this age group has been showing an ongoing growth: 2007 = 69.8 %, 2010 = 70.2 % and 2013 = 72.8 % (the EU and CR aim to achieve the level of 75 % across EU-28).

The rate of unemployment (MoLSA – share of the unemployed in population, population aged 15-64) in the 2007 – 2013 period increased, from 4.5 % in December 2008 to 7.4 % in December 2010. Some improvements were seen only in 2011. Due to the economic recession, though, the unemployment rate grew again, both in 2012 (to 7.4 % in December 2012), and in 2013 (to 8.2% in December 2013). As of 31 Dec 2013 the Labour Office of the CR registered a total of 596.8 thousand job applicants (an increase by 69 % compared to 2008).

For the sake of comparison, **the unemployment rate reported by Eurostat** in December 2013 in the CR reached the level of 6.7 %. Compared to the EU 28 average (10.7%), the unemployment rate in the CR is still lower (the CR ranks among 5 – 7 countries with the lowest unemployment rate in the EU).

From the **regional point of view, the unemployment rate in the CR continues to vary a lot**, with the highest level (December 2013) in Ústí nad Labem (11.5 %), Olomouc (9.8 %) and Moravia-Silesia Region (10.5 %); and with the lowest unemployment rate, on the contrary, reported over a long period of time in Prague (5.1 %), Central Bohemia (6.9 %) and Plzeň region (6.4 %).

The adverse development of economy had as a matter of fact no significant impact on the implementation of IOP in 2009–2012 period. It is mainly due to the fact that the predominant part of aid beneficiaries is constituted by public sector entities (central administration authorities, regions, municipalities and organisations established or founded by them), which were much less affected by the crisis than the businesses or NGOs. There were no cuts in the state budget in expenditure on financing the operational programmes co-financed from the EU funds. Nonetheless, the government austerity measures directed from 2011 at reducing the state budget deficit and government sector deficit are conducive to savings both in the operating costs and investments also at individual ministries; a visible implication of this situation was e.g. the decision of the Ministry of Interior of the CR to terminate the preparation of the major project called the National Centre for Emergency Preparedness and Training of Units of the Integrated Rescue System (Intervention area 3.4 of IOP, the project accounted for roughly 4 % of the IOP allocation); the change was approved by the Commission decision on IOP revision of 23 Dec 2011.

A positive phenomenon was the still **low level of average annual rate of inflation** in 2009 (1.0 %), in 2010 (1.5 %) and in 2011 (1.9 %). According to the CSO the average annual rate of inflation in 2012 increased to 3.3 % (due to higher VAT rate), while in 2013 dropped to 1.4 %. The referred to development has a positive effect on the prices of construction works, purchase of technologies, equipment and machinery for investment projects in IOP.

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

Table 30 - Development of CZK/EUR exchange rate in 2007-2013 period

Indicator	2007	2008	2009	2010	2011	2012	2013
Average daily nominal CZK/EUR exchange rate for the year	27,76	24,96	26,45	25,29	24,59	25,14	25,98

Source: MoF, status as of 10 Feb 2014

The Czech crown and euro exchange rate in the past two years fluctuated from 24.7 to 25.9 CZK/EUR and showed a tendency to depreciate (in 2012 the exchange rate depreciated by 2.2 %, in 2013 by 3.2 % on average). A dramatic change occurred on 7 Nov 2013, when the CNB launched its forex interventions in the effort to maintain the exchange rate around the level of 27 CZK/EUR (in 2014 the exchange rate should reach the level of 27.3 CZK/EUR). This development has a positive effect since it will help exporters to offset the foreseen slowdown of foreign demand (effect on the growth of exports in December 2013). A negative risk is the prospective impact of higher than expected inflation on household consumption.

Amendment to legislation

Amendments to legislation adopted from 2009 to 2012 (in 2013 no amendments were actually adopted) brought about simplification or specification of the interpretation with respect to the implementation of the programme (amendments to EU legislation) or represented the necessary legislative basis for the implementation of selected parts of IOP (basic registers, data boxes, central register for de minimis aid).

Positive effects were in a number of cases brought about by **amendments to the General Regulation No 1083/2006** (amendments by Regulation No 284/2009, No 539/2010 and No 1310/2011) and to the

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

In 2012, the implementation of measures to reduce the legislative barriers to the implementation of Structural Funds and the Cohesion Fund in 2014 – 2020 programming period (Government Resolution No 610 of 22 Aug 2012) was launched. The relevant amendments to legislation (budgetary rules in particular) were not made in 2013 as originally expected, due to the decision to dissolve the Chamber of Deputies and hold new elections.

Changes in the IOP documents

Revision of the IOP Programming Document

The IOP Monitoring Committee at its extraordinary meeting held on 26 Sep 2013 approved the proposal for revision of the IOP Programming Document as defined in Article 33 of Council Regulation (EC) No 1083/2006. The revision of the Programming Document was made upon the request of the Member State for the following reasons: a) the consequences of significant socio-economic changes, b) the aim to more or differently reflect major changes in the Community priorities or national and regional priorities, c) the account taken of evaluation pursuant to Article 48 (3) of Council Regulation (EC) No 1083/2006, and d) in consequence of difficulties during the implementation.

The changes concerned the following areas:

- Inclusion of two major projects (“Preparedness of the Fire Rescue Service of the Czech Republic for floods” and “Increasing flood preparedness of the Police of the CR to save lives and property”) in Intervention area 3.4 Services in security, risk prevention and management,
- Internal reallocation of funds between the priority axes of IOP,
- Reallocation to the Operational Programme Prague Competitiveness,
- Changes in the implementation structure – concentrating the audit activities of operational programmes at the Ministry of Finance of the CR due to the discontinuation of activities of the Delegated Audit Body for IOP (Resolution of the CR Government No 671),
- Inclusion of the Holding Fund in the IOP implementation structure due to the amendment to Act No 211/2000 Coll., on the State Housing Development Fund (SHDF) responding to the need to apply the developing JESSICA financial instrument in the CR,
- Specification of rules for ensuring a comprehensive restoration of monuments in Intervention area 5.1 National support for utilising the cultural heritage potential,
- Change to calculating the EU contribution from the total eligible expenditure in order to ensure efficient allocation of funds,
- Changes in target values of indicators as a result of the actual development in the respective intervention area.

The IOP MA elaborated proposals for a change in point 9 of the Methodological guideline of the NCA on the revision of operational programmes 2007–2013, the IOP MA proposals were continuously commented upon and consulted with the PCA and NCA.

The new version of the IOP Programming Document was approved by the IOP Monitoring Committee by per rollam procedure on 9 Oct 2013. The Ministry of Environment stated in its written opinion of 15 Oct 2013 that the inclusion of the major project of the Fire Rescue Service necessitated the initiation of a SEA screening procedure of the submitted version of IOP.

The IOP MA entered the Programming Document with tracked changes, the proposal for changes and the accompanying letter to the European Commission in MSC on 15 Oct 2013.

On 18 Nov 2013, the IOP MA received the interruption letter referring to the necessity to conduct the SEA screening. The conclusion of the screening procedure conducted by the Ministry of Environment was entered in MSC on 23 Dec 2013.

The Commission Decision C(2013) 9495 concerning the adoption of revision of the IOP Programming Document was issued on 16 Dec 2013.

The information on revision of the IOP Programming Document was disseminated to all the bodies involved in the programme implementation, who also received its electronic version. The IOP Programming Document is available on <http://www.strukturalni-fondy.cz>.

Update of IOP OM and MA OM

In 2013, the IOP MA made two revisions of the IOP Operational Manual.

Revision 1.4 took effect on 2 Jan 2013, and revision 1.5 was applicable from 1 Nov 2013. The need for this revision arose due to the change in delegated activities in Intervention area 5.1. Since the revision concerned only the areas of activity of the MA and MoC CR, the revision of the OMs of the other IBs was not launched.

Concurrently, on 1 Nov 2013, the MA issued the revision 1.3 of the Operational Manual of the MA which reflects the changes made in the IOP OM.

Update of IB OM

As a follow up to revision 1.4 of IOP OM, applicable from 2 Jan 2013, a revision of Operational Manuals of all the IOP Intermediate Bodies took place. The revision 1.6 of the Methodological Guideline No 18, which gives a description of work procedures, was issued by the CRD CR on 10 Jul 2013. With regard to the transfer of delegated activities in Intervention area 5.1, the CRD CR is drafting the respective part of the MG No 18 which will be completed in the first quarter of 2014.

Simultaneously, the validity of the MoC IB OM expired as of 31 Oct 2013.

A summary of IB OM updates in 2013 is given in the following table:

Table 31 - Summary of IB OM updates in 2013

Summary of IB OM updates in 2013			
IB	Number of revision	Date of issue	Note
CRD	1.6	10.7.2013	Newly drafted is the part of MG No 18 concerning Intervention area 5.1
MoI	1.5	25.1.2013	
	1.6	1.7.2013	
MoH	1.4	1.8.2013	
MoLSA	1.5	26.4.2013	
MoC	1.3	15.4.2013	Expiration of validity of the OM as of 31 Oct 2013

Update of the Manual for implementation of JESSICA financial instrument

In the course of 2013, the IOP MA drew up three updates of the Manual for implementation of JESSICA financial instrument in order to take into account the so far gained experience and to supplement the list of towns with approved Integrated Urban Development Plans, in which the implementation of projects supported from JESSICA FI is foreseen. The last revision 1.4 came into force on 19 Dec 2013.

Methodological Guidelines and Binding Opinions of IOP MA

Methodological Guideline No 36 A change in the text of IOP OM annex A.3-8 – Work procedures in IOP IS.

The date on which the obligation to enter the Notification of a change in IS Monit7+ arises was changed in the Methodological Guideline.

Methodological Guideline No 37 A change in the text of IOP OM annex A.4-22 – Selection criteria of IOP.

The Methodological Guideline updates the annex to the IOP Operational Manual A.4-22 Selection Criteria of IOP and corrects administrative mistakes made during the revision of this Annex as of 2 January 2013. It consists in the change of specific eligibility criteria and project quality evaluation criteria in Priority axis 5 - National support of territorial development, in Intervention area 5.1 – National support for utilising the cultural heritage potential. The IOP MA also made sure that the check of specific eligibility criteria and project quality evaluation criteria were conducted in line with the criteria approved by the IOP Monitoring Committee.

Methodological Guideline No 38 A change in the text of IOP OM annex C.5-16 – Checklists for the checks of public contracts pursuant to Act No 137/2006 Coll.

By issuing the Methodological Guideline No 38 the IOP MA rectified the administrative deficiency made in the annex to the IOP Operational Manual C. 5-16 – Checklists for the checks of public contracts pursuant to Act No 137/2006 Coll., where a part of comments from the 2nd round of comments procedure failed to be incorporated in the final document.

Methodological Guideline No 39 Cancellation of the exchange rate reserve

In the light of a large volume of unabsorbed funds and a high level of savings, the exchange rate reserve to cover the CZK/EUR exchange rate fluctuations is no longer necessary. This Methodological Guideline lifts the obligation to keep the exchange rate reserve as of 2 May 2013.

Methodological Guideline No 40 Adding to the IOP Operational Manual version 1.4 the Annex B.3-27 Work procedures for the administration of payments, update of Annex A.3-8 Work procedures in IOP IS and the new Annex B.4-3 Procedure for entering recoveries in Monit7+.

The Methodological Guideline specifies and complements the procedures of administration of applications for payment, tenders and revenues, and introduces a new annex on the administration of recoveries.

Methodological Guideline No 41 Update of chapter C Checks of the IOP Operational Manual

The MG updated the whole chapter C. 6 Irregularities in response to the issuance of update of the Methodology of financial flows and controls of the programmes co-financed from the Structural Funds, the Cohesion Fund and the European Fisheries Fund for the programming period 2007-2013 taking effect from 1 Sep 2013.

Methodological Guideline No 42 Specifying the text of the Annex C.5-16 to the IOP OM– Checklists for Public contracts pursuant to Act No 137/2006 Coll.

It consists in the modification of the checklist for checking the course of public procurement in the negotiated procedure without publication pursuant to Act No 137/2006 Coll., on Public Contracts (Public Procurement Act), as amended (hereinafter referred to as the “APC”) and in line with the Handbook for Applicants and Beneficiaries. The Methodological Guideline specified that these are checklists to the Public Procurement Act, in force as of 1 Apr 2012, and the term “tender” in the headings of individual checklists was replaced by the term “award procedure”.

Methodological Guideline No 43 Update of Annexes A.3-8 Work procedures in IOP

The Methodological Guideline specifies the entire content of the annex in response to progress achieved in implementation of the Programme.

Methodological Guideline No 44 Update of IOP OM chapter B. 3.4 Certification of expenditure under the Structural Funds

The MG updates some parts of chapter B. 3.4 and the respective annexes in response to the issuance of update of the Methodology of certification of expenditure for the programming period 2007-2013 with effect from 1 Sep 2013.

Methodological Guideline No 45 Update of chapter C. 5. 1. 2 Checklists of the IOP Operational Manual

By issuing the MG, the MA responds to the communication from the National Authority for the Coordination of NSRF (NCA) of 14 August 2013 concerning the standardised checklists for the performance of verifications pursuant to Article 13 of Commission Regulation (EC) No 1828/2006, used by the IOP MA ever since 31 August 2012. According to the NCA opinion, the standardised checklists do not have to be used separately any more provided the relevant questions are incorporated in the individual checklists of the MA/IB. At the same time, the MA made a revision of checklists for ex-ante, interim and ex-post on-the-spot checks (verifications) pursuant to Article 13, which follows up on the EC audit finding of April 2013.

Methodological Guidelines No 36-40 and 42–44 were incorporated in the revision 1.5 of IOP OM.

Binding Opinion No 7 Binding opinion on the administration of changes in projects (detailed definition of changes which have an effect on the compliance with the Decision on providing a grant and the Conditions in the submission of Notification of changes in a project by the beneficiary).

Through this Binding Opinion the IOP MA defines the changes that have an effect on compliance with the Decision on providing a grant and the Conditions.

Binding Opinion No 9 Binding opinion on reducing the risk of a failure to absorb the allocation in IA 5.2

Through this opinion, the IOP MA adopted measures to reduce the risk of a failure to absorb the allocation for Intervention area 5.2 Improving the environment in problematic housing estates and to safeguard the observance of 3E principle.

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

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

In 2013, no problems with durability (sustainability) of projects were reported. Any modifications, which are to be conducted during the implementation and the period of durability of the project, shall be immediately notified in writing by the beneficiary to the MA/IB on the form entitled Notification of changes (modifications) in the project.

2.6 Complementarity with Other Instruments

2.6.1 Achieving synergies

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

2.6.1.1 Synergies by thematic area

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

In IOP the following thematic areas can be monitored:

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

Synergies are created with projects under Intervention area 4.1 of the Operational Programme Human Resources and Employment, nonetheless these synergies are not officially stipulated. The system of coordination of building the Smart Administration in connection with the IOP and OP HRE was ensured by entrusting the administration of respective parts of the operational programmes to a single Intermediate Body, reporting to two different Managing Authorities, namely the IOP MA (MRD CR) and OP HRE MA (MoLSA CR).

Under OP HRE two projects are implemented:

The project focusing on the provision of staffing for processes of data mining for creation and consolidation of master registers of insured persons and their individual accounts with reference to the basic public administration registers - Part 1.

The project focusing on the provision of staffing for processes of data mining for creation and consolidation of master registers of insured persons and their individual accounts with reference to the basic public administration registers - Part 2.

In IOP a project is implemented which focuses on creation of information and communication interface of the Czech Social Security Administration (CSSA) for the purpose of providing information to clients.

- ***Roma related matters*** (IOP - OP HRE, OP EC),

It concerns projects implemented under IUDPs in IOP. The IUDPs in IOP are primarily concentrated on regeneration of residential buildings and revitalisation of public spaces (IOP 5.2), nevertheless they can be supplemented by projects financed from other operational programmes. These projects are awarded 10% preferential points. The information is available in MSC2007, more details are included in individual IUDPs. The lists of approved projects are included in annual monitoring reports on progress achieved in IUDPs. In activity 5.2c) the obligation of a synergy with a project under 3.1b of IOP or 3.2 of OP HRE is directly stated in the Programming Document.

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

The projects under Intervention area 3.1 of IOP have synergic links to intervention areas of OP HRE and IOP, it concerns the synergy A) in the focus of support and B) with support projects.

A) Synergies in the focus of support:

1st and 8th call for Intervention area 3.1, activity c)

Synergy – call No 30 of OP HRE (Global Grant CZ.1.04/3.1.6 Social economy, Intervention area 3.1).

The applicant can submit an application for support to financing a single (joint) business plan in two programmes (investment activities – financed from IOP, non-investment activities – financed from OP HRE).

3rd and 6th call, IA 3.1 activity b)

Synergy – call No 55 of OP HRE (Intervention area 3.2 Support of social integration of members of Roma localities) for applicants from among municipalities.

Only projects implemented by municipalities in selected social localities linked to the focus of support of Intervention area of 3.1 b of IOP can be submitted under this call.

Synergy – call No 19 and A8 of OP HRE (Intervention area 3.2 Support of social integration of members of Roma localities) (Global Grant CZ.1.04/3.2.1 Support of social integration of members of Roma localities) for the applicants from among non-profit organisations. Call No 19 has no direct link to IOP and provides support also the organisations that did not apply for support from IOP. Call No A8, on the other hand, has a direct link to it and focuses exclusively on organisations supported from IOP.

Synergy - activity 5.2c of IOP anticipates the pilot links activities in the field of regeneration of buildings and activities in the field of social inclusion, human resources and employment with the view to improve the living conditions in socially excluded Roma community.

Call No 2 and No 7, IA 3.1 activity a)

Synergy – call No 87 of OP HRE (Intervention area 3.1 Support of social integration and social services) for applicants especially from among the group of social service providers – it concentrates on preparation of the process of transformation of services provided in community.

Synergy – call No C1 of OP HRE (Intervention area 3.1 Support of social integration and social services) for applicants from the group of social service providers – support is channelled directly to services arising from the transformation, i.e. the community-based services created also thanks to the support from IOP. The link to IOP is indirect.

B) Synergies with support projects:

A synergy is created with individual projects of OP HRE which by their focus assist in the submission of projects to IOP, IA 3.1 as the so called support projects.

2nd and 7th call, IA 3.1 activity a)

Project No CZ 1.04/3.100/04.00002 Support of the transformation of social services, Intervention area 3.1 of OP HRE focused also on support for the development of transformation plans which are a necessary pre-condition for submission of projects under the 2nd and 7th call of MoLSA in IOP. A synergy can also be created with the follow-up project Transformation of social services (CZ 1.04/3.100/04.00009), which provides support to organisations using the IOP for preparation of community services in future careful planning of the process of transformation.

Call No 3 and No 6, IA 3.1 activity b)

The project No CZ.1.04/3.2.00/55.00005 “Comprehensive programme of integration of socially excluded inhabitants of the town of Most and its inhabitants at risk of social exclusion in the society“ was submitted in call No 55 of OP HRE. Core activities of the project comprise inter alia the provision of social service called Low-threshold facility for children and youth aged 15 – 26. The activities of this facility are performed in new premises reconstructed under the IOP.

Call No1 and No 8, IA 3.1 activity c)

The project No CZ.1.04/3.1.00/04.00011 Support of social entrepreneurship in the CR, whose intention is to test the support structure for future and existing employers in social entrepreneurship segment in the CR and concurrently to help identify an optimal concept for support of social entrepreneurship in the CR and thus to create necessary prerequisites for implementing the social economy as a standard tool of social policy and policy of support for entrepreneurship. The project focuses primarily on testing the support of social entrepreneurship in the form of a network of local consultants and experts/couches who provide customized consultancy on social entrepreneurship. Secondly, the project seeks to contribute to a conceptual approach to the topic, namely by means of creation of a set of indicators that will assist in recognising a social enterprise and an integration social enterprise. This tool will subsequently be used for the purposes of policy for support of social entrepreneurship. The project was launched on 1 Oct 2012.

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

In Priority axes 4a and 4b no projects are implemented that demonstrate synergic links to projects implemented under ROP.

- **Utilising the cultural heritage potential** (IOP - ROP)

For the purpose of the annual report the synergic links by thematic area are monitored in detail through the NCA forms attached to this Annual Report in Annex No 1.

2.6.2 Exploitation of the other EU financial instruments

In IOP, a pilot implementation of JESSICA financial instrument is under way in Intervention area 5.2 “Improving the environment in problematic housing estates“. The final recipients can obtain soft (preference) loans for regeneration of residential buildings, or for provision of modern social housing. In 2012, in accordance with Article 44 of Council Regulation (EC) No 1083/2006, the Holding Fund (hereinafter referred to as the “HF”) was added to the implementation structure of JESSICA financial instrument, as a separate accounting unit of the SHDF. On 26 October 2012, the IOP MA issued the Decision on providing a grant and Conditions for the HF, based on which the allocation amounting to CZK 609 869 489 intended for the financial instrument was transferred to the HF.

Implementation structure of JESSICA financial instrument

One of the key tasks in 2013 was to complete the implementation structure of JESSICA financial instrument in IOP. The last component in its implementation structure is the Urban Development Fund (UDF), which offers soft loans to final recipients. In accordance with Council Regulation (EC) No 1083/2006 Article 44 and Council Regulation (EC) No 1828/2006 Articles 43-46, the HF shall select in a tender the UDF administrator. On 27 February 2013, the HF finished the preparation of tender documentation and the contract with the UDP administrator, incorporated the comments raised by the PCA and MA and results of consultations with the European Commission, and sent the “Contract notice“ form to the Public Procurement Bulletin. On 28 February 2013, the “Contract notice” was published and sent to the Official Journal of the EU (TED). At present, the required information and downloadable files for submission of bids are posted at the contracting entity profile (SHDF), with the closing date for receipt of bids on 23 April 2013, at 10.00 a.m. Due to the requests for additional information and its compilation the contracting entity extended the deadline for receipt of bids until 29 April 2013, 10:00 a.m.. Within the deadline the contracting entity received one bid only and on 7 May 2013 announced the cancellation of the award procedure. It was advertised again on 4 July 2013, once the comments of IOP MA were accepted and other modifications were made in tender documentation. On 10 September 2013 at 10:00 a.m. the deadline for submission of bids, extended due to the request of potential bidders for additional information from the contracting entity, expired. Immediately after, the envelopes were opened at the SHDF (HF), in the presence of two observers from IOP MA. Three bids were submitted by bidders and the Evaluation Committee reserved a week for examination and evaluation of bids. The deadline had to be prolonged due to two rounds of requests for additional information. As at 1 October 2013, the UDF administrator was selected, namely Komerční banka, a. s. The contract between the KB and SHDF was signed on 31 October 2013.

The tender was done in accordance with Act No 137/2006 Coll., on public contracts. In the contractual period within 30 days of signing the contract, the UDF presented a proposal for the business plan, which was, after account was taken of comments raised by the HF and IOP MA, approved by the IOP MA on 20 December 2013. Subsequently, on 21 January 2014, the UDF administrator started to receive applications for soft loans from JESSICA financial instrument.

Extension of IUDP zones

For the purpose of implementation of JESSICA financial instrument in IOP, the IOP MA decided to develop new Integrated Urban Development Plans (IUDP), or to extend the existing zones. IUDP is a vital prerequisite for the absorption of funds from JESSICA financial instrument. On 16 July 2012, the IOP MA announced a call for submission of applications for IUDP. The call was open to all the towns in the CR which meet the condition of having the population of more than 20 thousand people. The IUDP document for the purpose of implementation of JESSICA financial instrument could be submitted by towns implementing the IUDP in IOP through assistance, and by towns which did not use this opportunity earlier. The application for approval of IUDP could be submitted until 29 March 2013. A total of thirteen applications were submitted, of which seven applications concerned the extension of the existing IUDP zones, whereas five towns submitted an application for approval of six new IUDP documents. Following the evaluation of formal requisites and eligibility by IOP MA, on 20 May 2013 all the thirteen applications were approved by the IOP MA. In 2013, 47 IUDPs were implemented in 41 towns under IOP.

Management and Control System of the HF

On 14 January 2013, the IOP MA received from the HF a proposal for the Management and Control System (MCS) for implementation of JESSICA financial instrument. After a technical meeting between the IOP MA and the HF, the IOP MA on 15 February 2013 received a modified version of the MCS. In the course of 2013, more versions followed with incorporated comments of IOP MA. The so far last version, responding to the involvement of KB, a. s. in the implementation structure of

JESSICA financial instrument in IOP, was on 7 January 2014 forwarded by the HF to the IOP MA for approval.

Monitoring

The implementation of JESSICA financial instrument is regularly verified. The IOP MA every two months submits to the IOP Monitoring Committee the “Information on the state of play of preparation and on activities in the progress of implementation of JESSICA financial instrument in IOP“, every six months issues the “Report on implementation of IOP“, and once a year the “Annual Report of IOP“, which comprise chapters on the implementation of financial instruments in IOP.

The HF provides a report on its activity through the quarterly Monitoring Reports. The IOP MA received all the monitoring reports for 2013 in due time from the HF and all the reports were approved once the comments were acted upon. As a follow-up to the monitoring reports of the HF, the IOP MA always elaborated an updated risk analysis. By signing the contract with the UDF administrator the HF has undertaken to forward the monthly and annual monitoring reports, containing also a template, which is directly forwarded by the HF to the IOP MA. In the course of 2013, technical meetings between the HF and the IOP MA on implementation of JESSICA financial instrument were continuously held.

Publicity of JESSICA financial instrument

On 15 February 2013, in connection with the preparation of the contract award procedure for the UDF administrator, the IOP MA issued an update of the “Investment strategy of JESSICA FI in IOP“, which is a component part of the source documents for the contract award procedure. On 5 March 2013, a meeting with journalists was held concerning the publication of a public contract for the UDF administrator. The HF, or the SHDF, subsequently launched an information campaign advertising the conditions of support from JESSICA financial instrument in IOP. On 28 June 2013, for the sake of support of absorption capacity, the HF published the “Marketing strategy of JESSICA financial instrument” and carried out a survey of absorption capacity in all the towns with approved IUDPs. In autumn 2013, the HF had promotional merchandise produced and brochures and leaflets printed presenting the JESSICA financial instrument.

On 7 and 13 November 2013, another round of seminars for IUDP managers in IOP took place in Prague and Olomouc, on the occasion of which the representatives IOP MA, HF SHDF and KB, a. s. spoke about the implementation of JESSICA financial instrument. The managers were informed about the state of play of the project and introduced to the selected UDF administrator.

2.6.3 Integrated Urban Development Plans

Setting the evaluation criteria for the selection of IUDP projects

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

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

Current status of IUDP implementation

A call for IUDP proposals was open on 6 Aug 2008 and closed on 31 Dec 2008. Of the total number of 62 towns that met the condition of the number of population, 41 towns submitted an application for approval of the IUDP.

From among the submitted IUDPs, a total of 6 towns applied for a pilot project and 13 towns in their projects included matters addressing the socially excluded Roma communities¹³. In 2013, this situation did not change.

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

Table 32 - Data based on concluded Agreements on ensuring the implementation of IUDP

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

Source: Internal analyses of IOP MA

The implementation of IUDPs has been running since July 2009. The IOP MA decided to stop issuing the Decision on providing a grant for activity 5.2b) Regeneration of residential buildings as of 31 Jan 2013. In cooperation with regional branches of the Centre for Regional Development, the IOP MA issued all the necessary Decisions on providing a grant and thus satisfied the demand for support in projects focused on regeneration of residential buildings. Hence, since the beginning of 2014 the applicants may apply for support only for projects in activity concentrating on revitalisation of public spaces. Since in the past mainly the projects on regeneration of residential buildings were implemented, the IOP MA believes there is no reason for not meeting all the demand for direct assistance in activity on regeneration of residential buildings in time due to the end of validity of the regional map of state aid.

Throughout 2013, the IOP MA regularly informed the towns with IUDPs on preparation of the implementation of JESSICA FI. Starting with January 2014, the applicants from among the owners of residential buildings in IUDP zones can apply for a soft loan from JESSICA financial instrument in the activity on regeneration of residential buildings.

¹³ Of these 13 towns only 8 towns were assigned points for criterion 2.e – “IUDP includes a solution in a socially excluded Roma locality”.

Table 33 - Information on the actual status of IUDP in 2013

Name of the applicant	Total expenditure on IUDP	Assistance under IOP (from ERDF)	Submitted project applications (ERDF share)		Project applications recommended for financing (ERDF share)		Approved projects (ERDF share)	
	In CZK	In CZK	Number	In CZK	Number	In CZK	Number	In CZK
Bohumín	116 498 760	64 891 142	12	69 809 421,82	10	60 396 814,22	10	55 413 587,00
Brno	294 163 140	132 191 651	17	74 503 700,95	17	74 503 700,95	17	74 387 648,00
Břeclav	144 127 620	52 549 865	11	42 508 561,26	11	42 508 561,26	11	42 508 558,00
České Budějovice	261 405 720	172 207 039	34	130 637 303,99	34	130 637 303,99	34	129 168 964,24
Český Těšín	160 996 560	102 529 694	18	96 724 460,26	18	96 724 460,26	17	82 681 746,26
Děčín	160 072 740	99 363 286	13	25 725 744,36	12	24 623 098,86	11	14 770 067,00
Frýdek-Místek	288 079 260	131 658 909	31	96 737 363,40	31	96 737 363,40	31	88 511 234,00
Havířov	283 026 120	171 847 059	5	160 786 664,79	5	160 786 664,79	3	98 084 064,00
Hodonín	169 141 920	77 914 692	30	65 002 222,51	30	65 002 222,51	30	64 975 464,68
Hradec Králové	262 386 180	166 757 542	17	165 071 898,62	16	72 356 727,57	16	71 808 392,64
Cheb	173 290 020	93 763 879	11	25 075 485,99	11	25 075 485,99	11	24 149 159,00
Chomutov	262 838 700	163 148 846	32	95 384 443,58	32	95 384 443,58	32	95 015 368,00
Chrudim	186 991 320	80 885 134	13	90 949 710,72	13	90 949 710,72	13	86 255 068,74
Jablonec nad Nisou	171 479 940	110 449 070	17	81 269 766,59	16	80 610 846,59	15	80 008 515,91
Jirkov	185 332 080	100 719 111	36	91 149 883,00	36	91 149 883,00	33	86 046 487,00
Karlovy Vary	147 898 620	81 536 285	29	45 424 254,66	29	45 424 254,66	24	33 999 818,00
Karviná	287 853 000	144 575 690	3	108 370 343,36	3	108 370 343,36	3	92 140 656,00
Kladno	288 431 220	156 207 541	18	158 215 494,30	18	158 215 494,30	18	157 660 699,30
Kopřivnice	175 829 160	95 530 693	7	93 963 408,44	7	93 963 408,44	7	75 432 944,00
Kroměříž	176 709 060	95 947 137	39	88 573 802,56	39	88 573 802,56	39	86 305 944,78
Liberec	259 193 400	151 356 728	60	104 399 686,00	60	104 399 686,00	60	103 601 829,85
Litvínov	193 427 160	83 883 557	16	62 470 563,00	15	53 132 130,00	15	51 265 671,00
Mladá Boleslav	178 519 140	96 453 029	42	123 647 102,32	42	123 647 102,32	42	123 109 738,10
Most	245 291 156	127 478 479	11	53 165 425,72	11	53 165 425,72	11	39 488 447,00
Náchod	175 049 820	106 422 020	18	79 296 453,14	18	79 296 453,14	16	77 543 788,95
Nový Jičín	173 491 140	92 169 374	25	90 367 069,86	25	90 367 069,86	25	90 367 063,52
Olomouc	279 556 800	180 492 907	38	118 321 298,05	37	114 949 467,05	35	113 459 123,50
Opava	253 587 180	161 906 301	45	141 674 473,00	45	141 674 473,00	45	126 778 219,38
Orlová	135 680 580	80 384 748	15	59 716 827,54	15	59 716 827,54	15	48 700 160,70
Ostrava	255 873 839	164 867 039	10	104 706 521,46	10	104 706 521,46	8	46 110 061,00
Pardubice	263 517 480	156 798 532	41	89 137 364,12	41	89 137 364,12	41	87 595 931,10
Písek	175 024 680	99 009 767	12	51 913 113,75	12	51 913 113,75	12	51 345 993,19
Přerov	175 854 300	87 464 147	21	66 507 967,34	21	66 507 967,34	21	65 579 627,00
Příbram	179 650 440	128 207 288	19	118 316 006,87	19	118 316 006,87	19	103 403 189,87
Strakonice	175 326 360	120 079 601	44	93 295 744,15	42	71 645 377,30	42	71 224 130,31
Tábor	168 513 420	104 624 057	26	116 649 864,61	26	116 649 864,61	26	112 801 242,50
Třebíč	182 038 740	98 102 288	30	72 656 658,36	30	72 656 658,36	30	70 679 155,00
Uherské Hradiště	181 913 040	89 345 750	24	75 741 874,63	24	75 741 874,63	24	74 927 786,33
Ústí nad Labem	215 223 540	110 224 897	6	80 560 728,55	6	80 560 728,55	6	80 560 727,00
Vsetín	182 038 740	98 122 174	30	57 073 550,53	30	57 073 550,53	30	56 666 721,98
Znojmo	166 049 700	96 470 954	7	42 421 161,20	7	42 421 161,20	7	34 184 632,00
Total	8 411 371 795	4 728 537 901	933	3 607 923 389	924	3 469 673 414	905	3 168 717 626

Source: ISMonit7+ as of 31 Dec 2013

Status of implementation of pilot projects

The calls for submission of projects are announced in all the six towns. As of 31 Dec 2013 altogether 68 submitted projects are registered under activity 5.2c). Support was granted to a total of 14 projects in the amount of roughly CZK 64 million in the activity Revitalisation of public spaces and 54 projects in the amount of roughly CZK 151 million (ERDF+SB) in the activity Regeneration of residential buildings in socially excluded localities with Roma population.

The IOP MA is not aware of any major complications in the implementation of pilot projects and, judging from the outputs, confirmed at the meeting of the WG in December 2013, there is no imminent risk of a failure to fulfil the objectives of pilot projects. Bearing in mind the places of implementation of investment projects (socially excluded localities), it has been consistently pressing for quality ensurance of project sustainability.

The investment projects are often linked to projects on social inclusion, financed mostly from OP HRE, from Intervention area 3.2 Support of social integration of members of Roma communities, 5.1 International cooperation (exchange of experience with social inclusion), and from Intervention area 3.1b of IOP. Moreover, in the framework of pilot projects also projects from the Operational Programme Education for Competitiveness are implemented which fall under Intervention area 1.2 Equal opportunities of children and pupils.

In September 2013, the IOP MA participated in the regular meeting of EURoma network, where experience with the integrated approach to socially excluded Roma population was presented.

2.7 Arrangements for Programme monitoring

2.7.1 Monitoring of the Programme

At the beginning of 2013, two important functionalities were incorporated and launched in the monitoring system. The first one enables the MA/IBs to monitor the status of submitted notifications of a change (modification) in a project, including its impact on the planned absorption. The second one facilitates a detailed registration of administration of tenders and interlinkage of tenders with the planned stages. Both the functionalities are used by the IOP MA with the view to make more accurate absorption forecasts and to improve the monitoring of bottlenecks in programme implementation.

In 2013, the IOP MA at the Working Group for financial management dealt with the progress made in fulfilling the absorption forecasts and making more accurate outlooks in the future. To this end the above referred to functionalities were also used and attention was paid especially to applications for payment delayed in administration, applications for payment not submitted in time in keeping with the timetable, delayed public contracts in relation to the planned absorption, and volume of planned expenditure in public contracts linked to the predicted applications for payment.

The IOP MA continued to monthly monitor the progress in absorption forecasts in the light of fulfilment of n+3 and n+2 rule. At the beginning of 2013, the IOP MA made a forecast of future savings from projects based on the actual savings. Since the predicted future savings were higher than the necessary exchange rate reserve, the IOP MA abandoned its intention to keep the reserve and decided to make the total programme allocation available for absorption.

In 2013, also the Management Information System was launched for a data warehouse with the source of data from the MSC2007 IS. This information system is used by the IOP MA to monitor the absorption over time, it enables to compare the status of IOP with that of the other OPs, and it facilitates the creation of reports based on the current requirements for monitoring.

2.7.2 Evaluation of the Programme

In 2013, the IOP MA conducted three internal evaluations in line with the Evaluation Plan for 2013 that was approved at the 10th meeting of the Monitoring Committee held on 21 Nov 2012. In February 2014, the reports from these evaluations will be subject to comment procedure at the Working Group for evaluation of IOP.

During 2013, corrective measures from the Action Plans from evaluations completed in 2012 continued to be implemented.

The evaluation called Identification of barriers to financial absorption in Intervention areas 3.1 and 3.3 of IOP resulted in the obligation of the Intermediate Body of MoLSA to act upon approximately 90 recommendations of the evaluator, summed up in the Action Plan from this evaluation. The recommendations created synergies and complemented each other, the impacts could not be clearly separated and quantified. The MoLSA included one fifth of the recommendations from the Action Plan in the revised Handbook of Work Procedures (version 1.4, approved on 2 Jul 2012). Approximately 15% of recommendations of the evaluator are acted upon by the MoLSA IB in collaboration with the CRD. Approximately 15 % of recommendations from the Action Plan are fulfilled by the MoLSA through revisions of rules for the published calls. In October 2012, the revision of the 8th call for IA 3.1 was approved, in December 2012 a new call for IA 3.3 for activity c) was published. The IOP MA tasked the MoLSA IB to incorporate the comments raised by the IOP MA in the next revisions. **Some of the recommendations from the Action Plan that should substantially simplify the rules of calls and speed up the administration of projects were with regard to the necessity to fulfil the n+2/n+3 rule in 2013 identified as crucial for acceleration of the financial absorption, and under the working title Key measures to accelerate financial absorption in IA 3.1 and 3.3 became a separate task for the MoLSA IB.**

The key measures consisted in two binding measures of IOP MA:

1. MoLSA IB will markedly **simplify and make clear the requirements** for submission of a project application. This simplification will be integrated into the revision of the Handbook of Work Procedures (HWP) and into the revision of the Handbook for Applicants and Beneficiaries.
 - a. MoLSA IB will simplify the definition of **financial and technical limits**. The limits for ratios will be fixed as at a certain date (e.g. the amount of assistance approved by the Selection Committee) so that the applicants do not have to repeatedly recalculate their projects.
 - b. MoLSA IB will cancel the obligation of beneficiaries to complete the **Aid Registration System/Administration of State-Owned Assets forms**, at least in IA 3.1.
 - c. MoLSA IB will leave out from its procedures the assessment of the construction part of the project by the **Institute of Rationalisation in the Construction Industry (IRCI)**.
2. MoLSA IB will, in cooperation with CRD, continue to recommend the applicants and beneficiaries to **divide** the projects **into stages**. MoLSA IB will work on a one-to-one basis with applicants/beneficiaries.

Financial and project managers of MoLSA IB will evaluate the status of absorption of funds as at the end of March 2013. Based on the information about the amount of funds reimbursed in the respective stage and the expected volume of funds in the applications for payment, the MoLSA IB will determine whether the amount is high enough (set out the limit) to complete the stage at an earlier date, i.e. until July 2013. These intentions will be consulted by the MoLSA IB with the IOP MA and subsequently proposed to beneficiaries for their own sake

(to have the largest possible amount of funds reimbursed). The conclusions will also be shared with the CRD.

The key measures contained also two recommendations of IOP MA:

1. MoLSA IB will speed up the administration related to the **issuance of legal acts**, cut short the time spent by **management verifications** and signing procedure prior to the issuance of the Decision on providing a grant/Statement of expenditure. The MoLSA IB staff will use a checklist.
2. With the view to reduce the number of rejected projects the MoLSA IB will align the approach to social entrepreneurship within the implementation structure of IOP. MoLSA IB will organise a single comprehensive training course for all evaluators, project managers, CRD employees and members of the Selection Committee who are involved in activity 3.1c. MoLSA IB will present the rules and objectives of the call to all the participants in order to prevent any subjective assessment of projects.

The Action Plan from the evaluation Identification of barriers to the absorption of funds in Intervention areas 3.1 and 3.3 was concluded as of 31 Jan 2013. In conclusion we may state that with the exception of the progress made in the issuance of legal acts in IA 3.1 and IA 3.3, no significant positive changes were achieved in speeding up the absorption of funds and fulfilment of n+3/n+2 rule.

As to the Action Plan from the Analysis of administrative capacities and outsourcing of the Intermediate Bodies of IOP 2012, once the Final Report from the Evaluation of the system of education and training of IOP implementation structure staff is approved the modifications in the system of education and training for the whole IOP implementation structure shall be proposed. The Report was submitted to the members of the Working Group for evaluation of IOP for comments in January 2014.

The outputs from evaluations are available on the following website <http://www.strukturalni-fondy.cz/cs/Microsites/Integrovaný-OP/Dokumenty>.

Evaluations conducted by the Managing Authority in 2013

Analysis of administrative capacities and outsourcing in IOP implementation structure 2013

The aim of the Analysis of administrative capacities and outsourcing in IOP implementation structure 2013 was **to determine the actual total costs spent** on programme management during the monitored period from 7/2012 to 6/2013 and to compare them with the costs spent in the previous periods.

The analysis followed up on the two previous analyses - Analysis of administrative capacities and outsourcing of IOP Intermediate Bodies 2011 and Analysis of administrative capacities and outsourcing in IOP implementation structure 2012. The financial costs and the performance of administration were thus monitored during the period of 2.5 years from 1 Jan 2011. This longer time span covered as against the previous analysis allows for preventing the effects of incidental and irregular expenditure and different stage of implementation. The same methodology was employed in order to facilitate comparisons of progress made in individual monitored periods of six months.

Implementation period: July – December 2013

Type of evaluation: internal

Evaluator: IOP MA in cooperation with IBs

Brief summary of conclusions:

By comparing the total financial costs of all IOP implementation structure bodies, as ascertained through the Analysis for the period from 2nd half of 2012 to 1st half of 2013, and the costs ascertained by the Analysis from the previous period, it can be concluded that **the total expenditure of the IOP implementation structure was slightly decreasing** (from 15 % in the 1st half of 2012 to 9 % in the 1st half of 2013).

The 2.5 years of monitoring of expenditure on education and training of the whole IOP implementation structure staff shows **very different shares of expenditure on education of employees**, which is why the difference between the set out systems of education at IOP MA and its Intermediate Bodies was evaluated by the **Evaluation of the system of education and training of IOP implementation structure staff 2013**.

Another indicator is the administrative capacity, namely both in terms of the number of FTE, structure and costs of these FTE, and the efficiency vis-à-vis the allocation.

Table 34 - Total number of FTE implementing the IOP as of 30 Jun 2013 and turnover rate in the first half of 2013

	FTE of skeleton staff as of 30 Jun 2013	FTE working on AWP /AWA as of 30 Jun 2013	Total number of FTE ¹⁴	Turnover rate (%)
MA	58,33	4,00	62,33	19,09
CRD	45,56	5,04	50,60	6,92
MoC	16,75	0,00	16,75	35,82
MoLSA	22,05	0,00	22,05	4,54
MoH	21,00	1,50	22,50	4,44
MoI	22,63	1,65	24,28	24,71
IOP total	186,32	12,19	198,51	14,81

Source: Analysis of administrative capacities and outsourcing in IOP implementation structure

The principal part of the analysis consists in assessing the efficiency of individual Intermediate Bodies by comparing the financial costs to the actual performance of administration.

Table 35 - Total financial costs of administration for the monitored period of 1 year and performance of administration in the period from 7/2012 to 6/2013

From 1 Jul 2012 to 30 Jun 2013	Total financial costs of administration (CZK)	Number of submitted projects	Number of approved projects	Number of approved applications for payment	Average costs in CZK per 1 submitted project	Average costs in CZK per 1 approved project	Average costs in CZK per 1 approved application for payment
CRD	36 551 172,00	464	556	446	78 774,08	65 739,52	81 953,30
MoC	13 253 899,00	0	5	49	NR	2 650 779,80	270 487,73
MoLSA	9 861 420,00	160	76	48	61 633,88	129 755,53	NR
MoH	13 618 516,00	40	41	24	340 462,90	332 158,93	567 438,17
MoI	16 018 529,00	8	18	46	2 002 316,13	889 918,28	348 228,89

Source: Analysis of administrative capacities and outsourcing in IOP implementation structure

¹⁴ FTE = full time equivalent – FTE equals one year of work of one employee whose activities are dedicated to the given activity to the degree of 100 %.

Turnover rate = the number of terminated employment contracts in the 1st half of 2013/FTE as at the 1st half of 2013*100

The projects administered by individual IBs differ predominantly in the volume of financial resources and the number and value of controlled public contracts. For the sake of higher objectivity, **the annual costs of the volume of submitted and approved projects are compared against the volume of approved applications for payment. In submitted projects the annual costs, as against the volume of projects, are the lowest at MoLSA CR (CZK 5 223), the highest on the contrary at MoI (CZK 26 775), whereas the MoC CR spent no funds on the submitted projects. The costs per CZK 1 million in approved projects are the lowest at MoLSA CR (CZK 5 345) and the highest at the MoH CR (CZK 14 423). The costs per CZK 1 million in approved applications for payment are the lowest at the MoC CR (CZK 761), whereas they are the highest at the MoH CR (CZK 15 755).**

Another indicator of **the performance of administration is the number and value of controlled public contracts.**

The largest number of public contracts was in the monitored period approved by the CRD CR – a total of 2496 contracts of all types. The largest volume of approved contracts (CZK 2.1 billion) at the CRD CR is reported in the category of contracts outside the scope of Act No 137/2006 Coll. (a total of 443 contracts). At the MoC CR the largest volume of above-the-threshold contracts was subject to control (approx. CZK 2.5 billion) - 61 contracts.

The summarising and comprehensive indicator compares the annual financial costs with the earmarked allocation. **The highest costs of administration of the received allocation in the monitored period are reported by MoLSA.**

Table 36 - Financial costs of administration as against the allocation in the monitored period

	2 nd half of 2012	1 st half of 2013	SF allocation according to the PD 2007 (CZK)	Semi-annual costs per CZK 1 million of allocation (2 nd half of 2012)	Semi-annual costs per CZK 1 million of allocation (1 st half of 2013)
CRD	CZK 16 765 095	CZK 19 786 077	19 033 131 769	880,84	1039,56
MoC	CZK 5 207 334	CZK 7 046 565	5 757 596 250	904,43	1 223,87
MoLSA	CZK 4 772 556	CZK 5 088 864	1 824 011 028	2 616,52	2 789,93
MoH	CZK 5 720 767	CZK 7 897 749	6 212 042 650	920,92	1 271,36
MoI	CZK 9 172 731	CZK 6 845 798	7 840 311 294	1169,95	873,15

Source: Analysis of administrative capacities and outsourcing in IOP implementation structure

Note: The SF allocation in EUR was calculated based on the exchange rate of € 1= CZK 25, the financial costs of CRD were increased by 30 % of the MA costs in line with the methodology in Chapter 1.3

The aim of the analysis was to ascertain the total costs of Programme management. **In December 2011, the total annual costs of IOP reached the value of CZK 132.8 million, in December 2012 they equalled CZK 118.8 million.** Since the total annual costs in 2012 were by CZK 14 million lower than in 2011, it can be stated that the to date rate of absorption complies with the available volume of funds allocated to technical assistance of the Programme, and if the existing trend continues until the end of the programming period, there is no risk of excessive absorption of the IOP TA allocation.

Evaluation of consistency of monitoring indicators with IOP objectives

The aim of the Evaluation of consistency of monitoring indicators with IOP objectives was to identify risky areas and to propose to include in the set of indicators the data sources which will facilitate evaluation of accomplishment of individual objectives of intervention areas. The evaluation was triggered by the SAO audit during the control of consistency of monitoring indicators with objectives of Intervention area 5.1 of IOP. Based on this audit the IOP MA decided to carry out an internal analysis of this consistency in all intervention areas.

Implementation period: July 2013 – December 2013

Type of evaluation: Internal

Evaluator: IOP MA

Brief summary of conclusions:

The specific objectives of individual priority axes and respective intervention areas are consistent with the monitoring indicators and the reported values can be used in the reporting and in the evaluating of IOP. The following recommendations were articulated in the final report:

There is no need to modify the monitoring indicators. The methodology of calculation and reporting of indicators, stated in the methodological sheets of indicators, have to be explained or aligned in individual areas. The modified methodology of calculation shall be tried and tested in projects, and where a different method of calculation is used, a change in the value of the monitoring indicator, given in the Decision on providing a grant, shall be initiated.

Specific recommendations contain the partial conclusions concerning the individual intervention areas. The indicators which currently achieve less than 50 % of the target value shall be subject to examination.

The Final Report of IOP shall describe changes that occurred throughout the programming period and the associated non-fulfilment or excessive fulfilment of specific indicators.

In Priority axes 1 and 2, the methodology of calculation and reporting of indicators from the Eurostat shall be explained, fulfilment of all the so far not fulfilled indicators shall be ensured, or in extreme cases alternative indicators shall be sought in the existing statistical data.

In IA 3.1, the values of indicator Efficiency of support achieved in the 1st and 8th call shall be unified.

In IA 3.2, the increased absorption capacity resulted in excessive fulfilment of the target value of indicators in activities a) and b) and its increase should be proposed. In activity c), the originally set logic of the indicator “Number of projects focused on the introduction of standards and standard procedures of quality and cost management” failed to reflect the complexity of introduced programmes, and the value of indicator should be decreased.

In IA 3.3 and 3.4, the fulfilment of the target values of result indicators, in which zero or extremely low values are currently reported, should be checked based on the data from beneficiaries. In IA 3.4, the methodology of calculation for individual FRS units and the P CR shall be provided.

With regard to the monitoring indicators of Priority axis 4, the excessive fulfilment of indicators covering publicity and marketing products and marketing statistical surveys shall be justified in the Annual Report, and the differences in distributing the values of indicators between the Convergence and RCE objective shall be explained.

With respect to IA 5.2, it is necessary to justify in the Final Report the changes in reporting the indicator No 330103 Number of projects improving the attractiveness of housing in the territory, the excessive fulfilment of indicators No 331200 Number of regenerated apartments, No 331300 Area of revitalised territory, and No 331500 Energy savings in rental houses (residential buildings), and non-fulfilment of indicator Number of pilot projects – the support for selected Roma localities.

In IA 5.3, the planned value was exceeded in both the result indicators. In case of indicator No 330417 Increase in the area of the CR which will be covered by planning analytical materials of municipalities, the target value was exceeded more than four times. Indicator No 330418 was exceeded 128 times. The method of reporting has already been explained in the Reports on Implementation of the Programme, it shall be justified again in the Annual Report.

Evaluation of the system of education and training of IOP implementation structure staff

The Evaluation of the system of education and training of IOP implementation structure staff aimed to check the status of the system of education at the IOP MA and IOP IBs and to propose improvements in the area of planning, implementing and evaluating the educational needs. A partial goal was to assess the consistency of the educational system applied in the IOP with the educational systems of individual institutions within the authority of which the IOP MA and IOP IBs operate, and with the educational activities of the NCA. As a result of the evaluation, recommendations are anticipated which will lead to enhancing the efficiency of the system, standardisation of education at all levels of implementation, and more targeted planning and reporting of educational activities.

Implementation period: May 2013 – December 2013

Type of evaluation: Internal

Evaluator: IOP MA

Brief summary of conclusions:

The evaluation was carried out as an internal evaluation of IOP MA by the coordinator of education and the coordinator of evaluations, with the methodological support of an external evaluator. The respondents were all the IOP Intermediate Bodies. The system of education has been introduced at all IOP implementation bodies and the employees have been informed thereof.

The following recommendations ensued from the Final Report:

All the IOP implementing bodies have created education plans for their employees, which however are not always compiled with account taken of the requirements placed on the job positions. The education plans of employees shall be drawn up with respect to requirements placed on individual job positions and preference shall be given to specialised educational activities over the so called soft motivation training courses. The individual requirements of employees are usually reflected in the education plans.

Sadly enough, majority of employees fail to fully adhere to the education plans, stating as a reason the lack of time due to other activities. This reduces the chance to apply the knowledge gained in the training in practice, and thus also the efficiency of the entire system of education. A natural thing should be the responsible approach of employees to the already scheduled training and their planning of their work duties in such a way to avoid their cumulation that causes cancellation of the planned or already paid for training. The overall effect of the system of education is also impaired by the high turnover of staff, which results in the loss of acquired skills and experience of the leaving employees.

The scope of provided vocational training within the first three months after the commencement of employment differs among the individual IOP implementation bodies. The IOP MA, contrary to the other bodies, offers to the new employees a full package of specialised training courses, with the topics presented by experienced employees of the department. Based on the information obtained in the questionnaire survey, namely that some of the employees in the probationary period would benefit from a specialised training course which would help them cope with the requirements of their respective positions, it can be recommended to introduce an initial vocational training delivered by experienced employees, as it is the case at the MA, also at the Intermediate Bodies.

Further increase of efficiency of education would be achieved if the information and presentations from the training courses are shared at least within the working team, on the occasion of meetings, training courses. Where possible, the new knowledge shall also be disseminated through the shared disc of the body, or IOP extranet.

With regard to their education plans, the employees are informed about the offer of new educational activities. Information on educational activities is offered to employees especially by the coordinator of education and direct superiors. Yet, it happens that some employees and coordinators of education are not appropriately informed. Therefore, considered shall be the option to inform about the offer of

educational events through the IOP extranet. The update of training courses on the extranet would be the responsibility of the coordinators of education.

Coordinators of all the bodies providing education perform their duties. They draw up annual, or also semi-annual education plans and continuously update them, they inform the employees on the offer of educational events, they are engaged in booking and ordering the courses and evaluate the quality and applicability of individual educational activities. They obtain information either from the evaluation questionnaires (see Annex No 4), completed after the end of each event or completed once a year, or from interviews with the employees which has a positive effect on the offer of new educational activities in the following period. The coordinators of education would appreciate the sharing of a database of tried and tested providers and organisers of educational activities as well as the sharing of results of evaluation of the benefit of educational events in the framework of activities of the Working Group for education.

In the questionnaire survey the employees also expressed their satisfaction with the existing system of education. The results of the evaluation suggest that the established system is well functioning, even though its effectiveness can undoubtedly be further enhanced. Especially by better provision of information on educational activities, a more diverse offer of activities and also more consistent accomplishment of education plans. Majority of employees perceives education as important motivation to continue to work for IOP. As a bonus for their high performance they would very much welcome the possibility to attend language courses at work during their working hours, which some of the bodies ceased to support in 2012.

Evaluation of communication and publicity activities for 2013

In accordance with Commission Regulation (EC) No 1828/2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006, in 2010 the IOP MA conducted an evaluation of information and publicity measures for the period 2007 – 2010 with respect to the visibility and awareness of the programme. The evaluation of publicity activities was referred to in the Annual Report of IOP for 2010. One of the recommendations from the given evaluation is to introduce an annual external evaluation of communication activities and based on these evaluations to create the “strategic background” that will be partly evaluated internally and partly externally, always in the following year. On the basis of another recommendation from the Evaluation of communication and publicity activities of IOP 2007 – 2010, the IOP MA, in cooperation with the creative supervisor, developed a concept for the provision of information to the general public on how a by what means the activities supported from IOP improve and enhance the quality of life. Due to introduction of the concept and preparation of the Internet campaign in 2012, it does not yet makes sense to perform the evaluation of 2012.

In November 2013, the NCA conducted an overarching questionnaire survey which is available to all the operational programmes. The operational programmes do not have to carry out more evaluations. The conduct of evaluation for individual operational programmes is envisaged in 2015 or 2016.

Implementation period: December 2013 – March 2014

Type of evaluation: Internal and external

Evaluator: IOP MA with the assistance of an external evaluator

Brief summary of conclusions: The evaluation has not been commenced as yet

Evaluations and studies of Intermediate Bodies in 2013

In the monitored period, the Intermediate Bodies did not conduct any evaluation, even though the MoH IB had two studies included in the Evaluation Plan of IOP for 2013. The first one, the Audit of implementation of projects from the 4th, 5th and 8th call for Intervention area 3.2 of the Integrated Operational Programme has been carried out by an external evaluator since autumn 2013. The study aims to verify and evaluate the course of award procedures conducted in the framework of all grant

projects of the 4th, 5th and 8th call for Intervention area 3.2 of IOP, based on which the supplier will also perform an analysis of efficiency of the conduct of tenders primarily in terms of the achievement of prices common at the given place and time. It also aims to assess the design of administrative procedures and processes of the European Funds Department in the administration of projects, and to verify the adherence to the set out procedures by the employees of the department.

The second study, Evaluation of Intervention area 3.2 with account taken of the achievement of defined objectives and experience with the implementation of support in the Czech health sector, was moved to the Evaluation Plan of IOP for 2014 for time and capacity reasons.

2.7.3 More information related to monitoring and evaluation of the Programme

Participation in the WG for evaluation of the NCA

An IOP representative takes part in meetings of the Working Group for evaluation of the NCA which was convened twice in the monitored period (on 25 Apr 2013 and 17 Oct 2013).

At the April meeting, the WG members were informed about the accomplishment of the Evaluation Plan of NSRF and about the news from the Evaluation Network Meeting. Evaluation activities of MRD-NCA and other bodies were presented. The participants were informed about the intention to create an online library of evaluations and about the prepared CIE summer school. Finally, satisfaction with the educational seminar Evaluations I and II was discussed.

At the October meeting, the WG members were introduced to the update of the Evaluation Plan of NSRF and the activities planned for 2014. The MRD-NCA provided information on the preparation of meta-evaluation of evaluation activities as a tool to increase the quality of evaluation outputs, and informed about the progress made in the conduct of the ex-ante evaluation and SEA of the Partnership Agreement. Also presented was the information on the ex-post evaluation of the period 2007 – 2013, carried out by the EC in close cooperation and dialogue with the Member States and the Managing Authorities. At the conclusion of the meeting, evaluation activities of selected OP MAs were presented.

2.8 National Performance Reserve

This chapter is not applicable for the monitored period.

3 PROGRAMME IMPLEMENTATION BY PRIORITY AXIS

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

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

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

3.1.1 Achieved progress and its analysis

3.1.1. A Information on physical and financial progress

Implementation of priority axis

Calls

In call No 15, 1 project application in the amount of CZK 528 550 151 was submitted (by Notification of a change (modification) it was modified to CZK 526 189 022). In call No 16, 14 applications for support were submitted. The total allocation for the call was CZK 694 117 647 and the allocation for submitted projects is CZK 1 056 977 488. The project applications submitted under call No 16 are currently at the stage of evaluation.

Table 37 - Overview of announced and ongoing calls in PA 1a and 1b in 2013

Order of the call	Number of the call	Submission of project applications		Type of the call	Number of PA /IA	Allocation for the call	Submitted applications for support		Projects with issued Decision/signed Contract	
		Opening date of the call	Closing date of the call			in EUR	Number	in EUR	Number	in EUR
57.	15	15.1.2013	15.4.2013	continuous	1.1a	18 684 330	1	17 860 137	1	17 780 353
57.	15	15.1.2013	15.4.2013	continuous	1.1b	1 437 256	0	1 373 857	0	1 367 719
				Call total		20 121 586	1	19 233 994	1	19 148 072
62.	16	2.5.2013	6.9.2013	continuous	1.1a	23 454 797	14	35 716 124	0	0
62.	16	2.5.2013	6.9.2013	continuous	1.1b	1 804 215	0	2 747 394	0	
				Call total		25 259 012	14	38 463 518	0	0
CONV total						42 139 126	15	53 576 261	1	17 780 353
RCE total						3 241 471	0	4 121 251	0	1 367 719
PA 1 total						45 380 598	15	57 697 512	1	19 148 072

Source: MSC2007 as of 31 Dec 2013

CZK/EUR exchange rate: 27.48

Source of funding: public funds total

Indicators

In the calls of MoI CR the data on fulfilment of indicators are reported as at the date of project completion. The achieved value is the average of values stated by beneficiaries in the final monitoring reports as achieved values. With some exceptions only, there are no changes in the planned target value of indicators during the project implementation. The achieved values of ratio indicators change in dependence on the number of completed projects and their reported target values.

150109 Share of registers connected to central registers

The achieved value as of 31 Dec 2013 is 11.63 % which was reported by 4 completed projects. The planned value stated in the IOP Programming Document is 75 %. In Intervention area 1.1 the indicator is reported by 10 projects. The average commitment is 21.4 %.

150110 Share of state administration authorities using the shared CIPA

The achieved value as of 31 Dec 2013 is 25.78 % which was reported by 9 completed projects. The planned value stated in the IOP Programming Document is 80 %. This indicator was reported by a total of 13 projects and their average commitment equals 18.85 %.

150111 Share of ministerial and agenda portals interconnected to the Public Administration Portal

The achieved value as of 31 Dec 2013 is 75 % which ensues from the values given in two completed projects. The planned value stated in the IOP Programming Document is 75 %. In Intervention area 1.1, the indicator is fulfilled by 5 beneficiaries from among central state administration authorities. The average commitment amounts to 59.8 %.

150112 Share of digitized documents

The achieved value as of 31 Dec 2013 is 48.67 % which was reported by 3 completed projects. The planned value stated in the IOP Programming Document is 20 %. In Intervention area 1.1, the indicator was reported by a total of 8 beneficiaries from among the central state administration authorities. The average commitment equals 26.62 %.

150113 Share of authorities with electronic records management system and electronic document circulation

The achieved value as of 31 Dec 2013 is 100 % in 1 project. The second project is not fully completed, the achieved value as of 31 Dec 2013 is 50 %. The planned value stated in the IOP Programming Document is 100 %.

152105 Reduction of administrative burden of citizens, entrepreneurs and public sector

The achieved value as of 31 Dec 2013 is 92.67 % which was reported by three completed projects. The planned value stated in the IOP Programming Document is 75 %. In Intervention area 1.1, a total of 6 projects have undertaken to fulfil this indicator. The average of reported values is 89.5 %.

Table 38 - Output indicators

NCI code	Name of indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	2012	2013	Target value 2015 CONV	Target value 2015 RCE	Total CONV	Total RCE
150108	Increase in the number of new fully electronic agendas of the public administration, EU methodology	Number	Eurostat	Achieved	6	6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
				Baseline	6	6	6	N/A	N/A	N/A	N/A	N/A	N/A	6	
				Target	N/A									15	0
150106	Number of created basic registers of public administration	Number	IOP MA	Achieved	0	0	0	0	0	2	5	N/A	N/A	5	
				Baseline	0	0	0	0	0	0	2	N/A	N/A	N/A	
				Target	N/A									N/A	4
150109	Share of registers connected to central registers	%	IOP MA	Achieved	0	0	0	0	0	14,3	11,63	N/A	N/A	11,63	
				Baseline	0	0	0	0	0	0	14,3	N/A	N/A	0	
				Target	N/A									75	75
150110	Share of authorities using the shared CIPA	%	IOP MA	Achieved	0	0	10	64,21	28	13,9	25,78	N/A	N/A	25,78	
				Baseline	0	0	0	10	64,21	28	13,9	N/A	N/A	0	
				Target	N/A									80	80
150111	Share of ministerial and agenda portals interconnected to the Public Administration Portal	%	IOP MA	Achieved	19	19	34,5	23,38	34,5	37,7	75	N/A	N/A	75	
				Baseline	19	19	19	34,5	23,38	34,5	37,7	N/A	N/A	19	
				Target	N/A									75	75
150112	Share of digitized documents	%	IOP MA	Achieved	0	0	0	2,26	1,57	16	48,67	N/A	N/A	48,67	
				Baseline	0	0	0	0	2,26	1,57	16	N/A	N/A	0	
				Target	N/A									20	20
150113	Share of authorities with electronic records management system and electronic document circulation	%	IOP MA	Achieved	20	20	20	20	20	20	51	N/A	N/A	51	
				Baseline	20	20	20	20	20	20	20	N/A	N/A	20	
				Target	N/A									100	100

Source: MSC 2007 as of 3 Mar 2014

Table 39 - Result indicators

NCI code	Name of indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	2012	2013	Target value 2015 CONV	Target value 2015 RCE	Total CONV	Total RCE
152000	Availability of eGovernment services	%	Eurostat	Achieved	57,5	57,5	62,5	73,75	N/A	N/A	N/A	N/A	N/A	0	
				Baseline	30	57,5	57,5	62,5	73,75	N/A	N/A	N/A	N/A	30	
				Target	N/A									75	75
152001	Citizens using the Internet for communication with the public administration	%	Eurostat	Achieved	15,46	18,11	25,33	22,43	39,8	29,4	29,4	N/A	N/A	29,4	
				Baseline	3,3	15,46	18,11	25,33	22,43	23,5	29,4	N/A	N/A	3,3	
				Target	N/A									35	35
152105	Reduction of administrative burden of citizens, entrepreneurs and public sector	%	IOP MA	Achieved	100	100	100	100	95,65	83,5	92,67	N/A	N/A	92,67	
				Baseline	100	100	100	100	100	95,65	83,5	N/A	N/A	100	
				Target	N/A									75	75

Source: MSC 2007 as of 3 Mar 2014

3.1.1.B Qualitative analysis

Financial progress

The main risk for 2013 consisted in the failure to absorb the allocation. Despite all the adopted and implemented measures, the stages still fail to be implemented in the originally planned scope, the timetables of tenders and thus also the timetables of project implementation and absorption of the planned financial resources are delayed.

At the end of 2013, the intervention of the Czech National Bank resulted in a major shift in the exchange rate which had an impact especially on the volume of allocation converted to CZK. The allocation for Intervention area 1.1 was decreased to approximately EUR 291 million in line with the revision of the IOP Programming Document, in which the reallocation of funds to Intervention area 3.4. was approved.

In Intervention area 1.1, a distinct progress was seen in the reimbursement of funds (in the amount of roughly EUR 61.9 million) and in the amount of certified expenditure (roughly EUR 74.8 million for 2013, including the financial resources from previous years that were certified only in 2013).

Table 40 - Financial status of PA 1a and 1b as of 31 Dec 2013

Intervention area	Allocation for 2007-2013	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Funds to be certified	
	EUR	EUR	%	EUR	%	EUR	%
.1a	342 284 804	304 307 899	88,9%	185 997 275	54,3%	182 875 801	53,4%
1a	342 284 804	304 307 899	88,9%	185 997 275	54,3%	182 875 801	53,4%
1.1b	26 329 602	23 408 301	88,9%	14 307 380	54,3%	14 067 370	53,4%
1b	26 329 602	23 408 301	88,9%	14 307 380	54,3%	14 067 370	53,4%
PA1	368 614 406	327 716 200	88,9%	200 304 655	54,34%	196 943 171	53,43%

Source: MSC2007 as of 31 Dec 2013

CZK/EUR exchange rate: 27.48

Source of funding: EU share + national public funds + private financing

Convergence objective; RCE objective

Table 41 - Financial progress of PA 1a and 1b as of 31 Dec 2013

Intervention area	Allocation for 2007-2013	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Funds to be certified	
	a) EUR	b) EUR	% b/a	c) EUR	% c/a	d) EUR	%d/a
1.1a	290 942 083	-8 101 480	-2,78%	57 465 635	19,75%	69 498 886	23,89%
1a	290 942 083	-8 101 480	-2,78%	57 465 635	19,75%	69 498 886	23,89%
1.1b	22 380 161	-623 191	-2,78%	4 420 434	19,75%	5 346 068	23,89%
1b	22 380 161	-623 191	-2,78%	4 420 434	19,75%	5 346 068	23,89%
PA 1	313 322 244	-8 724 671	-2,78%	61 886 069	19,75%	74 844 954	23,89%

Source: MSC2007 as of 31 Dec 2013

CZK/EUR exchange rate: 27.48

Source of funding: EU share

Convergence objective; RCE objective

Statistical data on rejected projects

In 2013, 9 projects were rejected in Intervention areas 1.1a and 1.1b.

Due to the non-compliance of the wording of the call No 16 with the respective Handbook for Applicants and Beneficiaries, stating different groups of eligible applicants, the situation was addressed by the IOP MA that offered the applicants, whose projects had been rejected from the process of evaluation based on the erroneous evaluation of eligibility of the applicants, a possibility to re-include their project application in the process of evaluation. The referred to possibility concerns 2 projects in N1.1 status Project application failed to meet at least one of the eligibility criteria.

One project was in 2013 moved to status N4.1 Issuance of Decision on providing a grant/Statement of expenditure was denied – the applicant did not meet the requirements of the Selection Committee for redrafting the project application. Due to the lack of appropriate information, the Selection Committee returned the project to the applicant who was asked to add a market survey, based on which the prices of budget items were determined. The Selection Committee did not recommend the project for approval because the requirements concerning the overrated budget were not adequately satisfied, one of the external evaluators did not recommend the project for funding at the stage of its physical evaluation, and the timetable was unrealistic.

In the course of 2013, the beneficiaries of 5 projects withdrew from project implementation. Three projects were for a long period of time registered as sleeping or high-risk projects.

In 1 project, based on the deficiencies detected in the key tender, the beneficiary after a consultation with the IOP MA decided to discontinue the project.

Table 42 - Table of rejected projects in Intervention area 1.1

Intervention area 1.1				
Status of projects	Number of projects rejected in the intervention area	Percentage of rejected projects in the intervention area	Comparative value of the percentage of rejected projects across the programme	Number of rejected projects in 2013
<i>N1.1 Project application failed to meet at least one of the eligibility criteria</i>	2	1,98%	1,58%	2
<i>N1.2 Project application failed to meet formal requisites</i>	0	0,00%	0,78%	0
<i>N2.1 Project failed to meet evaluation requirements</i>	6	5,94%	2,95%	0
<i>N2.2 Letter on rejection of project application based on ex-ante check was sent</i>	0	0,00%	0,30%	0
<i>N2.3 Project was not recommended for financing by the Selection Committee</i>	0	0,00%	0,40%	0
<i>N4.1 Issuance of Decision on providing a grant/Statement of expenditure was denied</i>	1	0,99%	0,03%	1
<i>N5 Project application was withdrawn by the applicant</i>	11	10,89%	3,20%	0
<i>N7 Project was not completed/project was withdrawn</i>	9	8,91%	1,56%	5
<i>N8 Contract was terminated by the MA/IB</i>	1	0,99%	0,08%	1
Total	30	29,70%	10,88%	9

Source: IS Monit7+ as of 2 Jan 2014

Fulfilment of horizontal themes

Equal opportunities

Before the end of 2013, under Priority axes 1a and 1b, a total of 67 projects were approved and are still under implementation, of which 35 projects have a positive impact on equal opportunities.

Table 43 - Equal opportunities

Monitoring of horizontal themes	Unit of measurement	Number of projects
Number of projects focused on equal opportunities	Number of projects	0
Number of projects with a positive impact on equal opportunities	Number of projects	35
Number of projects with a neutral impact on equal opportunities	Number of projects	32

Source: IS Monit7+ as of 2 Jan 2014

Sustainable development

In Priority axes 1a and 1b, before the end of 2013 a total of 35 approved projects were environmentally neutral, 23 projects have a positive environmental impact, 9 projects will help improve the air quality and 3 projects will improve the population awareness of environmental protection. An example of the project, in which the commitment was taken to improve the population awareness of environmental protection, is “Creation of the WATER register on eAgri portal“. In 9 cases the applicants reported a positive impact of the project on air quality.

Table 44 - Sustainable development

Monitoring of horizontal themes	Unit of measurement	Number of projects
Project focuses mainly on the environment	Number of projects	0
Project has a positive environmental impact	Number of projects	23
Project is environmentally neutral	Number of projects	35
Project requires an environmental impact assessment	Number of projects	0
Project will help improve the air quality	Number of projects	9
Project will help improve the quality of water	Number of projects	1
Project will use alternative sources	Number of projects	0
Project will enlarge the area of urban vegetation	Number of projects	0
Project will improve population awareness of environmental protection	Number of projects	3

Source: IS Monit7+ as of 2 Jan 2014

3.1.2 Significant problems encountered and measures taken to overcome them

Problem

Sleeping and high-risk **projects** face difficulties in the course of implementation, show delays in the timetable and consequent non-fulfilment of the financing plan and absorption of allocation.

Measures taken

In 2013, the SFD of the MoI CR kept applying the measures adopted in 2012. It worked intensively with these projects, focused on long-term monitoring of the current state of play of sleeping, high-risk and newly also risky projects. Information on the current state of play was provided by the IOP MA in the form of monthly summaries. It monitored the problems confronted by individual projects and potential risks posed especially to the plan of absorption, the measures to prevent or to eliminate them, and the foreseen deadlines of their resolution.

For the reason of large volumes of unabsorbed funds in the sector of the Ministry of Interior, the top officials of the Ministry decided to more closely monitor the sleeping and risky projects.

Problem

Low absorption of funds, the risk of non-fulfilment of n+3/n+2 rule. The causes are closely related to the existence of sleeping and risky projects. The planned volume of funds is often moved by

beneficiaries to next periods and the deadlines for completion of project implementation are extended. The request to do so is repeatedly justified by complications in the award of public contracts (a huge amounts of enquiries of potential bidders leading to the extension of the deadline for submission of bids, participation of only a single bidder, or no bidders at all, appeals lodged by unsuccessful bidders, long lasting administrative proceedings of the Office for the Protection of Competition awarding interlocutory injunctions against the signature of the contract with the winning candidate, or the decision to cancel the contract award procedure, etc.).

Measures taken

The MoI CR IB strives for a stronger involvement of senior management of the ministries in addressing the status of absorption (the Minister of Interior has sent letters to the other ministries). At regular working meetings (at least once a month) the project and financial managers of the SFD of MoI CR and the representatives of beneficiaries identify the risks in projects and discuss the proposed solutions. In case of sleeping and risky projects tripartite meetings with the participation of IOP MA are initiated. The SFD of MoI CR has been over a long time implemented measures that should help beneficiaries in preparation and elaboration of applications for payment and monitoring reports (seminars for applicants/beneficiaries, meetings of working teams during the preparation of applications for payment, ensuring the substitutability at the beneficiary and at the SFD of MoI CR especially at the time of administration of applications for payment, cutting short the deadlines for submission of applications for payment, etc.).

Problem

Slow progress made in project implementation and absorption of funds due to the ongoing investigation by the Office for the Protection of Competition (OPC). Waiting for the OPC decision in the matter of the contract award procedure often times prolongs project implementation and postpones the absorption of funds. Complications in contract award procedures are caused mainly by appeals of unsuccessful bidders or errors made by the contracting entity.

Measures taken

The SFD of MoI CR obtains topical information on the progress of individual contract award procedures and all the control findings of other bodies at regular meetings of working teams of projects and from the monthly status reports. The issues and proposed solutions are without undue delay talked over with the beneficiaries, with the participation of a lawyer. The measure on elimination of risks associated with the contract award procedures entails also intensive work with beneficiaries, particularly the consistent check of documentation on public contracts at the SFD of MoI CR (at least prior to the publishing of a tender, prior to signing the contract with contractor and after the contract is signed).

Problem

Treating the errors in controls of contracts before 2012.

Measures taken

Based on the public administration check 5/2012/I conducted by the IOP MA, which identified some deficiencies in public contracts, the MoI IB repeatedly carried out a control of 246 public contracts. In 2013, approximately 2/3 of contracts were controlled. In approximately 60 % of contracts no errors were identified, in roughly 17 % of contracts clerical errors were identified with no effect on the result. In approximately 23 % of public contracts more serious errors were identified.

In 2013, the strongest stress in controls was put on preventing the ineligible expenditure, especially through the control of the tender documentation prior to the commencement of award procedures/tenders and through the control of award procedures/tenders prior to signing the contract with the contractor, with the use of findings identified during repeated controls.

Problem

High turnover of staff.

Measures taken

The system of remuneration has been modified: remuneration is now closely linked to the performance of the employee. The administrative capacities at the SFD are continuously planned and evaluated. Enhancing of expertise is arranged for through specific training courses matching the respective job position.

3.1.3 Example of a project

Intervention area: 1.1 Developing information society in public administration

Name of the project (registration number): Electronic support for enforcement of intellectual property rights (CZ.1.06/1.1.00/07.06417)

Beneficiary: Industrial Property Office

Project funding: CZK 21 199 982 (SF contribution CZK 18 019 337; SB contribution CZK 3 180 645)

The project was implemented from 1 Nov 2010 to 31 Dec 2012. Thanks to the implementation of this project the efficiency of two information systems for industrial rights procedures - SYPP (System of Industrial Rights) and ISDV (Information System of Intellectual Property) has been improved. The project addressed also the modernisation and upgrade of the Interministerial Information System for enforcing the intellectual property rights and connecting of these systems to the information system of basic registers and CzechPOINT. Bibliographic and facsimile data were added to databases which are provided free of charge by the Industrial Property Office on its website, data on designation of origin and geographical indications were made available and all the documents of patents and utility models were added in a digitised form to the research databases of industrial rights. The documents are now available in the Information System of Intellectual Property (www.upv.cz) and in the Interministerial Information System of Intellectual Property (www.dusevni vlastnictvi.cz).

3.2 Priority axis 2 – Introducing ICT in territorial public administration

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

3.2.1 Achieved progress and its analysis

3.2.1.A Information on physical and financial progress

Implementation of priority axis

Calls

In the monitored period call No 19 was announced based on the mapped absorption capacity. The call was closed at the end of November and as at the end of 2013 the projects were not approved as yet.

Table 45 - Overview of announced and ongoing calls in PA 2 in 2013

Order of the call	Number of the call	Submission of project applications		Type of the call	Number of PA /IA	Allocation for the call	Submitted applications for support		Projects with issued Decision/signed Contract	
		Opening date of the call	Closing date of the call			in EUR	Number	in EUR	Number	in EUR
63.	19	30.8.2013	29.11.2013	Time-limited	2.1	12 190 684	15	9 980 001	0	
PA 2 total						12 190 684	15	9 980 001	0	

Source: MSC2007as of 31 Dec 2013

CZK/EUR exchange rate: 27.48

Source of funding: public funds total

Indicators

In majority of projects the date of fulfilment of the monitoring indicators is set at the end of the project, due to the postponement of the date of project completion also the date of fulfilment of monitoring indicators is postponed. Therefore, only the completed projects contribute to the progress made in fulfilling the monitoring indicators. In 2013, the MA carried out a verification of the method and potential modification of calculation of all the output monitoring indicators. This activity will continue to be performed also in 2014.

Table 46 - Output indicators

NCI code	Name of indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	2012	2013	Target value 2015	Total
150105	Number of contact points of public administration (CzechPoint)	Number	IOP MA	Achieved	1300	1300	4470	6557	6557	6557	6559	N/A	6559
				Baseline	1300	1300	1300	4470	6557	6557	6557	N/A	1300
				Target	N/A								6 244
150117	Share of local public administration registers connected to central registers	%	IOP MA	Achieved	0	0	0	0	0	0	N/A	N/A	N/A
				Baseline	0	0	0	0	0	0	0	N/A	0
				Target	N/A								75
150115	Share of local networks connected to CIPA	%	IOP MA	Achieved	10	10	10	10	10	17,5	27,5	N/A	27,5
				Baseline	10	10	10	10	10	10	17,5	N/A	10
				Target	N/A								85
150116	Share of regional portals integrated into the Public Administration Portal	%	IOP MA	Achieved	0	0	N/A	0	0	N/A	11,1	N/A	11,1
				Baseline	0	0	0	N/A	0	0	N/A	N/A	0
				Target	N/A								75
150114	Number of new fully digitised agendas of local public administration	Number	IOP MA	Achieved	0	0	0	0	1	17	53	N/A	53
				Baseline	0	0	0	0	0	1	17	N/A	0
				Target	N/A								126
150112	Share of digitised documents	%	IOP MA	Achieved	0	0	0	0	2,13	0,93	9,11	N/A	9,11
				Baseline	0	0	0	0	0	2,13	0,93	N/A	0
				Target	N/A								20

NCI code	Name of indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	2012	2013	Target value 2015	Total
150113	Share of authorities with electronic records management system and electronic document circulation	%	IOP MA	Achieved	20	20	20	20	20	45,27	52,91	N/A	52,91
				Baseline	20	20	20	20	20	45,27	N/A	20	
				Target							N/A		100

Source: MSC 2007 as of 3 Mar 2014

Table 47 - Result indicators

NCI code	Name of indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	2012	2013	Target value 2015	Total
152000	Availability of eGovernment services on-line	%	Eurostat	Achieved	57,5	N/A	62,5	73,75	N/A	N/A	0	N/A	0
				Baseline	30	57,5	N/A	62,5	73,75	N/A	N/A	N/A	30
				Target							N/A		75
152105	Reduction of administrative burden of citizens, entrepreneurs and public sector	%	IOP MA	Achieved	100	100	100	100	100	100	100	N/A	100
				Baseline	100	100	100	100	100	100	100	N/A	100
				Target							N/A		75

Source: MSC 2007 as of 3 Mar 2014

3.2.1.B Qualitative analysis

Financial progress

The rate of absorption was affected by frequent extensions of projects due to problematic tenders. Some of the bidders behaved in an obstructive manner, challenged any result, and many tenders ended in a deadlock.

As of 31 Dec 2013, applications amounting to EUR 158.75 million were approved, which represents 90.8 % of the allocation for this intervention area. In 2013, 2 projects from the group of substitute projects were approved and 9 projects were withdrawn, thus the allocation dropped by EUR 1.5 million, i.e. by 0.8 %.

Of the total volume of funds paid to beneficiaries of EUR 89.8 million (51.49 %) EUR 47.8 million (27 %) was reimbursed in 2013. Expenditure amounting to EUR 89.36 million (51.1 %) was certified, of which EUR 57 million (32.7 %) in 2013.

Table 48 - Financial status of PA 2 as of 31 Dec 2013

Intervention area	Allocation for 2007-2013	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Funds to be certified	
	EUR	EUR	%	EUR	%	EUR	%
2.1	174 718 668	158 618 680	90,8%	89 808 503	51,4%	89 363 599	51,1%
PA 2	174 718 668	158 618 680	90,8%	89 808 503	51,4%	89 363 599	51,1%

Source: MSC2007 as of 31 Dec 2013

CZK/EUR exchange rate: 27.48

Source of funding: EU share + national public sources + private financing

Table 49 - Financial progress in PA 2 as of 31 Dec 2013

Intervention area	Allocation for 2007-2013	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Funds to be certified	
	a) EUR	b) EUR	% b/a	c) EUR	% c/a	d) EUR	%d/a
2.1	148 510 867	-12 038 497	-8,11%	38 312 819	25,80%	48 485 786	32,65%
PA 2	148 510 867	-12 038 497	-8,11%	38 312 819	25,80%	48 485 786	32,65%

Source: MSC2007 as of 31 Dec 2013

CZK/EUR exchange rate: 27.48

Source of funding: EU share

Statistical data of rejected projects

The rejection of projects in 2013 was linked to the public contracts related issues. In most of them the beneficiaries declared that the tender could not be completed within the deadline. The tenders were most frequently protracted due to the appeals lodged by unsuccessful bidders and lengthy investigations at the Office for the Protection of Competition.

The rejected projects in this intervention area constitute less than 7 % of all the submitted applications. In majority of cases these are CzechPOINT projects for municipalities, where each municipality in the CR could become an applicant, which is why it shows of a higher degree of unsuccessful projects.

Table 50 - Table of rejected projects in Intervention area 2.1

Intervention area 2.1				
Status of projects	Number of projects rejected in the intervention area	Percentage of rejected projects in the intervention area	Comparative value of the percentage of rejected projects across the programme	Number of rejected projects in 2013
<i>N1.1 Project application failed to meet at least one of the eligibility criteria</i>	49	0,84%	1,58%	0
<i>N1.2 Project application failed to meet formal requisites</i>	51	0,87%	0,78%	0
<i>N2.1 Project failed to meet evaluation requirements</i>	3	0,05%	2,95%	0
<i>N2.2 Letter on rejection of project application based on ex-ante check was sent</i>	0	0,00%	0,30%	0
<i>N2.3 Project was not recommended for financing by the Selection Committee</i>	1	0,02%	0,40%	0
<i>N4.1 Issuance of Decision on providing a grant/Statement of expenditure was denied</i>	0	0,00%	0,03%	0
<i>N5 Project application was withdrawn by the applicant</i>	188	3,21%	3,20%	1
<i>N7 Project was not completed/project was withdrawn</i>	66	1,13%	1,56%	8
<i>N8 Contract was terminated by the MA/IB</i>	1	0,02%	0,08%	0
Total	359	6,13%	10,88%	9

Source: IS Monit7+ IOP as of 2 Jan 2014

Fulfilment of horizontal themes

Equal opportunities

5291 projects approved under Priority axis 2 before the end of 2013 have a positive impact on equal opportunities (of which 5 272 are CzechPOINT type projects), whereas the remaining 198 projects have a neutral impact on equal opportunities.

Table 51 - Equal opportunities

Monitoring of horizontal themes	Unit of measurement	Number of projects
Number of projects focused on equal opportunities	Number of projects	0
Number of projects with a positive impact on equal opportunities	Number of projects	5 291
Number of projects with a neutral impact on equal opportunities	Number of projects	198

Source: IS Monit7+ IOP as of 2 Jan 2014

Sustainable development

Altogether 5 471 projects approved before the end of 2013 should be environmentally neutral (of which 5 272 CzechPoint type projects), 17 projects have a positive environmental impact and 2 projects undertake to help improve the air quality and additional 2 projects undertake to improve the quality of water. It is wrongly stated in projects that by introducing electronic communication the projects will reduce pollution by reducing the consumption of paper (positive impact on the quality of water) and travel (positive impact on air quality). In the horizontal theme "Use of alternative resources", the use of an alternative power source is mistakenly stated (diesel aggregate as an alternative power source for backing up the operation of the Technology Centre).

Table 52 - Sustainable development

Monitoring of horizontal themes	Unit of measurement	Number of projects
Project focuses mainly on the environment	Number of projects	0
Project has a positive environmental impact	Number of projects	17
Project is environmentally neutral	Number of projects	5 471
Project requires an environmental impact assessment	Number of projects	0
Project will help improve the air quality	Number of projects	2
Project will help improve the quality of water	Number of projects	2
Project will use alternative sources	Number of projects	1
Project will enlarge the area of urban vegetation	Number of projects	0
Project will improve population awareness of environmental protection	Number of projects	0

Source: IS Monit7+ IOP as of 2 Jan 2014

3.2.2 Significant problems encountered and measures taken to overcome them

Problem

Frequent changes in timetables of projects and in timetables of public contracts (records management system, Internal Integration of the Authority and Integration with the Information System of Public Administration, thematic objectives of Regions – repeated conduct of public contracts, cancellation of public contracts), transfers of funds to later stages, technical and technological problems in project investigation, ineligibility of expenditure (service, warranties, publicity), observance of the limits of expenditure set out in the call, reporting the ratio monitoring indicators.

Measures taken

Consultations on contracts, eligibility of expenditure, submission of applications for payment and monitoring reports at CRD branches, publishing the most frequently asked questions, control of eligibility of expenditure and material changes by experts. Monitoring the links between the eligible expenditure from public contracts and the stage. Identification of risky and sleeping projects, monitoring of progress of implementation and acting upon the corrective measures. The utilisation of the project Prevention of the National Coordination Authority for consultations with beneficiaries, and elimination of errors in applications for payment and monitoring reports.

3.2.3 Example of a project

Intervention area: 2.1 Introducing ICT in territorial public administration

Name of the project (registration number): Integration of Agenda systems of the Statutory Town of Ostrava

Beneficiary: Statutory Town of Ostrava

Project funding: total budget CZK 17 647 058 (SF contribution - 14 999 999 and SB contribution - 0, contribution of the municipality - CZK 2 647 058)

The main aim of the project “Integration of Agenda systems of the Statutory town of Ostrava” is to “cultivate” the internal systems of self-government agendas and ensuring their links to basic registers, especially the Register of Rights and Obligations (RRO). The integration of agendas constitutes a basic prerequisite for efficient update of data mainly for the Register of Rights and Obligations, it will ensure transparency of the performance of public administration for the public and improve the quality of activities performed by the authority by its linking to the catalogue of services and activities.

3.3 Priority axis 3 – Improving public services quality and accessibility

Activities supported under Priority Axis 3 follow up on the interventions into the quality and effectiveness of the public administration functioning (Priority axis 1 and Priority axis 2). The common goal is to improve the organisation, financing and the evaluation process of public services. An emphasis is put on a higher use of provision of residential services, preference of preventive measures, standardisation of quality and availability of specialised services and promotion of personalised approach to clients. A basic prerequisite for fast and effective changes while preserving the standards in all regions is the coordinated approach from the national level.

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

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

3.3.1 Achieved progress and its analysis

3.3.1.A Information of physical and financial progress

Implementation of priority axis

Calls

In Intervention area 3.1 in 2013 all calls were closed.

In the 6th call of MoLSA, as of 31 Dec 2013, 44 submitted project applications in the total amount of EUR 20.3 million were in a positive status. The support for absorption capacity, implemented at the end of 2011 and at the beginning of 2012, bore fruit in 2013. It consisted mainly in information provided in press and seminars for applicants.

The projects in positive status exceed the allocation for the call in activity 3.1b) focused on investment support for members of socially excluded Roma localities/communities. Focused on activity 3.1b) was also call No 3, which was closed on 28 Feb 2011. Its allocation, however, was not fully absorbed. The unabsorbed allocation from the 3rd call was transferred to the 6th call so as to ensure the fulfilment of monitoring indicators.

As at the end of 2013, the Decisions on providing a grant were approved for 22 projects in the value of EUR 9.58 million.

The total allocation for activity 3.1a) was divided into two calls. As of 31 Dec 2013, in the 7th call for activity 3.1a) 53 projects amounting to EUR 49.42 million were in positive status. As at the end of 2012, 39 projects in the amount of EUR 42.35 million submitted in the 7th call were in positive status. The number of projects submitted in the 7th call exceeds the allocation for the call. The number of supported facilities undergoing the transformation of residential services matches the relevant indicator. The projects on transformation of residential services are submitted in line with the timetable which corresponds to the total allocation for activity 3.1a). In the 2nd call, closed on 28 Feb 2011, the projects failed to fully absorb the allocation for the call. The unabsorbed funds of this call were immediately reallocated to call No 7 in order to achieve the maximum fulfilment of indicators of activity 3.1a).

As at the end of 2013, the Decisions on providing a grant were approved for 35 projects in the amount of EUR 20.59 million.

In the 8th call focused on activity 3.1 c), as of 31 Dec 2013 a total of 202 projects in the amount of EUR 22.28 million were submitted. As of 31 Dec 2012, 51 projects in the amount of EUR 6.1 million submitted in the 8th call were in positive status.

As at the end of the monitored period, the Decisions on providing a grant were approved for 21 projects in the amount of EUR 1.87 million.

In Intervention area 3.2 the administration of 7 calls took place in 2013. Three calls were focused on support for activity 3.2 a) Controlled modernisation and replacement of medical equipment (medical devices) of national networks of health care facilities, including the technical infrastructure (call No 13, 14 and 18) and four calls for support for activity 3.2 c) Quality and cost management of the public health system - innovative equipment for measuring and evaluating the quality and costs of the care (call No 12, 15, 16 and 17).

There is a high demand of applicants for activity 3.2 a) and almost always projects are submitted by all potential beneficiaries who are defined in the call and they apply for the maximum amount of assistance. The applicants shall meet the obligation of being enlisted in the Bulletin of the MoH CR which stipulates the scope of the specialised network. Thanks to that the absorption capacity is estimated with a high degree of accuracy and the allocation for the call is appropriately set. The resulting savings from supported projects as against the allocation are therefore negligible. At the same time, the applicants are recommended to use in their budget the price ascertained by the market survey and the lowest bid price.

In total, projects in the amount of EUR 9.126 thousand were approved in call No 13 and projects in the amount of EUR 37.485 thousand were approved in call No 14. Calls No 17 and 18 were not closed by the end of 2013.

The eligible applicants for activity 3.2 c) are primarily the university hospitals of the MoH CR, the MoH CR and the government agencies directly reporting to the MoH CR. The university hospitals express an average interest in activity 3.2 c). For these beneficiaries the 17th call was announced, which will be closed on 14 Mar 2014. The other beneficiaries show a fairly low interest, namely due the demanding preparation of projects and the necessity to meet the limiting criterion of completion of project implementation before 30 Jun 2015. The challenging preparation of projects in activity 3.2 c) is directly reflected in the quality of projects, due to which the Evaluation or Selection Committees did not recommend for support any of the five projects submitted under the 12th call, one project submitted under the 15th call and one project submitted under the 16th call. Support was granted to one project of the MoH CR from the 16th call in the amount of EUR 1.159 thousand.

In Intervention area 3.3, in the 4th call altogether 20 project applications in the volume of EUR 71.9 million were cumulatively submitted and 1 project application in the volume of EUR 1.1 million was submitted in the 9th call. In 2013, 5 project applications were submitted, of which 3 in activity 3.3 a), 1 application for activity 3.3 a) and b), and 1 application in activity 3.3 c). The Selection Committee approved and recommended for financing the projects in the amount of CZK 364.536 million.

In Intervention area 3.4, 3 calls were announced in the course 2013 (No 15, 18, 20) in the total allocation of EUR 140 million. The largest allocation, totalling EUR 101.9 million, was channelled to call No 20 intended for implementation of major projects of IRS units, in which 2 applications were submitted. In call No 18 altogether 15 projects were submitted. In call No 21, opened on 9 Dec 2013, no application was submitted as at the end of 2013, submission of applications is anticipated in the first quarter of 2014.

Table 53 - Overview of announced and ongoing calls in PA 3 in 2013

Order of the call	Number of the call	Submission of project applications		Type of the call	Number of PA /IA	Allocation for the call in EUR	Submitted applications for support		Projects with issued Decision/signed Contract	
		Opening date of the call	Closing date of the call				Number	in EUR	Number	in EUR
22.	04	11.11.2009	31.3.2014	continuous	3.3	46 081 525	20	70 438 688	16	53 706 215
40.	06	6.6.2011	6.5.2013	continuous	3.1	9 477 194	44	20 313 013	22	9 584 867
43.	08	7.7.2011	6.5.2013	continuous	3.1	2 672 640	202	22 283 123	21	1 870 080
42.	07	29.7.2011	6.5.2013	continuous	3.1	29 475 983	53	49 416 511	35	28 585 618
53.	12	23.8.2012	4.1.2013	time-limited	3.2	18 195 051	5	15 914 092	0	0
55.	13	15.11.2012	31.1.2013	time-limited	3.2	11 619 360	13	9 126 995	13	8 303 119
58.	09	12.12.2012	30.6.2013	continuous	3.3	927 948	1	1 091 703	0	0
59.	18	17.1.2013	17.4.2013	time-limited	3.4	19 949 658	15	19 941 739	15	19 941 739
60.	14	8.2.2013	6.6.2013	time-limited	3.2	35 061 863	15	37 485 623	13	40 714 102
61.	15	28.3.2013	11.6.2013	time-limited	3.2	1 582 969	1	481 145	0	0
64.	16	3.9.2013	30.9.2013	time-limited	3.2	1 160 189	2	1 159 976	1	397 891
65.	20	8.10.2013	20.12.2013	time-limited	3.4	101 892 285	2	102 063 464	0	
66.	21	10.12.2013	31.3.2014	time-limited	3.4	19 141 194		0		
67.	17 ¹⁵	3.2.2014	10.2.2014	time-limited	3.2	5 221 980				
68.	18 ¹⁶	8.1.2014	28.2.2014	time-limited	3.2	4 184 862				
IA 3.1 total						41 625 817	299	92 012 647	78	40 040 564
IA 3.2 total						77 026 274	36	64 167 291	27	49 415 113
IA 3.3 total						47 009 473	21	71 530 391	16	53 706 215
IA 3.4 total						140 983 136	17	122 005 204	15	19 941 739
PA3 total						306 644 700	373	349 715 533	136	163 103 631

Source: MSC2007 as of 31 Dec 2013

CZK/EUR exchange rate: 27.48

Source of funding: public funds total

¹⁵ 17th call for IA 3.2 was announced on 20 Dec 2013.

¹⁶ 18th call for IA 3.2 was announced on 20 Dec 2013.

Indicators

Intervention area 3.1

On 16 Dec 2013, the revision of the Programming Document was approved, a component part of which was the reduction of allocation for IA 3.1 and reduction of the planned values of indicators. The target value of **indicator No 330300** was set at 127. The value will be achieved provided the projects from the project pipeline are approved and no projects are withdrawn from implementation.

Indicator No 75713 Facilities with transformation in progress, with the planned value of 20 following the revision of the Programming Document and the current commitment being 21, should be fulfilled.

The value of **indicator No 75714** Number of supported organisations remained unchanged at the value of 30. Judging from its current status, this indicator shall be fulfilled.

The new value of **indicator No 75802** Number of supported entities is 52. When the value was set, the implementation of projects in the pipeline was reckoned with. In the event, however, the project pipeline is not implemented and projects are withdrawn from implementation following the issuance of the Decision on providing a grant (right now it is the second most frequent reason of negative status of projects in activity 3.1c), the indicator will not be fulfilled despite its reduced value.

By the revision of the Programming Document the value of **indicator No 75711** was increased to 77. There is a potential to fulfil this indicator even though it has currently achieved the value of 16. The fulfilment of this indicator is reported only at the time of registration of a social service. At the time being, majority of projects is at the stage of implementation and have not been completed as yet, therefore the indicator is not being fulfilled.

The value of the **indicator No 75712** was increased to 1420 by revision of the Programming Document. This indicator has now also a potential to be fulfilled (the commitment in projects currently equals the target value of 52).

Indicator No 75603 Efficiency of support remains pursuant to the Programming Document at the level of 60 %. It is being slightly exceeded. Since it is a ratio indicator, its development is oscillating. The provided support is currently used solely for support of employment of socially excluded persons.

Intervention area 3.2

Indicator No 80721 Increase in the standard (fit-out) of specialised workplaces in national networks

At present, the indicator is fulfilled to the degree of 119 % (fit-out of specialised workplaces reaches the level of 71.41 %, the target value is 60%).

Activity 3.2a) reports the highest absorption capacity following the material replacement or purchase of medical equipment for individual hospitals - specialised centres in the national networks (traumatology, oncology, cardiology, neurology, etc.). With respect to the duration of the programming period and requirements for material fit-out of centres spread into individual years and thus also with respect to the ensurance of quality care, the announcement of calls was adapted to these requirements. The subject matter of projects is the purchase of medical equipment and devices set by the standard fit-out (which represents 100 % of the fit-out). Included in the result indicator is the average achievement of the standard fit-out for each national network.

Indicator No 080712 Number of prevention programmes available to citizens

The indicator is currently fulfilled to the level of 62 % (28 prevention programmes of the target value of 45 programmes have been introduced). In activity 3.2 b) a gradual increase in absorption capacity has been reported in the field of prevention of health risks and epidemiology, which resulted in a higher number of announced calls, in which projects for a lower volume of funds were submitted. Since each of the implemented projects usually results in one prevention programme and the commitment of approved projects has currently reached 63 programmes, the target value of the indicator will be achieved.

Indicator No 080704 Number of programmes introducing the standards and standard procedures for quality and cost management

The indicator is currently fulfilled to the degree of about 50 % (12 programmes of the target value of 24 programmes have been introduced). The commitment of completed and approved projects has reached the value of 19 programmes. This is why the 17th call for Intervention area 3.2 c) was announced in December.

Indicator No 080101 Number of projects on the support of health – health risk prevention

The indicator is currently fulfilled to the level of about 71.1 % (32 projects focused on health risk prevention of the target value of 45 projects have been implemented). In activity 3.2 b) a gradual increase of absorption capacity was seen in health risk prevention and epidemiology, which resulted in a larger number of announced calls, under which a larger number of projects with lower financial volume was submitted. Since the indicator gives the number of implemented projects on health risk prevention and currently the commitment of approved projects is 57 projects, the target value of indicator will be achieved.

Indicator No 080102 Projects on the support of health – modernising medical equipment

At present the target value of indicator is fulfilled to the level of 122 % (61 projects focused on the modernisation of medical equipment of the target value of 50 projects have already been implemented).

Activity 3.2 a) reports the highest absorption capacity following the material replacement or purchase of medical equipment for individual hospitals - specialised centres in the national networks (traumatology, oncology, cardiology, neurology, etc.). With respect to the duration of the programming period and requirements for material fit-out of centres spread into the individual years and thus also with respect to the ensurance of quality care, the announcement of calls was adapted to these requirements. The reason behind the announcement of a larger number of calls, under which funds are allocated to smaller projects of individual networks, was also the necessity to fulfil the target value of result indicator No 080712, in which the unit of measurement is the percentage expressing an increase in the number of material fit-out of standardised specialised workplaces to 60 % of the standard. Since the indicator gives the number

of implemented projects on modernisation of equipment and devices and the commitment of approved projects has currently reached 110 projects, the indicator will be fulfilled.

Indicator No 080702 Number of projects focused on the introduction of standards and standard procedures of quality and cost management

The target value of indicator is currently fulfilled to the level of 73 % (11 projects focused on introducing the standards and standard procedures of quality and cost management of the target value of 15 projects have already been implemented). Since the commitment of 16 approved projects is currently registered, the target value of the indicator will be fulfilled as planned.

Indicator No 080100 Projects on the support of health – total

The target value of the indicator is currently fulfilled to the level of 94.5 % (104 projects of the target value 110 projects have been implemented). At present the commitment of 183 approved projects has been registered, which means that the target value of the indicator will be achieved.

Intervention area 3.3

In 2013, no project was completed and no changes in the achieved values of indicators occurred. In activity 3.3 a), 11 projects are under implementation. In the projects “Labour Office of the CR Liberec – construction, purchase, reconstruction of the office building“ and “Labour Office of the CR Pardubice – construction of the building and a training centre“ the date of completion of implementation was due to their large scope postponed until 30 Nov 2015. Unless problems occur in the implementation of projects, the MoLSA expects the achievement of the target value of indicator No 74521 **Number of supported employment services institutions**.

Indicator No 74532 Number of newly built and supported existing training centres of employment services in activity 3.3 b) includes one successfully completed project called “Labour Office of the CR – Hradec Králové – reconstruction of a training centre“. The MoLSA assumes that target value of the indicator will be achieved, unless problems occur in the implementation of projects.

In 2013, progress was reported in fulfilment of **indicator No 74533**. The value of indicator increased from zero to 1 thanks to the successful completion of project “Building information and education centre of the South-Bohemian region“. Another project – Information and education centre of the Plzeň region – is under implementation. The target value is expected to be achieved.

Result indicator No 74514 Quality increase in working and client environment of the employment services institutions is reported as a percentage for the programming period and its target value equals the overall increase by 15 %. By successful completion of the implementation of project called “Labour Office of the CR – Karlovy Vary – construction of a new seat of the office“, the indicator was fulfilled to the level of 1.73 %. In 2013, no progress was made in the fulfilment of the indicator. In the light of current status of implementation of individual projects the MoLSA anticipates the fulfilment of the target value of the indicator, unless problems occur in the implementation of individual projects.

Indicators No 74512 and 74513 will be fulfilled in the period of obligatory project sustainability. In 2013, progress was achieved in the fulfilment of **indicator No 74512** - Increase in the capacity of training centres of employment services. The achieved value increased from zero to 0.61%. The MoLSA expects that the target value of the indicator could be achieved, the commitment is now 23.9. The fulfilment of this indicator among other things depends with successful implementation of the project Labour Office of the CR Prague – purchase of the office building, which was in 2013 recommended for financing.

The value of **indicator No 74513** Increase in the capacity of consultancy-training centres is zero. The commitment equals the target value, therefore the indicator should be fulfilled.

Intervention area 3.4

The target value of **indicator No 260407** is following the revision of the Programming Document 41 instead of the original 14. The originally planned 14 Integrated Operational Centres followed from the idea of having a single Integrated Operational centre in each Region. In the course of implementation of projects it became evident that it is impossible, both technically and legally, which is why the IOP MA changed the target value of the monitoring indicator.

Implementation of projects, applying the **indicator No 260412** Number of technological equipment for elimination of safety risks or their implications, have their implementation period extended. Due to the revision of the Programming Document on account of inclusion of major projects, the target value was increased so as to reflect the reality once all the projects are completed. Within the implementation of projects in IA 3.4, technical equipment was purchased, but formally the projects will be completed only in 2014. Since the indicator is being fulfilled upon the completion of the project, the progress will be seen only in 2014.

In indicator 260408 Number of newly built logistics bases one project was completed in 2010. On account of inclusion of major projects, the target value was increased to 2 so as to reflect the reality once all the projects are completed. Major projects are foreseen to be completed in 2015.

In indicator 260404 Creation of new capacities for effective provision of humanitarian aid to other countries one project was completed in 2010. Due to the revision of the Programming Document on account of inclusion of major projects, the target value was increased in order to reflect the reality once all the projects are completed. Major projects are foreseen to be completed in 2015.

Table 54 - Output indicators

NCI code	Name of indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	2012	2013	Target value 2015	Total
330300	Number of projects focused on social inclusion	Number	IOP MA	Achieved	0	0	0	66	98	28	50	N/A	50
Core 41				Baseline	0	0	0	0	66	98	28	N/A	0
				Target	N/A								
75713	Facilities with transformation in progress	Number	IOP MA	Achieved	0	0	0	0	0	0	2	N/A	2
				Baseline	0	0	0	0	0	0	0	N/A	0
				Target	N/A								
75714	Number of supported organisations	Number	IOP MA	Achieved	0	0	0	0	0	8	15	N/A	15
				Baseline	0	0	0	0	0	0	8	N/A	0
				Target	N/A								
75802	Number of supported entities	Number	IOP MA	Achieved	0	0	0	0	0	20	32	N/A	32
				Baseline	0	0	0	0	0	0	20	N/A	0
				Target	N/A								
80100	Projects on the support of health – total	Number	IOP MA	Achieved	0	0	63	66	68	87	104	N/A	104
Core 38				Baseline	0	0	0	63	66	68	87	N/A	0
				Target	N/A								
80102	Projects focusing on the support of health – modernising medical equipment	Number	IOP MA	Achieved	0	0	24	34	42	50	61	N/A	61
				Baseline	0	0	0	24	34	43	50	N/A	0
				Target	N/A								
80101	Projects for the support of health - health risk prevention	Number	IOP MA	Achieved	0	0	0	17	17	28	32	N/A	32
				Baseline	0	0	0	0	17	17	28	N/A	0
				Target	N/A								
80702	Number of projects focused on the introduction of standards and standard procedures of quality and cost management	Number	IOP MA	Achieved	0	0	0	8	9	9	11	N/A	11
				Baseline	0	0	0	0	8	9	9	N/A	0
				Target	N/A								
74521	Number of supported employment service	Number	IOP MA	Achieved	0	0	0	0	0	1	1	N/A	1

NCI code	Name of indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	2012	2013	Target value 2015	Total	
	institutions			Baseline	0	0	0	0	0	0	1	N/A	0	
				Target								N/A	12	12
74532	Number of newly built and supported existing training centres of employment services	Number	IOP MA	Achieved	0	0	0	0	0	1	1	N/A	1	
				Baseline	0	0	0	0	0	0	1	N/A	0	
				Target								N/A	3	3
74533	Number of newly built information-training centres of employment services	Number	IOP MA	Achieved	0	0	0	0	0	0	1	N/A	1	
				Baseline	0	0	0	0	0	0	0	N/A	0	
				Target								N/A	2	2
260407	Number of IRS operational centres with integrated ICT	Number	IOP MA	Achieved	0	0	0	0	0	0	2	N/A	2	
				Baseline	0	0	0	0	0	0	0	N/A	0	
				Target								N/A	41	41
260408	Number of newly built logistics bases	Number	IOP MA	Achieved	0	0	N/A	N/A	1	1	1	N/A	1	
				Baseline	0	0	0	N/A	N/A	1	1	N/A	0	
				Target								N/A	2	2
260410	Number of modernised or newly built contact stations of Front office type connected to IRS network	Number	IOP MA	Achieved	0	0	76	242	269	311	357	N/A	357	
				Baseline	0	0	0	76	242	269	311	N/A	0	
				Target								N/A	369	369
260412	Number of technological equipment for elimination of safety risks or their implications	Number	IOP MA	Achieved	0	0	N/A	0	N/A	24	181	N/A	181	
				Baseline	0	0	0	N/A	0	N/A	24	N/A	0	
				Target								N/A	3 286	3 286

Source: MSC 2007 as of 3 Mar 2014

Table 55 - Result indicators

NCI code	Name of indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	2012	2013	Target value 2015	Total
75711	Alternative social services	Number	IOP MA	Achieved	0	0	0	0	2	5	16	N/A	16
				Baseline	0	0	0	0	0	2	5	N/A	0
				Target								N/A	77
75712	Number of new social services and activities	Number	IOP MA	Achieved	0	0	0	3	3	18	52	N/A	52
				Baseline	0	0	0	0	3	3	18	N/A	0
				Target								N/A	142
75603	Efficiency of support	%	IOP MA	Achieved	0	0	0	61,8	61,11	65,29	68,2	N/A	68,2
				Baseline	0	0	0	0	61,8	61,11	65,29	N/A	0
				Target								N/A	60
80721	Increase in the standard (fit-out) of specialised workplaces in national networks	%	IOP MA	Achieved	0	0	64,12	67,58	70,98	72,97	71,41	N/A	71,41
				Baseline	0	0	0	64,12	67,58	70,98	72,97	N/A	0
				Target								N/A	60
80712	Number of prevention programmes available for citizens	Number	IOP MA	Achieved	0	0	0	12	19	26	28	N/A	28
				Baseline	0	0	0	0	12	19	26	N/A	0
				Target								N/A	45
80704	Number of programmes introducing the standards and standard procedures for quality and cost management	Number	IOP MA	Achieved	0	0	0	6	10	11	12	N/A	12
				Baseline	0	0	0	0	6	10	11	N/A	0
				Target								N/A	24
74514	Improved quality of working and client environment of the employment services institutions	%	IOP MA	Achieved	N/A	N/A	N/A	0	0	1,73	1,73	N/A	1,73
				Baseline	0	N/A	N/A	N/A	0	0	1,73	N/A	0
				Target								N/A	18
74512	Increased capacity of training centres of employment services	%	IOP MA	Achieved	N/A	N/A	N/A	0	0	0	0,61	N/A	0,61
				Baseline	0	N/A	N/A	N/A	0	0	0	N/A	0
				Target								N/A	20
74513	Increased capacity of advisory and	%	IOP MA	Achieved	N/A	N/A	N/A	0	0	0	0,28	N/A	0,28

NCI code	Name of indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	2012	2013	Target value 2015	Total	
	education and training centres			Baseline	0	N/A	N/A	N/A	0	0	0	N/A	0	
				Target								N/A	25	25
				Achieved	0	0	0	0	0	0	0	N/A	0	
				Baseline	0	0	0	0	0	0	0	N/A	0	
260401	Number of supported IRS units	Number	IOP MA	Target								N/A	3	3
				Achieved	100	100	N/A	100	100	N/A	0	N/A	0	
				Baseline	100	100	100	N/A	100	100	N/A	N/A	100	
260406	Decrease in average response time to imminent or existing safety risks	%	IOP MA	Target								N/A	75	75
				Achieved	0	0	N/A	N/A	2500	2500	2500	N/A	2500	
				Baseline	0	0	0	N/A	N/A	2500	2500	N/A	0	
260404	Creation of new capacities for effective provision of humanitarian aid to other countries	m ²	IOP MA	Target								N/A	3450	3450

Source: MSC 2007 as of 3 Mar 2014

3.3.1.B Qualitative analysis

Financial progress

Intervention area 3.1

In 2013, a reallocation of funds in IA 3.1 took place, namely from the original value of allocation of EUR 93.18 million to the new value of EUR 64.29 million (total public funds).

As of 31 Dec 2012, 44.04% of allocation for IA 3.1 (i.e. EUR 41.1 million) cumulatively was covered by Decisions on providing a grant. The year 2013 reported an increase by 50% of committed funds in the issued Decisions on providing a grant. Due to the increase of committed funds and reallocation in IA 3.1, as of 31 Dec 2013 95.2 % of the allocation for IA 3.1 (i.e. EUR 61.18 million) cumulatively was covered by the issued Decisions on providing a grant.

The volume of funds reimbursed to beneficiaries in 2013 reached 22.3 % of allocation for IA 3.1 cumulatively.

In 2013, the beneficiaries were paid EUR 8.51 million and expenditure in the amount of EUR 9.95 was certified, which currently accounts for 22 % of the allocation for IA 3.1.

Intervention area 3.2

The year-on-year rise in the volume of certified expenditure amounted to EUR 29 141 684, which represents an increase by 11.73%. A similar trend of a percentage increase is obvious also in the volume of funds paid to beneficiaries. In this case the increase in the volume amounts to EUR 25 569 169, which represents approximately 10 %. The increase in the volume of funds covered by Decisions by EUR 39 218 495 (15.78 % increase) is brought about particularly by the issuance of the Decisions on providing a grant for projects from the 13th and 14th call for IA 3.2 of IOP.

In Intervention area 3.2, a total of 96.6 % of funds are covered by the issued Decisions on providing a grant. The share of certified expenditure is 57 %. Even though the target for the fulfilment of n+3/n+2 rule was successfully fulfilled and exceeded in 2013, the rate of fulfilment of forecasts ranges around 42.58 %. Lower rate of fulfilment is caused by the failure to adhere to the timetables, delayed publishing of tenders due to extremely challenging preparation of tender documentation or problems in administration of public contracts. High frequency of additional enquiries has an impact on extending the deadline for completion of tenders, receipt a single bid only – necessitating the repeated publishing of the tender. Lower rate of fulfilment is also the result of savings in tenders which oscillate around 8 %.

In order to raise the rate of fulfilment of absorption, the following measures were adopted in 2013:

- Introduction of the division of projects into stages,
- Less frequent extension of timetables of projects,
- Conduct of control of documents for tenders in the course of project implementation (usually within the control of the draft contract),
- Setting out priorities in the administration of projects,
- Cutting short the deadline for submission of the monitoring report and simplified application for payment,
- Introduction of on-the-spot checks prior to the completion of the stage.

More measures have been adopted for 2014:

- Forwarding the tender documentation within 2 months after the Decision on providing a grant is issued (pressing for speeding up the commencement of projects from the 13th and 14th call). This measure aims to ensure the maximum absorption of funds from these tenders in 2014 (financial potential of projects is CZK 1.1 billion),
- Speeding up the administration of simplified applications for payment. Conducive to faster administration shall also be the change of the selected bank starting from 1 Jan 2014, when it will be no more necessary for the authorisation of payments to wait for reports from UniCredit Bank, or the Ministry of Finance of the CR showing the actual absorption.

Intervention area 3.3

As of 31 Dec 2013, the issued Decisions/Statement of expenditure covered 96.3 % of the allocation for IA 3.3 (i.e. EUR 45.6 million). As against 2012, there was an increase by EUR 5.2 million.

The year 2013 witnessed a major progress in reimbursement of funds and certification of expenditure. In 2013, a total of EUR 14.66 million (EU share) was reimbursed, i.e. 36.45 % of the total allocation. The expenditure of EUR 15.02 million (EU share) was certified, i.e. 37.36 % of total allocation.

Intervention area 3.4

The rate of absorption was affected by frequent prolongation of projects due to problematic tenders. Particularly in tenders of the Fire Rescue Service the bidders challenge any result which is why many tenders ended in a deadlock. Another reason behind the extension of timetables of projects from the 11th call is the unsatisfactory status of implementation of the umbrella project NIS IRS, which is delayed due to extremely slow progress of work of the general (prime) contractor of Česká pošta s.p., odštěpný závod ICT (Branch ICT services of Česká pošta state enterprise).

By revision of the Programming Document the allocation for this intervention area was increased to EUR 319 million.

In Intervention area 3.4, in 2013 EUR 20 million (6.3 %) of the total of EUR 175 million were approved, which represents 54.3 % of the allocation for the intervention area. Of the total amount of EUR 74.3 million (23.3 %) of funds, EUR 49 million was paid to beneficiaries in 2013. The certified expenditure totals EUR 71.5 million, representing 22.4 % of the allocation, of which in 2013 expenditure amounting to EUR 48.11 million was certified.

Table 56 - Financial status of PA 3 as of 31 Dec 2013

Intervention area	Allocation for 2007-2013	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Funds to be certified	
	EUR	EUR	%	EUR	%	EUR	%
3.1	64 286 158	61 180 996	95,2%	14 320 443	22,3%	14 765 442	23,0%
3.2	292 331 419	282 430 781	96,6%	175 867 953	60,2%	166 741 368	57,0%
3.3	47 301 825	45 561 914	96,3%	21 641 060	45,8%	21 053 034	44,5%
3.4	319 160 670	175 834 486	55,1%	74 287 196	23,3%	71 526 155	22,4%
PA 3	723 080 072	565 008 177	78,1%	286 116 652	39,6%	274 086 000	37,9%

Source: MSC2007 as of 31 Dec 2013

CZK/EUR exchange rate: 27.48

Source of funding: EU contribution + national public funds + private financing

Table 57 - Financial progress in PA 3 as of 31 Dec 2013

Intervention area	Allocation for 2007-2013	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Funds to be certified	
	a) EUR	b) EUR	% b/a	c) EUR	% c/a	d) EUR	%d/a
3.1	54 643 234	18 495 502	33,85%	8 514 832	15,58%	9 947 288	18,20%
3.2	248 481 706	39 218 495	15,78%	25 569 169	10,29%	29 141 684	11,73%
3.3	40 206 551	5 217 987	12,98%	14 656 794	36,45%	15 022 025	37,36%
3.4	271 286 569	13 524 765	4,99%	39 386 725	14,52%	41 084 929	15,14%
PA 3	614 618 060	76 456 749	12,44%	88 127 521	14,34%	95 195 926	15,49%

Source: MSC2007 as of 31 Dec 2013

CZK/EUR exchange rate: 27.48

Source of funding: EU share

Statistical data on rejected projects

The most frequent reason of project rejection in **Intervention area 3.1** was the failure to meet the evaluation requirements (N2.1 status). For this reason cumulatively 180 projects were rejected and in 94 % of rejections in IA 3.1 was constantly reported by activity 3.1c). In activity 3.1c) a total of 341 projects were submitted, of which 74 % were rejected. The main reason of rejection of projects in this activity was in 68 % the failure to meet the evaluation requirements, whereas the second main reason of negative status was the withdrawal of the project application, accounting for 14 % of projects in this activity. Less than 11 % of project applications across Intervention area 3.1 were withdrawn. The MoLSA adopted various measures (specification of checklists for eligibility and formal requisites checks, higher number of consultations and seminars, publishing of frequently asked questions) in order to decrease the number of rejected projects. None of the measures were instrumental to marked improvements.

Following the approval of projects by the Selection Committee (or after the Registration of the action is issued) 39 % projects were withdrawn. The communication with beneficiaries suggests that it is only at this stage when the beneficiaries become aware of the impact of commitments ensuing from the receipt of support, particularly of the sustainability, sanctions and business risks.

Table 58 - Table of rejected projects in Intervention area 3.1

Intervention area 3.1				
Status of projects	Number of projects rejected in the intervention area	Percentage of rejected projects in the intervention area	Comparative value of the percentage of rejected projects across the programme	Number of rejected projects in 2013
N1.1 Project application failed to meet at least one of the eligibility criteria	16	3,38%	1,58%	5
N1.2 Project application failed to meet formal requisites	13	2,74%	0,78%	7
N2.1 Project failed to meet evaluation requirements	180	37,97%	2,95%	43
N2.2 Letter on rejection of project application based on ex-ante check was sent	6	1,27%	0,30%	1
N2.3 Project was not recommended for financing by the Selection Committee	16	3,38%	0,40%	1
N4.1 Issuance of Decision on providing a grant/Statement of expenditure was denied	1	0,21%	0,03%	0
N5 Project application was withdrawn by the applicant	49	10,34%	3,20%	12
N7 Project was not completed/project was withdrawn	4	0,84%	1,56%	4
N8 Contract was terminated by the MA/IB	0	0,00%	0,08%	0
Total	285	60,13%	10,88%	73

Source: IS Monit7+ IOP as of 2 Jan 2014

In **Intervention area 3.2**, the percentage of rejected projects is 19.57 % (45 projects). In 2013, 9 project applications were rejected from the evaluation process, of which 7 project applications in activity 3.2 c), 5 projects from the 12th call, 1 project from the 15th call and 1 project from the 16th call. Projects were rejected on the grounds of inappropriate preparation of projects focused on quality and cost management of the system of public health, setting out tight timetables and identification of risks associated with unsustainability of projects. One project was rejected in activity 3.2 a) from the 14th call. The reason for rejection were extensive changes in the project which occurred in the course of project evaluation (a major shift from the original plan caused insufficient fulfilment of project objectives). In 2013, one project was withdrawn by the beneficiary – the Health Institute in Ostrava withdrew from the implementation of the project on account of the failure to provide technical background for the purchase of a biosafety level 3 laboratory (BSL3).

Table 59 - Table of rejected projects in Intervention area 3.2

Intervention area 3.2				
Status of projects	Number of projects rejected in the intervention area	Percentage of rejected projects in the intervention area	Comparative value of the percentage of rejected projects across the programme	Number of rejected projects in 2013
<i>N1.1 Project application failed to meet at least one of the eligibility criteria</i>	2	0,87%	1,58%	0
<i>N1.2 Project application failed to meet formal requisites</i>	2	0,87%	0,78%	0
<i>N2.1 Project failed to meet evaluation requirements</i>	16	6,96%	2,95%	7
<i>N2.2 Letter on rejection of project application based on ex-ante check was sent</i>	0	0,00%	0,30%	0
<i>N2.3 Project was not recommended for financing by the Selection Committee</i>	13	5,65%	0,40%	1
<i>N4.1 Issuance of Decision on providing a grant/Statement of expenditure was denied</i>	1	0,43%	0,03%	0
<i>N5 Project application was withdrawn by the applicant</i>	2	0,87%	3,20%	0
<i>N7 Project was not completed/project was withdrawn</i>	9	3,91%	1,56%	1
<i>N8 Contract was terminated by the MA/IB</i>	0	0,00%	0,08%	0
Total	45	19,57%	10,88%	9

Source: IS Monit7+ IOP as of 2 Jan 2014

In **Intervention area 3.3**, as of 31 Dec 2013 10 project applications were rejected cumulatively of the total of 29 submitted applications, which represents 34.5 %. Of 29 submitted project applications, 1 project failed to meet the eligibility criteria, 6 project applications were rejected for not meeting the evaluation requirements (N2.1 status). It concerns applications in activity 3.3 c), which reported problems in terms of the fulfilment of the main aim of this activity. This is why in December 2012 the MoLSA announced a new call No 9 in activity 3.3 c), which reflected the problem areas due to which a great proportion of projects in activity 3.3 c) was rejected. In 2013, a new project application called “Information and education centre of Karlovy Vary Region” was submitted in call No 9.

In activities 3.3 a) and b) the percentage of rejected applications due to the failure to meet the evaluation requirements is generally low. The MoLSA established closed contacts with applicants and beneficiaries during the preparation and implementation of projects, and offers intensive methodological support to them. In 2013, 3 projects were rejected in the continuous call No 4. The project application - “Labour Office of the CR - Příbram – reconstruction of the building“ was withdrawn by the applicant. In projects “Labour Office of the CR – Písek – reconstruction of the training centre“ and “Labour Office of the CR - Olomouc - Tabulový vrch II premises“ the beneficiaries announced the withdrawal from the project (in status N7) and the termination of project administration was approved by the meeting of the MoLSA top officials. The project of the Labour

Office of the CR Olomouc was withdrawn on account of a failure to receive the building permit. Due to the limited time for the implementation of the project, the building permit procedure could not be completed.

Table 60 - Table of rejected projects in Intervention area 3.3

Intervention area 3.3				
Status of projects	Number of projects rejected in the intervention area	Percentage of rejected projects in the intervention area	Comparative value of the percentage of rejected projects across the programme	Number of rejected projects in 2013
<i>N1.1 Project application failed to meet at least one of the eligibility criteria</i>	1	3,45%	1,58%	0
<i>N1.2 Project application failed to meet formal requisites</i>	0	0,00%	0,78%	0
<i>N2.1 Project failed to meet evaluation requirements</i>	6	20,69%	2,95%	0
<i>N2.2 Letter on rejection of project application based on ex-ante check was sent</i>	0	0,00%	0,30%	0
<i>N2.3 Project was not recommended for financing by the Selection Committee</i>	0	0,00%	0,40%	0
<i>N4.1 Issuance of Decision on providing a grant/Statement of expenditure was denied</i>	0	0,00%	0,03%	0
<i>N5 Project application was withdrawn by the applicant</i>	1	3,45%	3,20%	1
<i>N7 Project was not completed/project was withdrawn</i>	2	6,90%	1,56%	2
<i>N8 Contract was terminated by the MA/IB</i>	0	0,00%	0,08%	0
Total	10	34,48%	10,88%	3

Source: IS Monit7+ IOP as of 2 Jan 2014

Intervention area 3.4 has for a long term showed a low percentage of rejected projects. Since the beginning of the programming period 3 project applications have been withdrawn by the applicant. In 2013, no project was rejected.

Table 61 - Table of rejected projects in Intervention area 3.4

Intervention area 3.4				
Status of projects	Number of projects rejected in the intervention area	Percentage of rejected projects in the intervention area	Comparative value of the percentage of rejected projects across the programme	Number of rejected projects in 2013
<i>N1.1 Project application failed to meet at least one of the eligibility criteria</i>	0	0,00%	1,58%	0
<i>N1.2 Project application failed to meet formal requisites</i>	0	0,00%	0,78%	0
<i>N2.1 Project failed to meet evaluation requirements</i>	0	0,00%	2,95%	0
<i>N2.2 Letter on rejection of project application based on ex-ante check was sent</i>	0	0,00%	0,30%	0
<i>N2.3 Project was not recommended for financing by the Selection Committee</i>	0	0,00%	0,40%	0
<i>N4.1 Issuance of Decision on providing a grant/Statement of expenditure was denied</i>	0	0,00%	0,03%	0
<i>N5 Project application was withdrawn by the applicant</i>	3	2,33%	3,20%	0
<i>N7 Project was not completed/project was withdrawn</i>	0	0,00%	1,56%	0
<i>N8 Contract was terminated by the MA/IB</i>	0	0,00%	0,08%	0
Total	3	2,33%	10,88%	0

Source: IS Monit7+ as of 2 Jan 2014

Fulfilment of horizontal themes

Equal opportunities

In Priority axis 3, a total of 518 projects were approved before the end of 2013, of which 223 projects have a neutral impact on equal opportunities, 208 projects have a positive impact on equal opportunities and the remaining 87 project applications should be focused on equal opportunities.

Table 62 - Equal opportunities

Monitoring of horizontal themes	Unit of measurement	Number of projects
Number of projects focused on equal opportunities	Number of projects	87
Number of projects with a positive impact on equal opportunities	Number of projects	208
Number of projects with a neutral impact on equal opportunities	Number of projects	223

Source: IS Monit7+ as of 2 Jan 2014

Sustainable development

The largest number of projects approved under Priority axis 3 by the end of 2013 should be environmentally neutral (404), 110 should have a positive environmental impact, 24 project applications declare the air quality improvement, 26 project applications undertake to improve the population awareness of environmental protection, 25 projects will use alternative sources, 5 projects shall improve the quality of water, and 5 projects shall enlarge the area of urban vegetation. It is the project called “Strategic noise maps”, which on its own will not enlarge the area of urban vegetation, but based on the values in maps in certain locations it can be considered a source document for corrective measures to decrease the noise load.

Table 63 - Sustainable development

Monitoring of horizontal themes	Unit of measurement	Number of projects
Project focuses mainly on the environment	Number of projects	0
Project has a positive environmental impact	Number of projects	110
Project is environmentally neutral	Number of projects	404
Project requires an environmental impact assessment	Number of projects	0
Project will help improve the air quality	Number of projects	24
Project will help improve the quality of water	Number of projects	5
Project will use alternative sources	Number of projects	25
Project will enlarge the area of urban vegetation	Number of projects	5
Project will improve population awareness of environmental protection	Number of projects	26

Source: IS Monit7+ as of 2 Jan 2014

3.3.2 Serious problems encountered and measures taken to overcome them

Intervention area 3.1

Problem

Risk of non-fulfilment of n+3/n+2 rule and failure to absorb the allocation

With respect to the to date development of implementation of IOP (delay in the launch of implementation, involvement of more implementation bodies, late commencement of project implementation, unpreparedness of projects, impacts of the amendment to the public procurement act)

and due to the prevailing complicated procedures and interventions of the MoLSA IB the fulfilment of $n+3/n+2$ rule was impossible.

Measures taken

- Control and subsequent **reconsideration of the duration of stages** in projects in order to ensure maximum absorption of funds. In cooperation with beneficiaries the stages of individual projects were modified and the modifications in timetables of implementation of activities were consulted,
- MoLSA IB established **intensive communication with beneficiaries**. In the monitored period e-mail and one-to-one consultations with beneficiaries were initiated with the view to address partial complications in individual projects on an individual basis. Consultations were held with the participation of the CRD and IOP MA. The intensive methodological support encompassed also the continuously held seminars for beneficiaries and applicants. In the monitored period, 9 seminars were held that were attended by a total of 129 persons,
- Work procedures were adjusted in the revision of the Handbook of Work Procedures of the MoLSA IB, version 1.5, which was followed by **changes in the Handbooks for Beneficiaries and Applicants** (Handbook for Beneficiaries and Applicants for activity 3.1 a) was approved on 26 Aug 2013, for 3.1 b) on 11 Dec 2013 and for 3.1 c) on 2 Oct 2013),
- In IA 3.1, a list of substitute projects has been elaborated,
- MoLSA IB thoroughly **examines** delays in individual projects in order to prevent any risk to absorption or beneficiary's withdrawal from project implementation on account of non-approval of submitted modifications,
- 12th meeting of the IOP Monitoring Committee approved the **revision of the Programming Document**, including the reduction of allocation in Intervention areas 3.1 and 3.3.

Thanks to the referred to measures, the loss of allocation was successfully reduced to minimum, but the total allocation was not absorbed.

Problem

Risk of extension of administration and implementation of projects until after 30 June 2015

The extension of administration of projects causes delays in the submission of applications for payment, which is why the forecasts are not fulfilled. It is caused by lengthy administration and implementation of tenders, time necessary for construction works, postponement in the implementation of individual stages, withdrawal of project contractors, poor preparation of submitted documents, lengthy approval of building permits.

Measures taken

The MoLSA repeatedly informs the beneficiaries that the changes in timetables of projects may not be approved if they are not substantiated and justified. Changes in timetables are assessed individually with account taken of the status of the project, legitimacy of changes and potential impacts on the budget of the ministry.

Problem

Risk of the beneficiaries' withdrawal from project implementation

The beneficiaries' withdrawal from project implementation has a negative effect on the fulfilment of indicators and also threatens the fulfilment of $n+3/n+2$ rule. The projects are withdrawn e.g. on account of problems in the implementation of tenders, lengthy acquisition of a building permit, control of the observance of set deadlines, referendum of citizens who do not wish to have in their neighbourhood a low-threshold facility for Roma and mentally impaired persons.

Measures taken

- If problems occur, the MoLSA IB intensively communicates with beneficiaries and helps them in the search for a solution or its implementation. The projects at risk of being withdrawn from implementation by beneficiaries are closely monitored by the MoLSA IB,
- Cooperation with the CRD, IOP MA and MoLSA in simplifying procedures, consultations with beneficiaries at CRD branches and publishing the most frequently asked questions (FAQ) help navigate the beneficiaries through support related matters. The MoLSA and CRD hold seminars for applicants and beneficiaries on completion of the MR/AP in selected beneficiaries in order to reduce the error rate and cut short the administration of MR/AP,
- The Prevention project is also of benefit,
- The risk of project withdrawal is also eliminated by extending the deadline of implementation in the call until after 30 Jun 2015 in IA 3.1 a).

Intervention area 3.2

Problem

Methodology of financial flows and control in connection with the performance of AA audit

Measures taken

The MoH IB has consistently pointed at certain unsuitably stipulated provisions of the Methodology of financial flows and controls of programmes co-financed from the Structural Funds, Cohesion Fund and the European Fisheries Fund for the programming period 2007-2013 (hereinafter referred to as the “Methodology”). It concerns mainly those provisions of the Methodology when in case of the AA final audit report the irregularity is confirmed.

Some of the findings included in the AA reports are of subjective nature and do not refer to any specific violation of the law or Conditions for Decision on providing a grant. Other authorised bodies (e.g. IB, MA, Local Tax Office, OPC) do not always agree with these findings and do not confirm them.

Thanks to the Methodology, however, it concerns only the confirmed irregularities that serve as a source for annual control reports and setting of the error rate of the programme. The error rate of the programme is biased by subjective opinions of auditors which are not supported by national or Union legislation. In the event the corrections are not confirmed by the tax offices (i.e. are not recoverable from aid beneficiaries), they are to be covered from the state budget which constitutes an unnecessary burden for public finance.

Another problematic provision of the Methodology is the description of recovering irregularities in case they ensue from the AA audit report and the Tax Office does not consider the irregularity to be a violation of the budgetary discipline. According to the Methodology, the MA was supposed to quantify the amount covered by the irregularity and to invite the beneficiary to return the respective funds. This procedure is not embedded in the national legislation and if the aid beneficiary does not obey the MA and does not return the funds, these funds cannot be recovered and their amount debits the state budget.

The greater powers of auditors may result in growing fears of beneficiaries of these controls and especially in their concern about the subjective opinions of auditors. The fears of beneficiaries have been manifested in a decreased absorption capacity and slowed down absorption of funds.

Problem

Annual Control Reports for 2011 and 2012 (hereinafter referred to as the “ACR”).

The drawing up of the ACR is not embedded in any official document, these reports are compiled by the AA and subsequently sent for approval to the EC. The correspondence between the AA and EC is not made available to the MoH IB. The ACR comprises the findings of DAB/AA audits which are often of subjective nature and are not backed up by the Czech legislation. This leads to “artificial” increase of the error rate.

Measure taken:

Bringing the matters to the attention of the IOP MA and AA.

Problem

Postponement of the Evaluation Committee meeting for the 13th and 14th call

Projects under activity/operation 3.2a of IOP are focused on the purchase of standardised devices and equipment for the national network of specialised workplaces. Under call No 13 support was channelled to stroke centres, comprehensive cardiovascular centres – cooperating entities and comprehensive cerebrovascular centres. Altogether 13 applications were received. Under call No 14 support went to comprehensive oncological centres and cooperating comprehensive oncological centres. Altogether 15 applications were received. In line with the OM of the MoH as the IB for the Global Grant in these technologically complicated projects an expert study was commissioned, namely based on a conducted tender for an expert supplier. Pursuant to the provisions of Section 84 (1) (e) of the Public Procurement Act the MoH had to cancel the tender (since only 1 bid was received) and to publish the tender again in a modified version. The whole process and the conduct of expert studies resulted in extending the evaluation process by approximately 3.5 months.

Measure taken:

A framework contract on expert opinions was concluded in order to avoid postponements in approval process in the future.

Problem

Postponement of project implementation

Majority of projects supported under Intervention area 3.2 suffer from postponements in the timetable of implementation. These postponements are caused primarily by complications in the course of tenders, namely by submission of one or no bids or by only one bid eligible for evaluation. The beneficiary subsequently has to repeat the tender, which causes protraction in project timetable.

Measure taken:

Obligatory division of projects into stages was introduced – in case some parts of tenders have to be repeated, the beneficiary shall divide the project into stages and the “repeated” parts are included in the second stage. Thus at least a certain part of funds is absorbed.

Intervention area 3.3

Problem

Risk of non-fulfilment of n+3/n+2 rule and failure to absorb the allocation

On account of the to date development of IOP implementation problems in the fulfilment of n+3/n+2 rule are indicated and there is a risk of the failure to absorb the allocated funds.

Measures taken

- Control and subsequent **revision of the duration of stages** in projects were performed in order to reflect the continuous drawdown of funds. In cooperation with beneficiaries the duration of stages of individual projects was modified and modifications in the timetable of implementation were consulted in order to maximise the absorption.
- MoLSA IB communicated intensively with beneficiaries with the view to individually address the complications in the implementation of respective projects. Four working seminars for beneficiaries took place.
- Work procedures were modified in the revision of the Handbook of Work Procedures of MoLSA IB, version 1.5 and in the respective chapters of the Handbook for Applicants and Beneficiaries in IA 3.3.
- MoLSA IB thoroughly assessed the submitted notifications of a change (modification) in project and the causes of delays in individual projects.
- On 29 Nov 2013, revision of the 4th call for activity 3.3 a) and b) took place. Accordingly, the deadline for receipt of applications was extended from the original date of 31 Aug 2013 to 31 Mar 2014, which allowed for the submission of new project applications.

Problem

Risk of threatening the implementation of projects, the project documentation of which was compiled by ArcDesign s.r.o. company, and pressure exerted by applicants and beneficiaries on extending the implementation of projects until after 30 Jun 2015, which is the deadline set in the call.

An important factor contributing to delays in the administration of projects was the withdrawal of the supplier of project documentation, ArcDesign s.r.o. company, from the implementation of 5 projects in activity 3.3 a) and b). On 19 Aug 2013, the MoLSA held a working meeting with beneficiaries, on the occasion of which the next procedures and steps to be taken in project implementation were agreed regarding the termination of the contractual relationship with the supplier of project documentation. Consulted were procedures concerning the submission of notification of changes (modifications) – termination of the contract with the company (as of 26 Aug 2013), a selection of a new contractor (supplier) who will complete the project documentation, and a selection of a building contractor who will also elaborate project documentation.

Measures taken

In revision of the 4th call for activities 3.3 a) and b) **the deadline for the completion of implementation of projects** was extended until 30 Nov 2015 for the company that had withdrawn.

Problem

Risk of withdrawal of beneficiaries from project implementation

Withdrawal of beneficiaries (mostly the LO CR) from project implementation has a negative impact on the future fulfilment of n+3/n+2 rule. The projects are withdrawn e.g. for problems in the implementation of tenders, lengthy acquisition of the building permit, referring of the tender to the OPC, withdrawal of contractors after the contract is awarded.

Measures taken

- Cooperation between the CRD, IOP MA and MoLSA in simplification of procedures, consultations for beneficiaries offered by MoLSA, and publication of the most frequently asked questions (FAQ),
- The Prevention project was launched,
- CRD adopted measures to accelerate the administration of applications for payment,
- The risk of withdrawal of projects is also reduced by extension of the maximum deadline for completion of implementation in call No 4 until after 30 Jun 2015. The MA monitors the timetables and progress made in projects which applied for an extension of the deadline.

Intervention area 3.4

Problem

Extending the duration of timetable of projects due to obstructive behaviour of unsuccessful bidders

Measures taken

The IOP MA has established regular communication with beneficiaries on the status of projects and takes an active part in addressing the problems. The CRD closely supervises the quality of tender documentation prior to the publishing of the contract award procedure.

Problem

Delay in implementation of the umbrella project of the National Information System of the Integrated Rescue System (NIS IRS) and the follow-up projects of the 11th call due to the selection of the general (prime) contractor of the system.

Measures taken

In March 2013, the GD FRS CR signed the contract with the general contractor of Česká pošta s.p., odštěpný závod ICT (Branch ICT services), which however, resulted only in minor improvements. The IOP MA regularly attends the meetings of the Steering Committee of the IS IRS Programme and exerts efforts to speed up the implementation of projects in order to observe the timetable of absorption and the planned completion of project implementation.

Problem

Transfers of funds to later stages, extension of the deadlines for the completion of implementation of the project. A repeated implementation of centrally conducted tenders and a postponement of their deadlines.

Measures taken

- Consultations on preparation and implementation of tenders at CRD HQ,
- Use of experts for assessing the public contracts,
- Monitoring the submitted tender documentation and status of tenders,
- Regular meetings of the Steering committee of the IRS Programme,
- Coordination of administration of projects at CRD HQ,
- Transfer of administration of MR/AP,
- Controls of tenders at CRD HQ in selected projects,
- Control and opinions on the content by an expert person responsible,
- Publishing of call No 20 (Major projects of FRS, PCR) and call No 21 (MoI, FRS, PCR), preparation of a new call No 23 (EMS).

3.3.3. Example of a project

Intervention area 3.1

Intervention area: 3.1 Social integration services

Name of the project (registration number): Construction of a low-threshold and advisory centre in Ostrava – Kunčičky, reg. No CZ.1.06/3.1.00/03.07307

Beneficiary: Statutory town of Ostrava

Project funding: CZK 4 921 187 (SF contribution – CZK 4.183.008 and SB contribution - CZK 738 179)

The Statutory town of Ostrava established a Low-threshold and Advisory Centre for children and youth aged 6 to 26 at risk of socially undesirable phenomena and for persons at risk of social exclusion or living in socially excluded communities. The premises originally served as a municipal police station and a library, whose operation continues. The low-threshold centre was placed in the attic of the building.

The centre focuses on outreach work, information service, advisory services, facilitating the contact with the community, case work, social and therapeutic activities, assistance in exercising one's rights, rightful interests and arranging for personal matters, assistance in crisis, prevention programmes, educational, training and mobilizing activities. Lectures on financial, health and social topics are given. The aim of the low-threshold centre is to offer the local residents a portfolio of leisure time activities and to provide expert assistance to families living in this location when they are confronted with problems. By providing street work and outpatient activities the centre seeks to support parents and children who cope with difficult life situations and helps them make a positive change in their lifestyle. Where possible, it endeavours to prevent their social exclusion and to facilitate re-inclusion of families in the society.

Premises before the reconstruction:





After the reconstruction:





Intervention area 3.2

Stroke centre in the Local hospital in Trutnov

Intervention area: 3.2 Public health services

Name of the project (registration number): Medical equipment – Stroke Centre of the Local hospital in Trutnov, a.s. (CZ.1.06/3.2.01/08.07648)

Beneficiary: Local hospital in Trutnov a.s.

Project funding: total budget - CZK 20 728 370.96 (EU contribution - CZK 17 619 115.32)

The equipment of the stroke centre of the Local hospital in Trutnov has been upgraded to the required European standard and the quality and accessibility of care for patients with an acute cerebrovascular event has been improved thanks to the project called “Medical equipment – Stroke Centre of Local hospital in Trutnov, a. s.“. A successfully conducted tender also resulted in savings of more than CZK five million as against the planned budget.

The project has helped provide better care to 843 patients on average. By adding new and replacing the old medical equipment, the process of making a diagnosis of patients has improved. Improvements were achieved also in the care for patients by purchasing four fully equipped ICU beds for a common type of intensive care. Also improved has been the after-care, or rehabilitation care, by purchasing of motorised splints and whirlpool tubs which enable continuous therapeutic post-surgery and post-injury rehabilitation of joints. Its benefits are faster therapy, early recovery of joint mobility and prevention of complications caused by immobility.

The completed project has enhanced the quality and accessibility of care for patients with an acute cerebrovascular event in the given catchment area.

Intervention area 3.3

Intervention area: 3.3 Employment services - activity a) (investment) support for transformation and fostering employment services in the CR

Name of the project (registration number): Labour Office of the CR – Ostrava – purchase and provision of equipment of the premises in Zahradní 12, reg. No CZ.1.06/3.3.00/04.08900

Beneficiary: Labour Office of the Czech Republic

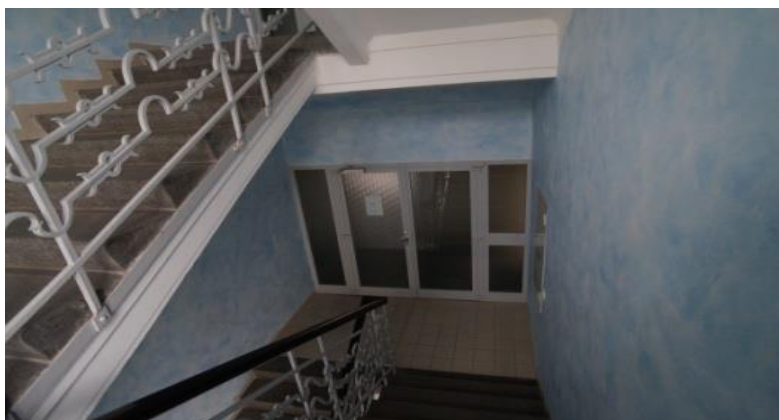
Project funding:

Total budget: CZK 46 608 925 (SF contribution – CZK 39 617 586, SB contribution – CZK 6 991 339)

The project aims to increase the accessibility of employment services for clients and to establish an efficient and effective labour management system by reducing the number of workplaces and their centralisation in strategically located premises. The purchase of the building and its reconstruction will result in savings of rental costs of the rented premises.

The Regional Branch of the LO CR in Ostrava operates at 10 places in the town of Ostrava, of which three are owned by the LO CR and seven are rented. By purchasing a building in the town centre, the Regional Branch of the LO CR in Ostrava will acquire a strategically located workplace, reduce the total number of rented spaces and save the rental costs. It will also resolve the issue of unfitting conditions for clients of employment services and safeguard an appropriate setting for modern and effective work with job applicants and job seekers.

Photo:



Intervention area 3.4

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

Name of the project (registration number): Remodelling of the existing heliport of the University Hospital Ostrava (CZ.1.06/3.4.00/15.08483)

Beneficiary: University Hospital Ostrava

Project funding: total budget CZK 30 449 674.00 (SF contribution - CZK 25 882 223 and SB contribution - CZK 0, contribution of the beneficiary - CZK 4 567 451)

The project encompasses a reconstruction and upgrading of the existing heliport and access roads. It will improve the quality and speed up the transport of patients to the department of central admissions and emergency admissions of patients, for whom the early transport is a matter of survival.

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

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

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

3.4.1 Achieved progress and its analysis

3.4.1.A Information on physical and financial progress

Implementation of priority axis

Calls

In 2013, in **Intervention areas 4.1a and 4.1b** call No 12 was under way, announced in 2011. In May 2013, the allocation for the call was increased by EUR 10 450 551. The call is intended for activity c) support of nationwide marketing and creation of source databases, and activity e) support of the promotion of the CR as a tourist destination. Projects are submitted predominantly to activity e). A total of 50 project applications in the amount of EUR 68.5 million have been submitted, of which 16 projects with the total allocation of CZK 48.8 million proceeded to implementation.

Table 64 - Overview of announced and ongoing calls in PA 4 in 2013

Order of the call	Number of the call	Submission of project applications		Type of the call	Number of PA /IA	Allocation for the call	Submitted applications for support		Projects with issued Decision/signed Contract	
		Opening date of the call	Closing date of the call			in EUR	Number	in EUR	Number	in EUR
44.	12	7.9.2011	31.12.2015	continuous	4.1a	44 035 218	50	63 576 767	16	45 351 273
44.	12	7.9.2011	31.12.2015	continuous	4.1b	3 387 325	0	4 890 521	0	3 488 559
				Call total		47 422 543	50	68 467 288	16	48 839 832
CONV total						44 035 218	50	63 576 767	16	45 351 273
RCE total						3 387 325	0	4 890 521	0	3 488 559
PA 4 total						47 422 543	50	68 467 288	16	48 839 832

Source: MSC2007 as of 31 Dec 2013

CZK/EUR exchange rate: 27.48

Source of funding: public funds total

Indicators

In 2013, the number of projects focused on tourism development increased, which was exhibited in the increase of the achieved value of **indicator No 410100 Number of projects focused on tourism development**. The value rose from 14 to 32. It means a major increase in the number of projects focused on tourism development. In some indicators of this intervention area the achievement of target values depends on the accomplishment of a single project. It concerns namely the output indicators No 413305 Number of information portals and 413320 Number of newly classified and certified entities operating in tourism. **Indicator No 413305** will reflect the result of the project called “Establishment of the national information portal of tourism“.

Indicator No 413320 Number of newly classified and certified entities operating in tourism is the result indicator of the project called National system of quality of tourism services in the Czech Republic. The target value of the indicator is to be reported by the beneficiary as at the date of completion of project implementation on 30 Jun 2015. The target value of the indicator (2000) is high and the indicator is considered to be the most risky since the number of entities that received the certification increases very slowly.

Indicator 413315 Number of introduced standards in tourism services also relates to the referred to project and its target value was achieved already in 2013. The project resulted in 5 quality standards:

- 1) Official single classification of accommodation facilities,
- 2) Classification of tourist information centres,
- 3) Categorisation of camps and cabin camps,
- 4) Categorisation of ski areas,
- 5) National system of quality of services.

The planned value of indicator No 410302 Number of created publicity or marketing products for tourism has been exceeded. The target value of 10 was achieved already in 2012. The achieved value of the indicator is directly linked to the number of approved projects in activity d) and e). The originally set value of indicator No 410302 did not reflect the fact that activity d) and e) show the highest absorption capacity and the mentioned indicator was chosen by all the applicants.

In the course of survey of absorption capacity conducted at the time of preparation of the programme the potential beneficiaries submitted data which will lose their reporting value during the programme implementation. The beneficiaries from non-profit sector were supposed to submit a lower number of projects, but due to the need of co-financing they submitted projects amounting to millions of CZK. Hence, a higher number of projects from a higher number of beneficiaries have been supported.

Similar situation prevails in output indicator No 410303 Number of publicity campaigns promoting tourism products.

Indicator No 410304 Number of marketing and statistical surveys has been opted for by all projects supported in activity c) Support of nationwide marketing and creation of source databases . The target value of the indicator should be achieved provided the projects are successfully completed, since the activities of projects that focus on creation of source databases contain statistical or marketing surveys.

The value of indicator No 413311 Share of entities operating in tourism in the CR which are connected to the national information portal, was set at 50 %. When the programme was prepared, it was assumed that the national information portal would include also a reservation (booking) system, which is why a direct link to the entities on the information portal was considered. Due to the risk of unauthorised state aid the activity on development of a reservation (boking) system was not included in the project. The target value of the indicator will have to be adjusted based on the actual structure of the national information portal.

Table 65 - Output indicators

NCI code	Name of indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	2012	2013	Target value 2015 CONV	Target value 2015 RCE	Total CONV	Total RCE
410100	Number of projects focused on tourism development	Number	IOP MA	Achieved	0	0	12	12	8	14	32	N/A	N/A	32	
Core 34				Baseline	0	0	0	12	12	8	14	N/A	N/A	0	
				Target	N/A									44	23
413305	Number of information portals	Number	IOP MA	Achieved	0	0	0	0	0	0	0	N/A	N/A	0	
				Baseline	0	0	0	0	0	0	0	N/A	N/A	0	
				Target	N/A									1	1
413315	Number of introduced standards in tourism services	Number	IOP MA	Achieved	0	0	0	0	0	0	5	N/A	N/A	5	
				Baseline	0	0	0	0	0	0	0	N/A	N/A	0	
				Target	N/A									5	5
410304	Number of marketing and statistical surveys	Number	IOP MA	Achieved	0	0	0	0	0	1	3	N/A	N/A	3	
				Baseline	0	0	0	0	0	0	1	N/A	N/A	0	
				Target	N/A									6	6
410303	Number of publicity campaigns promoting tourism products	Number	IOP MA	Achieved	0	0	0	0	5	12	22	N/A	N/A	22	
				Baseline	0	0	0	0	0	5	12	N/A	N/A	0	
				Target	N/A									32	11

Source: MSC 2007 as of 3 Mar 2014

Table 66 - Result indicators

NCI code	Name of indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	2012	2013	Target value 2015 CONV	Target value 2015 RCE	Total CONV	Total RCE	
413311	Share of entities operating in tourism in the CR, which will be connected to the information system [1]	%	IOP MA	Achieved	0	0	0	0	0	0	0	N/A	N/A	0		
				Baseline	0	0	0	0	0	0	0	0	N/A	N/A	0	
				Target	N/A										50	50
413320	Number of newly classified and certified entities operating in tourism	Number	IOP MA	Achieved	0	0	0	0	0	0	389	N/A	N/A	389		
				Baseline	0	0	0	0	0	0	0	0	N/A	N/A	0	
				Target	N/A										1720	280
413321	Number of created source databases	Number	IOP MA	Achieved	0	0	0	0	0	0	0	N/A	N/A	0		
				Baseline	0	0	0	0	0	0	0	0	N/A	N/A	0	
				Target	N/A										6	6
410302	Number of created publicity or marketing products for tourism	Number	IOP MA	Achieved	0	0	0	0	8	14	17	N/A	N/A	17		
				Baseline	0	0	0	0	0	8	14	14	N/A	N/A	0	
				Target	N/A										10	10

Source: MSC 2007 as of 3 Mar 2014

3.4.1.B Qualitative analysis

General information

In Intervention area 4.1 National support of tourism, as of 31 Dec 2013 the legal acts on providing a grant were issued for 89.9 % of the allocation. A leapfrog progress was made in the volume of funds paid to beneficiaries since the IOP MA collaborated to the maximum extent with beneficiaries in the field of project management. This collaboration was identified by the IOP MA as the core issue of main beneficiaries of the Czech Headquarters of Tourism - CzechTourism and the Tourism Department of the MRD CR. The projects of referred to beneficiaries cover a prevailing part of the allocation and the progress made in the volume of reimbursed funds strongly depends on progress made in their projects. In 2012, the beneficiaries were paid 15.45 % of funds. In 2013, it grew to 45.5%. It attests to the fact that the measures adopted by IOP MA have led to a considerable progress in absorption of allocation in this intervention area, but this intervention area still ranks among those five areas with the slowest absorption within the operational programme.

For the purpose of programme management the IOP MA monitors the share of priority axes in the fulfilment of n+3 and n+2 rule. Intervention area 4.1 National support of tourism – axis 4a did not achieve the appropriate share, i.e. as of 31 Dec 2013 its certified expenditure was by CZK 178 million (share of the Structural Funds) lower than the target. Axis 4b failed to achieve the target by CZK 15.5 million.

Financial progress

In 2013, a total of EUR 15.27 million was distributed to the projects. This amount represents 30 % of the allocation for Intervention area 4. 1. In May, the IOP MA increased the allocation for the 12th continuous call by EUR 10.45 million, i.e. by the rest of the allocation. In the course of the year, the Czech Headquarters of Tourism withdrew from implementation of project CZ.1.06/4.1.00/12.08019 and CZ.1.06/4.1.00/12.08016 Rating of quality of provided services in selected sectors of tourism. The volume of not allocated funds therefore rose by budgets of these projects, i.e. by CZK 127 million.

To fix the absorption of the rest of allocation, in March 2013 the IOP MA established active communication with beneficiaries in order to ensure additional absorption capacity. The capacity was confirmed by beneficiaries in activity e) Support of the promotion of the CR as a tourist destination.

The volume of reimbursed funds in 2013 reported an increase in the volume of 27.91 %. The certified expenditure amounted to EUR 21.64 million, which exceeds the amount of funds reimbursed in 2013 due to the fact that in 2012 not all the funds reimbursed to beneficiaries were submitted to certification. The expenditure was then certified only in 2013, which was conducive to a year-on-year increase of certified expenditure by 33.17 %. In 2013, the Intervention area 4.1 thus reported the so far highest year-on-year financial progress in the volume of funds paid to beneficiaries and in the certified expenditure. The whole batch of measures, adopted by the IOP MA so as to fulfil the n+3/n+2 rule, had a positive effect on this intervention area.

Table 67 - Financial status of PA 4 as of 31 Dec 2013

Intervention area	Allocation for 2007-2013	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Funds to be certified	
	EUR	EUR	%	EUR	%	EUR	%
4.1a	71 255 784	64 075 444	89,9%	32 324 348	45,4%	32 157 335	45,1%
4a	71 255 784	64 075 444	89,9%	32 324 348	45,4%	32 157 335	45,1%

Intervention area	Allocation for 2007-2013	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Funds to be certified	
	EUR	EUR	%	EUR	%	EUR	%
4.1b	5 481 215	4 928 899	89,9%	2 486 362	45,4%	2 473 518	45,1%
4b	5 481 215	4 928 899	89,9%	2 486 362	45,4%	2 473 518	45,1%
PA 4	76 736 999	69 004 343	89,9%	34 810 710	45,36%	34 630 853	45,1%

Source: MSC2007 as of 31 Dec 2013

CZK/EUR exchange rate: 27.48

Source of funding: EU contribution + national public funds + private financing

Convergence objective; RCE objective

Table 68 - Financial progress in PA 4 as of 31 Dec 2013

Intervention area	Allocation for 2007-2013	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Funds to be certified	
	a) EUR	b) EUR	% b/a	c) EUR	% c/a	d) EUR	%d/a
4.1a	60 567 416	13 868 789	22,90%	16 906 001	27,91%	20 093 452	33,18%
4a	60 567 416	13 868 789	22,90%	16 906 001	27,91%	20 093 452	33,18%
4.1b	4 659 032	1 397 643	30,00%	1 300 459	27,91%	1 545 547	33,17%
4b	4 659 032	1 397 643	30,00%	1 300 459	27,91%	1 545 547	33,17%
PA 4	65 226 448	15 266 432	23,41%	18 206 460	27,91%	21 638 999	33,18%

Source: MSC2007 as of 31 Dec 2013

CZK/EUR exchange rate: 27.48

Source of funding: EU share

Convergence objective; RCE objective

Statistical data on rejected projects

Intervention area 4.1 throughout the programme implementation experienced a high share of rejected projects. In 2013, it reached 61.11 %. The whole programme shows the value of 10.88 %. Intervention area 4.1 continues to struggle with poor quality of submitted applications. The projects have to obtain 75 points in order to successfully pass the quality evaluation. In 2013, 8 projects failed to meet evaluation requirements. The bottlenecks of projects are budgets, analyses and in some cases the projects lacked the innovation activities. The IOP MA presented the identified shortcomings to beneficiaries at regular monthly meetings. The beneficiaries have their project applications and supporting documents for project quality evaluation outsourced. The documents are essential for the result of evaluation since the evaluators use them as primary source of information. The proposal of the IOP MA that the beneficiaries shall elaborate their project applications on their own was not accepted by beneficiaries.

Table 69 - Table of rejected projects in Intervention area 4.1

Intervention area 4.1				
Status of projects	Number of projects rejected in the intervention area	Percentage of rejected projects in the intervention area	Comparative value of the percentage of rejected projects across the programme	Number of rejected projects in 2013
N1.1 Project application failed to meet at least one of the eligibility criteria	24	13,33%	1,58%	0
N1.2 Project application failed to meet formal requisites	0	0,00%	0,78%	0
N2.1 Project failed to meet evaluation requirements	62	34,44%	2,95%	8

Intervention area 4.1				
Status of projects	Number of projects rejected in the intervention area	Percentage of rejected projects in the intervention area	Comparative value of the percentage of rejected projects across the programme	Number of rejected projects in 2013
N2.2 Letter on rejection of project application based on ex-ante check was sent	0	0,00%	0,30%	0
N2.3 Project was not recommended for financing by the Selection Committee	0	0,00%	0,40%	0
N4.1 Issuance of Decision on providing a grant/Statement of expenditure was denied	0	0,00%	0,03%	0
N5 Project application was withdrawn by the applicant	8	4,44%	3,20%	2
N7 Project was not completed/project was withdrawn	16	8,89%	1,56%	2
N8 Contract was terminated by the MA/IB	0	0,00%	0,08%	0
Total	110	61,11%	10,88%	12

Source: IS Monit7+ as of 2 Jan 2014

Fulfilment of horizontal themes

Equal opportunities

By the end of 2013, in Priority axes 4a and 4b, 70 projects were approved of which 2 will be projects focused on equal opportunities, 36 projects will have a positive impact on equal opportunities and 32 projects will have a neutral impact on equal opportunities.

Table 70 - Equal opportunities

Monitoring of horizontal themes	Unit of measurement	Number of projects
Number of projects focused on equal opportunities	Number of projects	2
Number of projects with a positive impact on equal opportunities	Number of projects	36
Number of projects with a neutral impact on equal opportunities	Number of projects	32

Source: IS Monit7+ as of 2 Jan 2014

Sustainable development

Most of the projects approved under Priority axes 4a and 4b are environmentally neutral (52), 16 projects should have positive environmental impact and 12 projects should improve the population awareness of environmental protection.

Table 71 - Sustainable development

Monitoring of horizontal themes	Unit of measurement	Number of projects
Project focuses mainly on the environment	Number of projects	0
Project has a positive environmental impact	Number of projects	16
Project is environmentally neutral	Number of projects	52
Project requires an environmental impact assessment	Number of projects	0
Project will help improve the air quality	Number of projects	0
Project will help improve the quality of water	Number of projects	0
Project will use alternative sources	Number of projects	0
Project will enlarge the area of urban vegetation	Number of projects	0
Project will improve population awareness of environmental protection	Number of projects	12

Source: IS Monit7+ as of 2 Jan 2014

3.4.2 Significant problems encountered and measures taken to overcome them

Problem

In 2013 an essential problem was dealt with in the fulfilment of n+3/n+2 rul.

Measures taken

- Regular monthly meeting with main beneficiaries

Due to high turnover in project teams of the Czech Headquarters of Tourism – CzechTourism, the IOP MA meets with beneficiaries, together with the CRD, and discusses the current issues faced by individual projects.

- Control reports from Monit 7+ information system

The reports transparently and clearly describe the state of play of individual projects, links between the tenders and applications for payment, etc. which makes it possible to easily control timetables of implementation and to use the table as a basis for joint discussions between IOP MA, CRD and beneficiaries. The beneficiaries shall also provide additional information on tenders so that it is possible to clearly analyse the causes of delays. It is often difficult to find out whether it was a negligence on the part of the beneficiary, or whether the problems are caused by a third party.

- To continue in reporting for top officials of the ministry on progress made in the implementation of projects

In 2013, the IOP MA submitted to the top officials of the Ministry for Regional Development six pieces of information on the current state of play of implementation and problems faced in IA 4.1, with focus on projects of the Tourism Department and CzT, which constitute roughly 85 % of committed funds.

Problem

High number of submitted notifications of a change (modification)

Measures taken

- One notification of a change in project as of 31 Aug 2013

In March 2013, the IOP MA had a meeting with the main beneficiaries in Intervention area 4.1, i.e. the Czech Headquarters of Tourism – CzechTourism and the Tourism Department of the MRD CR, and informed the beneficiaries that all the changes concerning the timetables of project implementation, deadlines and volumes of applications for payment and tenders shall be forwarded to the Intermediate Body on 11 Mar 2013. The reason was to stabilise the plan of absorption for 2013.

3.4.3. Example of a project

Intervention area: 4.1 National support of tourism

Name of the project, registration number: Publicity of the Czech healing spas CZ.1.06/4.1.00/09.07179 and CZ.1.06/4.1.00/09.07180

Beneficiary: Czech Spa Association

Project funding:

CZ.1.06/4.1.00/09.07179 (SF contribution: CZK 823 817, SB contribution: CZK 145 380, total budget: CZK 969 197)

CZ.1.06/4.1.00/09.07180

(SF contribution: CZK 10 709 636, SB contribution: CZK 1 889 936, total budget: CZK 12 599 572)

The project concentrates on promoting the Czech healing spas as an integrating element, which offers a suitable combination of spa potential and cultural and natural wealth of the Czech Republic.

The main target group are private payers aged 40 and more from the CR and abroad. In recent years the payments of insurance companies covering spa treatment were gradually decreased, which is why the share of private payers continuously grows. This trend shall be encouraged and the number of private payers shall increase.

The campaign was run on advertising carriers such as an Internet campaign, press campaign, PR, radio broadcasting campaign, information leaflets and materials in 4 language versions, or other appropriate tools opted for by the media agency selected in a tender.

The screenshot shows the website 'www.lecebne-lazne.cz/cs/prehled-lazni'. The page title is 'Přehled lázní - Svaz léčebných lázní České republiky'. The main heading is 'Užijte si bohatství českých lázní'. The navigation menu includes: ÚVOD, PŘEHLED LÁZNÍ, JAK DO LÁZNÍ, PRO LÉKAŘE, PRO NOVINÁŘE, PRO ČLENY, ČESKÉ LÁZEŇSTVÍ, O SVAZU LÁZNÍ. The main content area is titled 'PŘEHLED LÁZNÍ' and contains a search bar, a map of the Czech Republic, and a list of spas. The list includes: Bludov, Erantiskovův Lázeň, Hodonín, Jáchymov, Janské Lázně, Jeseník, Karlova Studánka, Karlovy Vary, Klimkovice, Konstantinovy Lázně, Lázně Bělohrad, Lázně Bohdaneč, Lázně Kynžvart, Lázně Lednice, Lázně Libverja, Lázně Toušeň, Lázně Vrchlabí, Lázně v Mariánské Lázně, Mšené-lázně, Ostrožská Nová Ves, Poděbrady, Státnice, Teplice, Teplice nad Bečvou, Trávník, Velké Losiny, and Vráž. The footer contains logos for the IOP, EU, and the Ministry of Regional Development, along with copyright information for DSPS, s.r.o.

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3.5 Priority axis 5 – National support of territorial development

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

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

3.5.1 Achieved progress and its analysis

3.5.1.A Information on physical and financial progress

Implementation of priority axis

Calls

In **Intervention area 5.1** no call was under way in 2013.

In **Intervention area 5.2**, the continuous call No 7, announced on 22 May 2009, continues. On 19 Apr 2013 its allocation was increased to EUR 192 573 322, i.e. to 100 % of the total allocation for Intervention area 5.2.

In **Intervention area 5.3**, no serious problems occurred in the course of 2013. Due to the release of funds during the update of the necessary exchange rate reserve, the call No 17 for activity 5.3b) was closed. In the course of 2013, funds were continuously reimbursed to beneficiaries and the expenditure was certified.

Table 72 - Overview of announced and ongoing calls in PA 5 in 2013

Order of the call	Number of the call	Submission of project applications		Type of the call	Number of PA /IA	Allocation for the call	Submitted applications for support		Projects with issued Decision/signed Contract	
		Opening date of the call	Closing date of the call			in EUR	Number	in EUR	Number	Amount covered by the Contract/Addendum in EUR
16.	07	22.5.2009	31.12.2015	continuous	5.2	175 194 070	1 424	202 354 756	1 368	194 679 788
56.	17	16.11.2012	8.1.2013	continuous	5.3	1 653 609	121	3 095 621	74	1 638 169
IA 5.1 total						0	0	0	0	0
IA 5.2 total						175 194 070	1 424	202 354 756	1 368	194 679 788
IA 5.3 total						1 653 609	121	3 095 621	74	1 638 169
PA 5 total						176 847 679	1 545	205 450 378	1 442	196 317 957

Source: MSC2007 as of 31 Dec 2013

CZK/EUR exchange rate: 27.48

Source of funding: public funds total

Indicators

Intervention area 5.1

The value of **output indicator No 410401** Number of regenerated immovable cultural monuments grew in 2013 from 6 to 19.

The achieved value of **indicator No 410402** Number of newly built or modernised cultural facilities is still zero since projects in activity 5.1c) Improving the infrastructure for modern cultural services with higher added value have so far not been completed.

Indicator No 410404 Number of created methodologies in the cultural heritage area has so far not been fulfilled since the projects in activity 5.1a) have not been completed as yet and the beneficiaries are obliged to prove the fulfilment of this indicator within one year after the completion of implementation of the project in activity 5.1a).

The achieved value of **result indicator No 410411** Increase in the number of visitors to monuments and cultural facilities grew to 129 %, mainly due to high number of visitors to project CZ.1.06/5.1.00/01.05498 Making the National Cultural Monument Vítkovice accessible to public and open to new use (in 2013 - 101 253 visitors).

Intervention area 5.2

Progress in fulfilment of **indicator No 331300** Area of revitalised territory is influenced by the fact that due to financial crisis the towns did not avail of adequate volume of funds which could be used to pre-finance and co-finance the often financially demanding projects. From 1 Jan 2014 only the projects on Revitalisation of public spaces will be implemented. Therefore the IOP MA reckons with a major increase of this indicator.

The **indicator No 330103** Number of projects improving the attractiveness of housing in the territory reports an overfulfilment. When the indicators were set in the Programming Document, the IOP MA assumed that individual projects on revitalisation of public spaces will be implemented as a single project in the whole territory of the IUDP. The towns, however, implement individual projects separately due to which the number of projects is higher than the target value of the indicator.

Indicator No 330102 Number of pilot projects – the support for selected Roma localities. In previous Annual Reports the indicator was mistakenly evaluated. Based on the Programming Document the target value of towns implementing the pilot projects is 7 and 6 towns submitted their applications in the IOP MA call in 2009. In 2011, however, the number of individual projects implemented in activity 5.2c was incorrectly monitored. The following year the values were corrected and now the status reflects the reality, i.e. 6 towns are implementing a pilot project.

Intervention area 5.3

In Intervention area 5.3 in activity a) the commitment of approved projects has been attained and expenditure of all the projects in activity a) has already been certified. The target value of **indicator No 330400** relating to projects of Regions has almost been achieved. In line with the anticipated target value of the number of projects creating planning analytical materials for Regions, 10 project applications have been submitted, one project has been rejected during its administration. In case of projects on creation of planning analytical materials for municipalities with extended powers, the target values of **indicators No 330401 and 330415** have been exceeded. When the target value of indicator No 330415 was set, the calculation was based on the anticipated value of indicator No 330401. The area was calculated as the area of 140 smallest municipalities with extended powers, but in the end 170 applications submitted by the municipalities have been supported and the area of territory covered by planning analytical documents fulfilled the indicator No 330415 to the level of 200 percent. The achieved value of indicators in activity b) as of 31 Dec 2013 was exceeded in all the cases. When the **indicator No 330411** was set, the

calculations were made based on the much higher price of territorial plans valid at the time of preparation of the Programming Document. The calculations considered the maximum price of CZK 4 million per 1 territorial plan and expert opinions, but the average application for support claims CZK 800 thousand only, which resulted in exceeding the target value by more than five times. When the target value of **indicator No 330416** was set, the calculations were made based on the anticipated value of indicator No 330411. The area was calculated as the area of 60 smallest municipalities with more than 500 inhabitants, which complied with the conditions of the prepared calls for 5.3b).

The achieved value of **indicator No 330418** many times exceeds the target value for reasons stated in **indicators No 330411 and 330416** on which it is based.

Table 73 - Output indicators

NCI code	Name of indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	2012	2013	Target value 2015	Total	
410401	Number of regenerated immovable cultural monuments	Number	IOP MA	Achieved	0	0	0	0	3	6	19	N/A	19	
				Baseline	0	0	0	0	0	3	6	N/A	0	
				Target	N/A									70
410402	Number of newly built or modernised cultural facilities	Number	IOP MA	Achieved	0	0	0	0	0	0	0	N/A	0	
				Baseline	0	0	0	0	0	0	0	0	N/A	0
				Target	N/A									5
330100	Number of projects improving the attractiveness of towns	Number	IOP MA	Achieved	0	0	66	230	598	857	1094	N/A	1094	
Core 39				Baseline	0	0	0	66	230	598	857	N/A	0	
				Target	N/A									1 000
331000	Number of established Urban Development Funds	Number	IOP MA	Achieved	0	0	0	0	0	0	0	N/A	0	
				Baseline	0	0	0	0	0	0	0	0	N/A	0
				Target	N/A									1
330103	Number of projects improving the attractiveness of housing in the territory	Number	IOP MA	Achieved	0	0	0	33	81	127	172	N/A	172	
				Baseline	0	0	0	0	33	81	127	N/A	0	
				Target	N/A									41
330101	Number of projects improving the attractiveness of housing in the territory	Number	IOP MA	Achieved	0	0	0	192	501	693	870	N/A	870	
				Baseline	0	0	0	0	192	501	693	N/A	0	
				Target	N/A									950

NCI code	Name of indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	2012	2013	Target value 2015	Total
330102	Number of pilot projects – support for selected Roma localities	Number	IOP MA	Achieved	0	0	0	5	16	6	6	N/A	6
				Baseline	0	0	0	0	5	16	6	N/A	0
				Target								N/A	7
330400	Number of projects on creating planning analytical materials of regions	Number	IOP MA	Achieved	0	0	9	9	9	9	9	N/A	9
				Baseline	0	0	0	9	9	9	9	N/A	0
				Target								N/A	10
330401	Number of assisted projects on creating planning analytical materials of municipalities	Number	IOP MA	Achieved	0	174	170	170	170	170	170	N/A	170
				Baseline	0	0	174	170	170	170	170	N/A	0
				Target								N/A	140
330411	Number of assisted projects on creating new or updating the existing territorial plans	Number	IOP MA	Achieved	0	2	93	227	287	330	353	N/A	353
				Baseline	0	0	2	93	227	278	330	N/A	0
				Target								N/A	60
330415	Area of municipalities covered by the planning analytical materials of municipalities	km2	IOP MA	Achieved	0	65175,3	63398	63398	63398,03	63398,03	63398,03	N/A	63398,03
				Baseline	0	0	65175,3	63398	63398,03	63398,03	63398,03	N/A	0
				Target								N/A	34800
330416	Area of municipalities covered by the new territorial plan	km2	IOP MA	Achieved	0	84,42	2289,38	3344,04	6776,67	8360,75	9020,25	N/A	9020,25
				Baseline	0	0	84,42	2289,38	3344,04	6776,67	8360,75	N/A	0
				Target								N/A	140

Source: MSC 2007 as of 3 Mar 2014

Table 74 - Result indicators

NCI code	Name of indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	2012	2013	Target value 2015	Total
410404	Number of created methodologies in the cultural heritage area	Number	IOP MA	Achieved	0	0	0	0	0	0	0	N/A	0
				Baseline	0	0	0	0	0	0	0	N/A	0
				Target								N/A	13

NCI code	Name of indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	2012	2013	Target value 2015	Total
410411	Increase in the number of visitors to monuments and cultural facilities	%	IOP MA	Achieved	100	100	100	100	100	103	128,9	N/A	128,9
				Baseline	100	100	100	100	100	100	N/A	100	
				Target	N/A								
331200	Number of renovated apartments	Number	IOP MA	Achieved	0	0	0	10126,5	24809	35888	45341	N/A	45341
				Baseline	0	0	0	0	10126,48	24809	35888	N/A	0
				Target	N/A								
331300	Area of revitalised territory	m2	IOP MA	Achieved	0	0	0	381848	1094067	2182515,9	3165872	N/A	3165872
				Baseline	0	0	0	0	381848,4	1094066,6	2182516	N/A	0
				Target	N/A								
331500	Energy savings in rental houses	%	IOP MA	Achieved	0	0	0	23,63	31,6	33,749306	28,4	N/A	28,4
				Baseline	0	0	0	0	23,63	31,6	32,76	N/A	0
				Target	N/A								
330418	Increase in the area of development areas, development axes and specific areas covered by new territorial plans	%	IOP MA/	Achieved	0	0	0	9,12	18,25	23,16	24,48	N/A	24,48
			Institute for Territorial Development	Baseline	0	0	0	0	9,12	18,25	23,16	N/A	0
			Target	N/A									0,18
330417	Increase in the area of the CR which will be covered by planning analytical materials of municipalities	%	IOP MA/	Achieved	0	0	80,3	80,3	80,3	80,3	80,3	N/A	80,3
			Institute for Territorial Development	Baseline	0	0	0	80,3	80,3	80,3	80,3	N/A	0
			Target	N/A									18,5

Source: MSC 2007 as of 3 Mar 2014

3.5.1.B Qualitative analysis

Financial progress

In Intervention area 5.1 the projects covered by the Decision on providing a grant total EUR 243.8 million (97%), the funds paid to beneficiaries amount to EUR 111 million (44 %) and the certified expenditure amounts to EUR 105.5 million (42 %). A slight progress was achieved in the reimbursement of funds to beneficiaries (EUR 39.7 million) and certification of expenditure (EUR 48.5 million). The funds were reimbursed at a slow rate due to complicated and time consuming implementation of contract award procedures, the contract award procedures are protracted due to problematic assessment and evaluation of received bids or filing petitions of unsuccessful bidders to the OPC.

Throughout the whole process of contract award procedures and tenders, the Centre for Regional Development (until 31 Oct 2013 the MoC CR) conducts controls which minimise the referred to risks. The CRD provides consultations to beneficiaries, controls projects during the monitoring visits, and in cooperation with the MA holds seminars for beneficiaries. Within a part of the projects in IA 5.1, especially the projects from the 3rd call, a tender for works was held which is why the absorption did not grow as expected.

Absorption of funds **in Intervention area 5.2** runs smoothly and the absorption forecasts are regularly fulfilled. The towns implementing IUDP are obliged to absorb the total eligible expenditure in line with the Agreement on ensuring the implementation of IUDP. In 2013, the obligation to absorb the total eligible expenditure in the volume of 67 % was lifted by the IOP MA due to the intervention of the CNB. The most significant risk to the full absorption of allocation for Intervention area 5.2 are high savings from tenders on a project supplier that in 2013 reached 22 % on average.

The share of approved funds in this intervention area totalling 138.9 % is the result of a change in calculation of the EU share. Following the approval of revision of the IOP Programming Document by the EC in December 2013, the EU share is calculated from the total amount of funds, not from the public funds only. The MA adjusted the distribution of allocation between the sources of finance in financial tables so that the ratio between the Community and national financing is maintained at 85 %. At the level of projects, the structure of funds remained the same, with the share of private financing higher than that in the financial table of programme allocation.

In Intervention area 5.3, no serious problems came up in the course of 2013. Due to the release of funds during the adjustment of the necessary exchange rate reserve, the call No 17 for activity 5.3b) was closed. In the course of 2013, funds were continuously reimbursed to beneficiaries and the expenditure was certified.

Projects in the amount of EUR 18.41 million (100.8 %) were approved, in 2013 funds continued to be paid to beneficiaries and expenditure continued to be certified. The beneficiaries were paid a total of EUR 17.13 million (93.8 %). The certified expenditure equals EUR 17.01 million (93.1 %).

Table 75 - Financial status of PA 5 as of 31 Dec 2013

Intervention area	Allocation for 2007-2013	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Funds to be certified	
	EUR	EUR	%	EUR	%	EUR	%
5.1	251 453 425	243 824 441	97,0%	111 312 643	44,3%	111 838 102	44,5%
5.2	251 032 890	348 779 701	138,9%	243 614 524	97,0%	239 444 365	95,4%
5.3	18 270 715	18 411 630	100,8%	17 130 807	93,8%	17 012 438	93,1%
PA 5	520 757 030	611 015 772	117,3%	372 057 973	71,4%	368 294 905	70,7%

Source: MSC2007 as of 31 Dec 2013

CZK/EUR exchange rate: 27.48

Source of funding: EU share + national public funds + private financing

Table 76 - Financial progress in PA 5 as of 31 Dec 2013

Intervention area	Allocation for 2007-2013	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Funds to be certified	
	a) EUR	b) EUR	% b/a	c) EUR	% c/a	d) EUR	%d/a
5.1	213 735 411	16 090 425	7,53%	39 731 125	18,59%	48 469 829	22,68%
5.2	213 377 956	44 178 099	20,70%	24 771 057	11,61%	58 681 705	27,50%
5.3	15 530 107	1 392 444	8,97%	412 259	2,65%	587 343	3,78%
PO 5	442 643 474	61 660 967	13,93%	64 914 441	14,67%	107 738 876	24,34%

Source: MSC2007 as of 31 Dec 2013

CZK/EUR exchange rate: 27.48

Source of funding: EU share

Statistical data of rejected projects

In 2013, no project was withdrawn or rejected in **Intervention area 5.1**.

Table 77 - Table of rejected projects in Intervention area 5.1

Intervention area 5.1				
Status of projects	Number of projects rejected in the intervention area	Percentage of rejected projects in the intervention area	Comparative value of the percentage of rejected projects across the programme	Number of rejected projects in 2013
N1.1 Project application failed to meet at least one of the eligibility criteria	15	30,00%	1,58%	0
N1.2 Project application failed to meet formal requisites	0	0,00%	0,78%	0
N2.1 Project failed to meet evaluation requirements	1	2,00%	2,95%	0
N2.2 Letter on rejection of project application based on ex-ante check was sent	0	0,00%	0,30%	0
N2.3 Project was not recommended for financing by the Selection Committee	4	8,00%	0,40%	0
N4.1 Issuance of Decision on providing a grant/Statement of expenditure was denied	0	0,00%	0,03%	0
N5 Project application was withdrawn by the applicant	4	8,00%	3,20%	0
N7 Project was not completed/project was withdrawn	1	2,00%	1,56%	0
N8 Contract was terminated by the MA/IB	0	0,00%	0,08%	0
Total	25	50,00%	10,88%	0

Source: IS Monit7+ as of 2 Jan 2014

In Intervention area 5.2, the percentage of rejected projects is 4.28 %. The most frequent reason of project rejection is the withdrawal from the project by the applicant due to a failure to secure co-financing.

Table 78 - Table of rejected projects in Intervention area 5.2

Intervention area 5.2				
Status of projects	Number of projects rejected in the intervention area	Percentage of rejected projects in the intervention area	Comparative value of the percentage of rejected projects across the programme	Number of rejected projects in 2013
<i>N1.1 Project application failed to meet at least one of the eligibility criteria</i>	8	0,56%	1,58%	2
<i>N1.2 Project application failed to meet formal requisites</i>	3	0,21%	0,78%	0
<i>N2.1 Project failed to meet evaluation requirements</i>	0	0,00%	2,95%	0
<i>N2.2 Letter on rejection of project application based on ex-ante check was sent</i>	1	0,07%	0,30%	0
<i>N2.3 Project was not recommended for financing by the Selection Committee</i>	3	0,21%	0,40%	0
<i>N4.1 Issuance of Decision on providing a grant/Statement of expenditure was denied</i>	0	0,00%	0,03%	0
<i>N5 Project application was withdrawn by the applicant</i>	18	1,26%	3,20%	4
<i>N7 Project was not completed/project was withdrawn</i>	28	1,96%	1,56%	13
<i>N8 Contract was terminated by the MA/IB</i>	0	0,00%	0,08%	0
Total	61	4,28%	10,88%	19

Source: IS Monit7+ as of 2 Jan 2014

In Intervention area 5.3, as of 31 Dec 2013, a total of 74 projects were rejected, of which 30 project applications failed to meet the eligibility criteria. 21 project applications were rejected based on the ex-ante check that identified errors in the award of public contract, 10 project applications were withdrawn by the applicant (the applicants realised their errors in project applications and some of them submitted a redrafted application), 4 projects were not completed and 3 project applications failed to meet formal requisites. In five projects, following the project implementation the funds were not reimbursed in case of expenditure non-compliant with public procurement legislation or on account of non-completion of the project within the deadline prescribed in the call (status N8 Contract was terminated by the MA/IB).

The percentage of rejected projects in Intervention area 5.3 is low (10.57 %).

Table 79 - Table of rejected projects

Intervention area 5.3				
Status of projects	Number of projects rejected in the intervention area	Percentage of rejected projects in the intervention area	Comparative value of the percentage of rejected projects across the programme	Number of rejected projects in 2013
<i>N1.1 Project application failed to meet at least one of the eligibility criteria</i>	30	4,29%	1,58%	1
<i>N1.2 Project application failed to meet formal requisites</i>	3	0,43%	0,78%	0
<i>N2.1 Project failed to meet evaluation requirements</i>	0	0,00%	2,95%	0
<i>N2.2 Letter on rejection of project application based on ex-ante check was sent</i>	21	3,00%	0,30%	0
<i>N2.3 Project was not recommended for financing by the Selection Committee</i>	0	0,00%	0,40%	0
<i>N4.1 Issuance of Decision on providing a grant/Statement of expenditure was denied</i>	0	0,00%	0,03%	0
<i>N5 Project application was withdrawn by the applicant</i>	11	1,57%	3,20%	1

Intervention area 5.3				
Status of projects	Number of projects rejected in the intervention area	Percentage of rejected projects in the intervention area	Comparative value of the percentage of rejected projects across the programme	Number of rejected projects in 2013
N7 Project was not completed/project was withdrawn	4	0,57%	1,56%	0
N8 Contract was terminated by the MA/IB	5	0,71%	0,08%	0
Total	74	10,57%	10,88%	2

Source: IS Monit7+ as of 2 Jan 2014

Fulfilment of horizontal themes

Equal opportunities

Table 80 - Equal opportunities

Monitoring of horizontal themes	Unit of measurement	Number of projects
Number of projects focused on equal opportunities	Number of projects	7
Number of projects with a positive impact on equal opportunities	Number of projects	666
Number of projects with a neutral impact on equal opportunities	Number of projects	1 338

Source: IS Monit7+ as of 2 Jan 2014

Most projects approved by the end of 2013 under Priority axis 5 were projects with a neutral impact on equal opportunities (a total of 1 338 projects), additional 666 projects have a positive impact on equal opportunities and 7 projects focus on equal opportunities.

Sustainable development

Projects approved before the end of 2013 are most often environmentally neutral (1 059) or have a positive environmental impact (832), or require an environmental impact assessment (226). 144 projects will help improve the air, 39 projects will improve the population awareness of environmental protection, 26 projects will enlarge the area of urban vegetation, 14 projects will use alternative sources, 8 projects will help improve the quality of water, and 8 projects are focused mainly on the environment.

Table 81 - Sustainable development

Monitoring of horizontal themes	Unit of measurement	Number of projects
Project focuses mainly on the environment	Number of projects	8
Project has a positive environmental impact	Number of projects	832
Project is environmentally neutral	Number of projects	1 059
Project requires an environmental impact assessment	Number of projects	226
Project will help improve the air quality	Number of projects	144
Project will help improve the quality of water	Number of projects	8
Project will use alternative sources	Number of projects	14
Project will enlarge the area of urban vegetation	Number of projects	26
Project will improve population awareness of environmental protection	Number of projects	39

Source: IS Monit7+ as of 2 Jan 2014

3.5.2 Significant problems encountered and measures taken to overcome them

Intervention area 5.1

Problem

Unsatisfactory state of play of Intervention area 5.1, low absorption of funds in particular

Measures taken

Change in delegated activities of the MoC CR

As of 1 Nov 2013, pursuant to Government Resolution No 567/2013 the delegated activities of the MoC IB were transferred to the MRD CR and CRD CR due to the unsatisfactory state of play of implementation of Intervention area 5.1 National support for utilising the cultural heritage potential. The reasons behind this measure were especially the low absorption, making unrealistic absorption forecasts (in 2012 fulfilled to the level of 46 %); extension of the deadlines of many administrative processes (e.g. control of contract award procedures, approval of extra work and invoices); frequent changes in staffing accompanied by changes in opinions and standpoints on the same issue; disrespecting the opinions of the IOP Managing Authority; lack of cooperation with beneficiaries in the field of public contracts which leads to high error rate in contract award procedures and slowing down of project implementation.

As of 1 Nov 2013, the role of the Intermediate Body for IA 5.1 is played by the CRD. The simplified procedures, applied by the IOP MA and CRD starting from 1 Nov 2013, lead to faster conduct of controls and reimbursement of invoices to the contractors.

Problem

State aid – Intervention area 5.1 faces the risk of provision of unauthorised state aid.

Measures taken

In revisions of the Handbooks for Applicants and Beneficiaries following 1 Nov 2013 the MA explained in detail the area of state aid and gave examples and recommendations. The IOP MA in cooperation with the CRD elaborated a checklist for state aid for the purpose of risk analysis of the project.

Problem

Award of public contracts. Challenging contract award or tender procedures, delays in their implementation, appeals filed by unsuccessful bidders with the OPC, high error rate and lengthy process of the award of contracts caused by poor knowledge of beneficiaries and complexity of legislation. Frequent repetition of tenders and consequent postponements in project implementation.

Measures taken

Throughout the process of contract award or tender procedures the CRD and, where necessary, an external expert conduct controls to minimise the referred to risks.

Problem

Execution of works – problems in the implementation of projects, extra work and cancelled work.

Measures taken

- regular monitoring of implementation of projects,
- regular meetings between the CRD and beneficiaries,
- conduct of physical on-the-spot checks – at least twice a year in each project,
- verification of feasibility of the financing plan for the given stage with respect to the implementation of the tender,
- exploitation of construction experts and assessment of extra work and construction changes in projects.

Problem

Lengthy assessment of contracts and payments in projects where the semi-budgetary organisations of the MoC act as beneficiaries

Measures taken

By Order of the Ministry of Culture No 22/2013 (effective from 5 Oct 2013) laying down the obligations of organisations within the remit of the MoC (e.g. the National Heritage Institute) in the award of public contracts based on the documents approved by the CR Government or issued by the ministries authorised by the CR Government, the procedures for approval of tenders in semi-budgetary organisations were simplified and the deadlines were cut short. In IA 5.1 of IOP it concerns a total of six projects of semi-budgetary organisations of the MoC.

Intervention area 5.2

Problem

Risk of a failure to absorb the funds

The reasons are high savings in tenders for a building contractor reaching almost 30 % on average. An important factor was also the CNB intervention with respect to the CZK/EUR exchange rate which was conducive to a major increase in residual allocation for IA 5.2 by approximately CZK 120 million.

Measures taken

IOP MA pushed the towns to create a budget of the project reflecting the realistic prices based on the public contracts and experience gained from the implementation of previous public contracts at the time of implementation of IUDP. Moreover, the IOP MA recommended to respond to savings made in the final stage of implementation of IUDP by preparing new projects that can be implemented in a short period of time, including the necessary administration. The IOP MA conducted an analysis of the residual absorption capacity in towns implementing IUDPs in IOP and offered the remaining funds to towns with absorption capacity for activity 5.2a) Revitalisation of public spaces. The towns expressed adequate demand for an increase of ERDF allocation so that the full amount of the residual allocation can be redistributed. As another measure the IOP MA adopted a procedure under which the ERDF allocation will be cut for towns that fail to satisfy the condition of absorption of total eligible expenditure ensuing from the Agreement on ensuring the implementation of IUDP in 2013.

Intervention area 5.3

In this intervention area no serious problems occurred in the monitored period. The intervention of the Czech National Bank resulted in an increase of the allocation for this area and since there was a full

pipeline of substitute projects from the 17th call the IOP MA decided to offer the available funds to the substitute projects.

3.5.3. Example of a project

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

Name of the project, registration number: Glass Art Centre Glassworks František in Sázava
CZ.1.06/5.1.00/02.07140

Beneficiary: Josef Viewegh Foundation - Glassworks František

Project funding: total budget - CZK 129 842 641 (SF contribution - CZK 110 366 245, SB contribution - CZK 19 476 396)

The aim of the project is to establish a contemporary glass art centre in Sázava which would provide space and equipment for glass artists from across the CR for making the works of art and which would in the form of an exhibition of contemporary glass art become a source of inspiration and knowledge of glass making techniques and procedures for artists. So far there has been no such centre in the CR that would enable to make a large-sized glass pieces. The partners of the project are the Museum of Decorative Arts in Prague, the Czech Glass Society, the Museum of Glass and Jewellery in Jablonec nad Nisou. The Centre (studios, workshops, exhibition, lecture halls) will be located in a reconstructed historical glassworks František in Sázava (a cultural monument). The activities of the centre, seminars, educational events, exhibitions and contests will be prepared by reputable glass artists and experts from partner organisations who will also get involved in the Centre management.



Intervention area: 5.2 Improving the environment in problematic housing estates

Name of the project, registration number: IUDP DEMOS – Camera system

CZ.1.06/5.2.00/07.08187

Beneficiary: Town of Most

Project funding: total eligible expenditure: CZK 8 020 054 (SF contribution – CZK 6 817 045, contribution of the municipality - CZK 1 203 008)

The projects focuses on the delivery of brand new technologies for developing and expanding the Municipal surveillance camera system in the town of Most for the purposes of the Municipal police in the deprived zones within the Integrated Urban Development Plan of Most.

Intervention area: 5.3 – Modernisation and development of systems for creating territorial policies

Name of the project, registration number: Territorial plan of Jiřice, CZ.1.06/5.3.00/17.08563

Beneficiary: Municipality of Jiřice

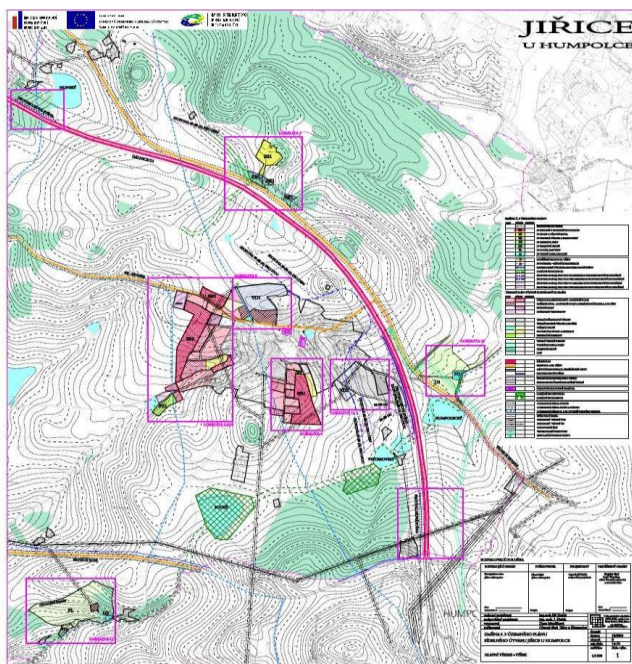
Project funding: total budget - CZK 315 000, (SF contribution - CZK 267 750, SB contribution – CZK 47 250)

The subject matter of this project is the elaboration of a new development plan of Jiřice. The municipality of Jiřice is according to the Spatial Development Guidelines of the Vysočina (Highlands) Region located in the defined OS6 development axis in the administrative district of Humpolec Municipality with Extended Powers.

The original documentation of the settlement unit was pursuant to the applicable legislation inadequate for the decision making in the territory. The territorial plan was elaborated only for a part of Jiřice, it lacked any comprehensive urban design of the whole administrative territory of the municipality, particularly the proposal for the built-up and buildable areas with diverse use options and the concept of transport infrastructure linked to the overriding territorial planning documentation of the Spatial Development Guidelines of the Vysočina (Highlands) Region.

The territorial plan of Jiřice was elaborated for the whole administrative territory of the municipality which is composed of two cadastral territories – c.t. Jiřice u Humpolce and c.t. Speřice. The territorial plan was commissioned in accordance with the provisions of Section 6 (1)(c) of the Building Act by the Municipal Authority Humpolec, namely the building authority as the spatial planning authority.

The project financing was completed and the expenditure was certified.



3.6 Priority axis 6a, 6b – Technical assistance

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

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

3.6.1 Achieved progress and its analysis

3.6.1.A Information on physical and financial progress

Implementation of priority axis

Calls

In 2013 project applications were submitted under calls No 01 and No 10 in Priority axis 6a and 6b.

In **Intervention area 6.1** continuous call No 01 with the allocation of EUR 29.7 million was under way. 43 project applications with the allocation of EUR 43.4 million were submitted. 42 project applications in the amount of EUR 29.7 million were approved.

In **Intervention area 6.2** continuous call No 10 with the allocation of EUR 11.6 million was held. 45 applications were submitted reaching the amount of EUR 5.6 million. 44 project applications in the amount of EUR 4.4 million were approved.

Table 82 - Overview of announced and ongoing calls in PA 6 in 2013

Order of the call	Number of the call	Submission of project applications		Type of the call	Number of PA /IA	Allocation for the call in EUR	Submitted applications for support		Projects with issued Decision/signed Contract	
		Opening date of the call	Closing date of the call				Number	in EUR	Number	in EUR
5.	01	5.6.2008	30.9.2015	continuous	6.1a	29 157 906	43	42 629 187	42	38 685 112
5.	01	5.6.2008	30.9.2015	continuous	6.1b	536 122	0	783 816	0	711 297
				Call total		29 694 028	43	43 413 003	42	39 396 409
37.	10	27.9.2010	30.9.2015	continuous	6.2a	11 434 587	45	5 495 564	44	4 337 907
37.	10	27.9.2010	30.9.2015	continuous	6.2b	210 246	0	101 046	0	79 760
				Call total		11 644 833	45	5 596 610	44	4 417 667
IA 6.1 total						29 694 028	43	43 413 003	42	39 396 409
IA 6.2 total						11 644 833	45	5 596 610	44	4 417 667
CONV total						40 592 493	88	48 124 751	86	43 023 018
RCE total						746 368	0	884 862	0	791 057
PA 6 total						41 338 861	88	49 009 613	86	43 814 076

Source: MSC2007 as of 31 Dec 2013

CZK/EUR exchange rate: 27.48

Source of funding: public funds total

Indicators

In Priority axes 6a and 6b all the monitored indicators are being fulfilled. The planned target value of indicators was set based on an unclear methodology. This is why with effect from 2 Oct 2009 a revision of methodological sheets of technical assistance indicators was carried out and the revised versions of Handbook for Applicants and Beneficiaries for technical assistance were issued. The target and achieved values of indicators in projects are reported based on the new methodology which is why they are overfulfilled. The IOP MA will adjust the target values of indicators in line with the valid methodology in the next revision of the Programming Document.

Table 83 - Output indicators

NCI code	Name of indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	2012	2013	Target value 2015 CONV	Target value 2015 RCE	Total CONV	Total RCE
480500	Number of elaborated studies and reports (incl. evaluation ones)	Number	IOP MA	Achieved	0	0	0	152	615	997	1074	N/A	N/A	1074	
				Baseline	0	0	0	0	152	615	997	N/A	N/A	0	
				Target	N/A										13
480700	Number of developed methodological and technical and information materials	Number	IOP MA	Achieved	0	0	14	91	111	168	257	N/A	111	257	
				Baseline	0	0	0	14	91	111	168	N/A	0	0	
				Target	N/A										82
481100	Number of held training courses, seminars, workshops, conferences and other similar activities	Number	IOP MA	Achieved	0	0	22	56	124	217	306	N/A	N/A	306	
				Baseline	0	0	0	22	56	124	217	N/A	N/A	0	
				Target	N/A										69
481600	Number of persons who attended the educational courses within the technical assistance	Number	IOP MA	Achieved	0	0	677	3040	5692	6889	7722	N/A	N/A	7722	
				Baseline	0	0	0	677	3040	5692	6889	N/A	N/A	0	
				Target	N/A										1372
480800	Implemented cooperation with mass media and communication with the general public	Number	IOP MA	Achieved	0	0	5	52	57	110	138	N/A	N/A	138	
				Baseline	0	0	0	5	52	57	110	N/A	N/A	0	
				Target	N/A										29
480900	Number of organised information and publicity activities	Number	IOP MA	Achieved	0	0	4	34	72	116	145	N/A	72	145	
				Baseline	0	0	0	4	34	72	116	N/A	0	0	
				Target	N/A										30

NCI code	Name of indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	2012	2013	Target value 2015 CONV	Target value 2015 RCE	Total CONV	Total RCE
483100	Number of full-time employees of the implementation structure	Number	IOP MA	Achieved	0	0	56,31	142,98	239,6	416,23	508,91	N/A	N/A	508,91	
				Baseline	0	0	0	56,31	142,98	239,6	416,23	N/A	N/A	0	
				Target	N/A										89

Source: MSC 2007 as of 3 Mar 2014

Table 84 - Result indicators

NCI code	Name of indicator	Unit of measure	Source	Value	2007	2008	2009	2010	2011	2012	2013	Target value 2015 CONV	Target value 2015 RCE	Total CONV	Total RCE
481900	Number of trained persons – total	Number	IOP MA	Achieved	0	0	277	1140	1967	2821	3686	N/A	N/A	3686	
				Baseline	0	0	0	277	1140	1967	2821	N/A	N/A	0	
				Target	N/A										1078
480300	Number of meetings of (monitoring, advisory and management) committees	Number	IOP MA	Achieved	0	0	3	8	10	11	13	N/A	N/A	13	
				Baseline	0	0	0	3	8	10	11	N/A	N/A	0	
				Target	N/A										13
482500	Number of performed controls	Number	IOP MA	Achieved	0	0	10	5304	5306	7420	7461	N/A	N/A	7461	
				Baseline	0	0	0	10	5304	5306	7420	N/A	N/A	0	
				Target	N/A										1323

Source: MSC 2007 as of 3 Mar 2014

3.6.1.B Qualitative analysis

Financial progress

In Priority axes 6a and 6b, a total of EUR 39.2 million has been approved, representing 96.1 % of the allocation, of which EUR 1.8 million was approved in 2013. Funds in the amount of EUR 25.4 million (62.23 % of the allocation) have been paid to beneficiaries, of which EUR 6 million were reimbursed in 2013. Expenditure in the amount of EUR 24 million (58.81 % of the allocation) has been certified. In 2013, expenditure amounting to EUR 8 million was certified. More information on the absorption of funds under Priority axes 6a and 6b is given in Chapter 5 Technical assistance.

Table 85 - Financial status of PA 6 as of 31 Dec 2013

Intervention area	Allocation for 2007-2013	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Funds to be certified	
	EUR	EUR	%	EUR	%	EUR	%
6.1a	31 973 750	30 478 968	95,3%	20 799 910	65,1%	19 500 804	61,0%
6.2a	8 114 236	8 027 494	98,9%	4 148 158	51,1%	4 074 259	50,2%
6a	40 087 986	38 506 462	96,1%	24 948 068	62,2%	23 575 063	58,8%
6.1b	587 779	560 349	95,3%	382 516	65,1%	358 631	61,0%
6.2b	149 197	147 584	98,9%	76 298	51,1%	74 931	50,2%
6b	736 976	707 933	96,1%	458 814	62,3%	433 562	58,8%
PA 6	40 824 962	39 214 395	96,1%	25 406 882	62,23%	24 008 625	58,8%

Source: MSC2007 as of 31 Dec 2013

CZK/EUR exchange rate: 27.48

Source of funding: EU share + national public funds + private financing

Convergence objective; RCE objective

Table 86 - Financial progress in PA 6 as of 31 Dec 2013

Intervention area	Allocation for 2007-2013	Funds covered by Decision/Contract (Addendum)		Funds paid to beneficiaries		Funds to be certified	
	a) EUR	b) EUR	% b/a	c) EUR	% c/a	d) EUR	%d/a
6.1a	27 177 687	1 747 884	6,43%	5 447 446	20,04%	7 047 388	25,93%
6.2a	6 897 100	26 578	0,39%	484 570	7,03%	875 608	12,70%
6a	34 074 787	1 774 462	5,21%	5 932 016	17,41%	7 922 996	23,25%
6.1b	499 612	32 134	6,43%	100 149	20,05%	129 564	25,93%
6.2b	126 816	489	0,39%	8 909	7,02%	16 098	12,69%
6b	626 428	32 623	5,21%	109 058	17,41%	145 661	23,25%
PA 6	34 701 215	1 807 085	5,21%	6 041 074	17,41%	8 068 657	23,25%

Source: MSC2007 as of 31 Dec 2013

CZK/EUR exchange rate: 27.48

Source of funding: EU share

Convergence objective; RCE objective

Statistical data on rejected projects

In Intervention area 6.1, no project was withdrawn or rejected in 2013.

Table 87 - Table of rejected projects

Intervention area 6.1				
Status of projects	Number of projects rejected in the intervention area	Percentage of rejected projects in the intervention area	Comparative value of the percentage of rejected projects across the programme	Number of rejected projects in 2013
<i>N1.1 Project application failed to meet at least one of the eligibility criteria</i>	0	0,00%	1,58%	0
<i>N1.2 Project application failed to meet formal requisites</i>	0	0,00%	0,78%	0
<i>N2.1 Project failed to meet evaluation requirements</i>	0	0,00%	2,95%	0
<i>N2.2 Letter on rejection of project application based on ex-ante check was sent</i>	0	0,00%	0,30%	0
<i>N2.3 Project was not recommended for financing by the Selection Committee</i>	0	0,00%	0,40%	0
<i>N4.1 Issuance of Decision on providing a grant/Statement of expenditure was denied</i>	0	0,00%	0,03%	0
<i>N5 Project application was withdrawn by the applicant</i>	0	0,00%	3,20%	0
<i>N7 Project was not completed/project was withdrawn</i>	2	4,65%	1,56%	0
<i>N8 Contract was terminated by the MA/IB</i>	0	0,00%	0,08%	0
Total	2	4,65%	10,88%	0

Source IS Monit7+ IOP as of 2 Jan 2014

In Intervention area 6.2, one project application was not completed/project was withdrawn. The percentage of rejected projects in Intervention area 6.2 is below the average of the programme (8.7 % as against 10.88 %).

Table 88 - Table of rejected projects

Intervention area 6.2				
Status of projects	Number of projects rejected in the intervention area	Percentage of rejected projects in the intervention area	Comparative value of the percentage of rejected projects across the programme	Number of rejected projects in 2013
<i>N1.1 Project application failed to meet at least one of the eligibility criteria</i>	0	0,00%	1,58%	0
<i>N1.2 Project application failed to meet formal requisites</i>	0	0,00%	0,78%	0
<i>N2.1 Project failed to meet evaluation requirements</i>	0	0,00%	2,95%	0
<i>N2.2 Letter on rejection of project application based on ex-ante check was sent</i>	0	0,00%	0,30%	0
<i>N2.3 Project was not recommended for financing by the Selection Committee</i>	0	0,00%	0,40%	0
<i>N4.1 Issuance of Decision on providing a grant/Statement of expenditure was denied</i>	0	0,00%	0,03%	0
<i>N5 Project application was withdrawn by the applicant</i>	2	2,90%	3,20%	0
<i>N7 Project was not completed/project was withdrawn</i>	4	5,80%	1,56%	1
<i>N8 Contract was terminated by the MA/IB</i>	0	0,00%	0,08%	0
Total	6	8,70%	10,88%	1

Source: IS Monit7+ IOP as of 2 Jan 2014

Fulfilment of horizontal themes

Equal opportunities

All the 104 projects approved under Priority axes 6a and 6b should have a neutral impact on equal opportunities.

Table 89 - Equal opportunities

Monitoring of horizontal themes	Unit of measurement	Number of projects
Number of projects focused on equal opportunities	Number of projects	0
Number of projects with a positive impact on equal opportunities	Number of projects	0
Number of projects with a neutral impact on equal opportunities	Number of projects	104

Source: IS Monit7+ IOP as of 2 Jan 2014

Sustainable development

Altogether 99 projects approved under Priority axes 6a and 6b undertake to be environmentally neutral.

Table 90 - Sustainable development

Monitoring of horizontal themes	Unit of measurement	Number of projects
Project focuses mainly on the environment	Number of projects	0
Project has a positive environmental impact	Number of projects	0
Project is environmentally neutral	Number of projects	99
Project requires an environmental impact assessment	Number of projects	0
Project will help improve the air quality	Number of projects	0
Project will help improve the quality of water	Number of projects	0
Project will use alternative sources	Number of projects	0
Project will enlarge the area of urban vegetation	Number of projects	0
Project will improve population awareness of environmental protection	Number of projects	0

Source: IS Monit7+ IOP as of 2 Jan 2014

3.6.2 Significant problems encountered and measures taken to overcome them

Problem

Risk of ineligible activities and expenditure. The IOP MA zeroed in on monitoring the use of technical assistance funds in order to ensure the maximum eligibility of expenditure in line with economy, effectiveness and efficiency.

Measures taken

As of 28 Jan 2013 the IOP MA, based on the public administration controls performed at the IB and the audit of operations of IOP TA projects, adopted a revision of the Handbook for Applicants and Beneficiaries for Priority axes 6a and 6b Technical assistance. Major changes concerned the following areas:

- Extension of the scope of ineligible expenditure (concurrence of employment contracts for 1 post in case of an induction period of a new employee, conclusion of AWP (agreement on work performance) and AWA (agreement on work activity) for the same type of activity),

- Stricter assessment of eligibility of expenditure with an emphasis on the compliance of applications with the methodological guideline on the use of external services within the NSRF implementation structure, compliance and consistency of information in individual parts of project applications and with a link of supported activities to the monitoring indicators),
- Specification of the labour costs accounting (3 alternatives of monitoring the labour costs in project accounting were submitted).

Problem

Problems with the administration of IOP TA projects. In the monitored period, the most pressing issue in the administration of IOP TA projects was a large quantity of public contracts common for more projects, evidencing the expenditure, mostly labour costs, matching the expenditure with the adequate contract, or project.

Measures taken

Consultations at a CRD CR branch and with IOP MA staff. The IOP MA collaborates with the CRD HQ on aligning the procedures in the reimbursement of applications for payment, with a stress put on creating the forms for labour costs and their subsequent thorough control, and control of the selection of new employees in keeping with the Government Resolution No 313/2011.

Problem

In the monitored period, the main problem consisted in acting upon the corrective measures from the system audit: “Compliance with procedures in filling the administrative capacity in the NSRF implementation structure“.

The audit, commenced on 5 Sep 2012, aimed to verify the compliance with the methodological guidelines of NCA for selection of employees implementing the EU funds. The auditees were the IOP MA and all the Intermediate Bodies. Emphasis was placed on compliance with transparency, equal opportunities and non-discrimination principles in tenders for filling of posts. The audit covered the period of 2010, 2011 and the 1st half of 2012.

During the audit 21 findings were identified, some of which concerned the violation of transparency, equal opportunities and non-discrimination principles in tenders for filling of posts in the IOP implementation structure:

- 2 general findings for all auditees, low materiality,
- IOP MA a total of 6 findings, of which 1 of high, 1 of medium and 4 of low materiality,
- CRD CR IB a total of 4 findings of low materiality,
- MoC CR IB a total of 2 findings of high materiality,
- MoLSA CR IB a total of 2 findings, of which 1 of high and 1 of medium materiality,
- MoH CR IB no finding identified.

The Audit Authority quantified ineligible expenditure of IOP MA, MoI CR, MoC CR and MoLSA CR in the total amount of EUR 247 242 920.91. The audit results were submitted to the European Commission which additionally imposed a correction upon the IOP MA, extended the period of ineligibility of expenditure for the IOP MA, MoI CR, MoC CR, and MoLSA CR, and determined the actions to be taken for finalisation of the system audit. As of 30 Sep 2013, the amount of ineligible expenditure was calculated at EUR 521 349 593.77.

Measures taken

Since the system audit “Compliance with procedures in filling the administrative capacity in the NSRF implementation structure“ for the period from 1 Jan 2010 to 30 Jun 2012 concerned all the operational

programmes, the MRD-NCA in cooperation with the PCA and AA held a seminar for Managing Authorities and Intermediate Bodies to clarify the audit conclusions. The seminar was attended by representatives of the IOP MA and all the IBs. Subsequently, the IOP MA and IBs adopted remedial actions to prevent similar findings.

Based on the system audit, the IOP MA in cooperation with CRD CR revised the requirements for evidencing the eligible expenditure as of 10 July 2013 so as to simplify the evidencing. Data on registration of corrections in line with the audit of administrative capacity were added into the table called “Summary recapitulation of labour costs“.

4 ERDF PROGRAMMES/COHESION FUND

Two major projects have been submitted in Intervention area 3.4 of the Integrated Operational Programme.

Originally, the intention was to implement the project National Centre for Crisis Readiness, which was however withdrawn in 2012. In 2013, in response to floods in July 2013, two major projects of the Fire Rescue Service of the CR and the Police of the CR for addressing the natural disasters, floods in particular, were submitted. These project applications were approved by the Monitoring Committee on 26 Sep 2013.

On 31 Oct and 1 Nov 2013, the IOP MA forwarded the project applications “Preparedness of the Fire Rescue Service of the Czech Republic for floods” CCI 2013CZ161PR007 and “Increasing flood preparedness of the Police of the CR to save lives and property“ CCI 2013CZ161PR006 to the EC. On 18 Nov 2013, the EC changed the status of projects into Admissible – the projects were considered admissible, and on 19 Dec 2013 the EC sent the interruption letter with questions to be answered.

JASPERS financial instrument was not used in the submitted projects due to their narrow focus on IRS units, and the division of projects into stages implemented in more programming period was not considered either.

Brief information on projects:

- “Increasing flood preparedness of the Police of the CR to save lives and property“ - CCI 2013CZ161PR006 – Total eligible expenditure of CZK 1.35 billion

The project was submitted to the EC for approval. The purpose of the project is to increase the efficiency of interventions of the Police of the CR during natural disasters, extensive floods in particular.

- “Preparedness of the Fire Rescue Service of the Czech Republic for floods“ - CCI 2013CZ161PR007 – Total eligible expenditure of CZK 1.45 billion

The project was submitted to the EC for approval. The purpose of the project is to increase the efficiency of interventions of the Fire Rescue Service of the CR during natural disasters, extensive floods in particular.

5 TECHNICAL ASSISTANCE

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

Intervention areas of Priority axes 6a and 6b:

- 6.1a/6.1 b – Activities related to IOP management
- 6.2a/6.2 b – Other costs of the IOP Technical Assistance

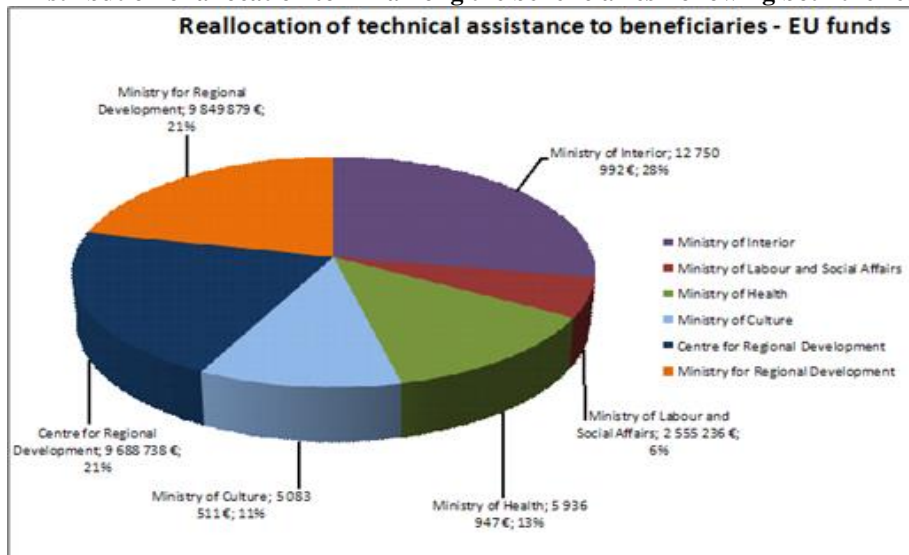
The IOP TA beneficiaries are the Ministry for Regional Development of the CR, the Ministry of Culture of the CR, the Ministry of labour and Social Services of the CR, the Ministry of Interior of the CR, the Ministry of Health of the CR and the Centre for Regional Development of the CR.

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

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

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

Chart 6 - Distribution of allocation to TA among the beneficiaries following both the reallocations



Source: IOP MA, status as of 31 Dec 2013

Progress made in 2013

In the course of 2013, three meetings of the Selection Committee for IOP TA projects were held, at which 17 projects in the amount EUR 5 548 766 were approved.

Table 91 - Overview of projects approved by the SC for IOP TA in 2013

	6.1	6.2
Ministry for Regional Development CR	1	3
Ministry of Health CR	-	-
Ministry of Labour and Social Affairs CR	1	-
Ministry of Culture CR	-	2
Ministry of Interior CR	2	3
Centre for Regional Development CR	3	2
Total	7	10

Source: Secretariat to the SC for IOP TA

2) Projects implemented in the framework of IOP TA

Table 92 - Progress in implementation of Intervention areas 6.1 and 6.2 in terms of the projects as of 31 Dec 2013

	6.1	6.2
Number of submitted projects	40	63
Number of approved projects	40	63
Volume of funds of submitted projects SF+SB (25.140 CZK/EUR)	29 287 856,95 EUR	7 817 550,59 EUR

Source: IS Monit7+ IOP as of 2 Jan 2014,

Main areas of absorption of IOP TA funds

1. Strengthening the administrative capacity

All the entities involved in the programme implementation draw the Technical Assistance funds in order to provide for administrative capacities in line with Government Resolution No 1332/2009 approving the procedure and the way of addressing the administrative capacity for the absorption of resources of Structural Funds for 2007-2013 period.

In 2013, the costs incurred in relation to 190.01 FTE in the breakdown stated in the table below were covered from IOP TA. For more details see the Chapter “Staffing of the programme“.

Table 93 - Administrative capacity in 2013

Body	Number of FTE employees based on administrative capacity for 2013
IOP Managing Authority	63,60
Centre for Regional Development CR	46,76
Ministry of Interior CR	22,23
Ministry of Culture CR	11,81
Ministry of Labour and Social Affairs CR	21,61
Ministry of Health CR	24,00
TOTAL	190,01

Source: Report on administrative capacity of IOP for 2013

2. Ensuring vocational training

A major part of TA funds is regularly channelled to these activities. Their exploitation is described in detail in Chapter called Education and training of IOP MA and IOP IB staff.

3. Purchase and installation of computer systems and information technologies

MRD CR – in 2013 continued to implement the project called Specific adjustments of the applications of Monit7+ for IOP and Benefit web application for IOP - part III with the budget of CZK 12 480 000,- (EUR 454 148.47). In 2013, the submitted applications for payment totalled CZK 1 594 478,- (EUR 58 023.22).

CRD CR – due to the EC and IOP MA requirements for sustainability the information system MONIT for JROP and SPD 2 has to be run also in 2010–2013 period. In 2013, a total of CZK 1 771 495,- (EUR 64 464.88 EUR) was reimbursed.

The CRD CR continues to implement a project on extending technical equipment for processing the IOP data at CRD CR with the budget of CZK 3 840 000,- (EUR 139 738,-). In 2013, the submitted applications for payment amounted to CZK 844 680,- (EUR 30 738).

4. Written outputs of IOP MA and IBs

Below you will find only the **most important and costly IOP MA outputs**. The IBs did not finance any written output in 2013.

Sieber Uchytíl, s.r.o. – opponent's opinion on the Cost benefit analysis of projects of the General Directorate of the Fire Rescue Service of the CR and the Police Presidium of the CR in the amount of CZK 188 760.00 (6 869.00 EUR).

ŘANDA HAVEL LEGAL advokátní kancelář (law office) s.r.o. – analysis of the design of the system of monitoring of state aid and the rules performed in connection with the prepared update of Handbooks for Applicants and Beneficiaries in Intervention area 5.1 of IOP in the amount of CZK 42 509.10 (EUR 1 546.91).

Integra Consulting s.r.o. – drawing up of the Notification pursuant to Act No 100/2001 Coll. on the Environmental Impact Assessment, as amended, with respect to the revision of the Programming Document of IOP in the amount of CZK 36 300.00 (EUR 1 320.96).

Regional Development Agency of the Plzeň Region, o.p.s. – identification of main issues and needs of the basic types of settlement structure in relation to IROP and the main thematic priorities of the EU economic and social cohesion policy 2014-2020 in the amount of CZK 200 000.00 (EUR 7 278.02).

Ernst & Young, s.r.o. – conduct of a framework analysis of CRD CR transformation options, including the analysis of the current activities and structure of the CRD CR and the analysis of activities concerning the role of the Intermediate Body, a proposal for 3 – 4 alternative solutions of CRD CR structure to serve as the IROP IB and the assessment of suitability of the current CRD structure and potential alternative ways of transformation of CRD CR into the IROP IB in the amount of CZK 229 900.00 (EUR 8 366.08).

6 INFORMATION AND PUBLICITY

The IOP MA publishes a list of approved projects and examples of implemented projects in IOP on its website:

Examples of implemented projects are published and updated on: <http://www.kvalitazivota.eu/>

The list of aid beneficiaries under IOP is published and monthly updated on: <http://www.strukturalni-fondy.cz/cs/Microsites/Integrovaný-OP/Zadatele-a-prijemci/Seznam-podporenych-projektu>

6.1 Publicity activities and communication tools used in 2013

An overview of all the IOP communication and publicity activities for 2013 is included in Annex No 2.

6.1.1 Communication campaigns

Promotional film on IOP distributed to the Czech cinemas

In 2012, a tender was held for the film distributor. In February 2013, the film was shown in Cinema City and CineStar cinemas in 10 Regions of the CR. Small presents were handed out to the audience to promote this event. A total of 9 000 magnets bearing the photos of IOP projects were given away.



IOP communication campaign in the Czech Radio

In the period from 1 November and 31 December 2013 the IOP communication campaign took place in the Czech Radio. Altogether 27 reports on selected IOP projects were recorded and aired. The projects were selected so as to equally represent the CR regions and individual intervention areas. The reports were aired on all 11 regional stations of the Czech Radio, on Radiožurnál and Dvojka. The duration of the spot is 2:30 and you can listen to the programmes on the following website: http://www.strukturalni-fondy.cz/cs/Microsites/Integrovaný-OP/Novinky_article/Pamatky,-socialni-podniky,-hasicska-technika-a-dal. Together with the reports, 2 518 sponsor's messages were aired on the Czech Radio.

6.1.2 Conference

International conference “Structural Funds in Health Sector – medical history, diagnosis, prognosis“

On 18 – 19 June 2013, the European Funds Department of the MoH CR held a conference in Plzeň with the view to present regional, national and international experience with the use of the Structural Funds in the health sector in the period 2007–2013.

IOP 2013 Annual Conference: Experience and Outlook

The conference organised by the IOP MA took place at the Jindřichův Hradec State Castle and Chateau on 10 October. On the agenda of the conference was the presentation of the to date experience



and best practice from the preparation and implementation of projects, supported from the European Union under the Integrated Operational Programme, and information on the preparation of the Integrated Regional Operational Programme 2014-2020.

After the conclusion of the conference agenda the participants visited the project National Museum of Photography and Tapestry Workshop in Jindřichův Hradec.

6.1.3 Contests, games and other events for general public

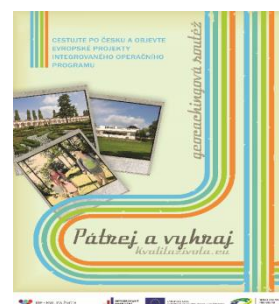
Information stands of IOP in Kroměříž and Jindřichův Hradec



The IOP MA took part in summer festivals held in Kroměříž and Jindřichův Hradec in June and July 2013 in the form of an information stand. The aim was to make more visible the IOP projects and to establish close contacts with the general public. At these events more than 300 leaflets, publications and promotional merchandise were handed out. Drawing and colouring books (Domalovánky) and Find a pair games presenting the IOP projects in the field of culture were given to children.

“Search and win.“ Geocaching contest of the Integrated Operational Programme.

Geocaching contest “Search and win“ began on 3 June 2013 and ran until the end of November 2013. Ten boxes with questions were placed at ten places in the Czech Republic where IOP projects are implemented. If the participant in the contest answered at least five questions, he was entered into a draw to win valuable prizes. Included in the contest was the monastery in Plasy, Pontes café in Písek, villa Tugendhat in Brno, Vítkovice, gardens in Kroměříž and others.



The contest of the Ministry of Interior “Make a video of a smart authority and win!“

The contest was intended for all citizens aged 18 or more who in the period from 30 September to 6 December 2013 made a recording and posted it on social networks. There were two topics of videospots: How do the “smart” authorities using high technologies make your life easier? and How do you personally imagine a friendly and “smart” authority of the future?

“Go sightseeing” game



The Ministry of Culture initiated the creation of a social and educational game with the topics of supported projects in the field of culture. The game is intended for both the children and their parents and offers 2 levels of difficulty. The imaginative and clever game is well received by schools to which it had been distributed, and it was also entered in the Most beautiful book 2013 contest in the category of textbooks for all levels of schools and printed teaching aids.

6.1.4 Photo documentation

In the course of 2013, the MA and most of the IBs continue to take photos of successful projects of IOP. It is one of the appropriate ways how to simply present the impact of financial support from IOP. The photos can be used for promotional merchandise, website, exhibitions or publications.

6.1.5 Promotional merchandise

In 2013, the IOP MA conducted a simplified below-the-threshold procedure for almost 30 types of promotional merchandise. Also the Centre for Regional Development of the CR, the Ministry of Interior and the Ministry of Health implemented a public contract on promotional merchandise.

6.2 Target groups

The primary target group for 2013 remained to be the beneficiaries and applicants due to uneven absorption from the Integrated Operational Programme. The Managing Authority aimed particularly to ensure efficient absorption capacity and successful drawdown of the earmarked allocation. Ever more attention was paid also to the general public, with respect to the approaching end of the programming period and the need to inform a broad spectrum of interested persons about IOP results and projects. This focus ensued inter alia from the recommendations of the evaluation study of communication and publicity activities of IOP in 2008–2010 and from the European Commission priorities.

Target groups

Professional public – potential applicants and aid beneficiaries

Key communication in 2013:

- MA and IBs provide factual, timely and clear information on possibilities of financing from IOP, the way of submission, selection and reimbursement of projects is transparent at every stage of the process,
- aid beneficiaries receive timely and quality information about the conditions of absorption in individual intervention areas of IOP and are warned against the most frequent mistakes made in the implementation.

General public

Key communication in 2013:

- assistance from IOP is absorbed in a transparent manner,
- control mechanism of absorption is designed so as to prevent the misuse of funds,
- all beneficiaries have enough information for successful implementation of their projects,
- IOP funds are channelled to meaningful projects with specific and tangible benefits for citizens of the CR,
- IOP improves the quality of life of each of us!

The key communication for professional public was successfully delivered through seminars for beneficiaries and applicants, publishing topical information on the website of individual ministries, the IOP annual conference, the international conference of the Ministry of Health, and one-to-one consultations with beneficiaries and applicants, and responses to their enquiries.

The key communication for general public was successfully delivered through publishing topical information on the website of individual ministries, the IOP annual conference, update of kvalitazivota.eu microsites, distribution of the IOP film on data boxes in the Czech cinemas, and largely also through reports aired on the Czech Radio.

6.3 Communication with the general public, applicants and beneficiaries

Enquiries

In 2013, the IOP MA and IBs received **17 010** e-mail enquiries.

Table 94 - Overview of received e-mail enquiries

e-mail enquiries	MRD	MoC	MoLSA	MoI	MoH	CRD	TOTAL
Registered	35	7	1 318			50	1 410
Unregistered				8 000	1 600	6 000	15 600
TOTAL							17 010

Source: MA, IBs – register of enquiries. Data as of 31 Dec 2013.

6.4 Total budget of IOP CoP 2013

The total costs incurred in the field of publicity covered from IOP Technical assistance in 2013 amounted to EUR 275 793.34.

Table 95 - Total costs of IOP publicity covered from IOP Technical assistance

IOP MA / IB	Indicative budget (EUR)	Actual value (EUR)
Ministry for Regional Development CR	142 663,75	17 1220,43
Ministry of Culture CR	79 978,16	28 171,24
Ministry of Labour and Social Affairs CR	15 465,79	460
Ministry of Interior CR	37 668,3	10 204,96
Ministry of Health CR	187 409,02	41 855,53
Centre for Regional Development CR	40 029,11	23 881,18
Total (VAT incl.)	503 214,13	275 793,34

Source: MA and IBs as of 31 Dec 2013

CZK/EUR exchange rate: 27.48

Source of funding: public funds total

The actual expenditure incurred is lower than planned. One of the reasons is the implementation of a larger number of activities than originally planned. For example, the Ministry of Interior performed most of the publicity activities on its own without outsourcing in the field of PR and media. Major savings as against the planned expenditure were also achieved in a number of activities thanks to the cooperation with another body or thanks to lower prices in the market (distribution of IOP film to cinemas, promotional merchandise, etc.).

6.5 Evaluation of publicity activities in 2013

The communication activities of IOP in 2013 continued to be targeted at potential applicants, but to a larger extent focused on professional as well as general public. The core activities consisted in sharing experience from implementation of projects and presentation of successful projects to the public.

The Managing Authority and the Intermediate Bodies strived for a single line of communication through visual elements and cross-cutting activities such as the campaign in Czech cinemas or the radio campaign on majority of stations of the Czech Radio, which presented projects from all

intervention areas of the Integrated Operational Programme. Throughout 2013, two major conferences took place, where the public could learn a lot about the workings of the Structural Funds, intervention areas, obligations of aid beneficiaries, and also could have a glimpse of the preparation of 2014-2020 period.

During a number of cultural events held in the Czech regions, attractive contests were organised and imaginative and creative promotional merchandise handed out which were intended for all age categories.

In 2013, not all the scheduled activities took place also due to the transfer of Intervention area 5.1 National support for utilising the cultural heritage potential from the Ministry of Culture of the CR. Not all the planned funds were absorbed. It was brought about not only by the mentioned transfer of one intervention area as a whole, but to some extent also by significant savings in tenders and e.g. the fact that at the Ministry of Interior a multitude of activities was performed inhouse, without outsourcing.

The ongoing photo documentation of successful projects in 2013 was highly appreciated.

7 MISCELLANEA, SHARING EXPERIENCE, BEST PRACTICE

For the sake of sharing experience with IOP, the IOP MA most often employs the following communication platforms:

- IOP working groups;
- Education of IOP staff;
- Discussions between the IOP Managing Authority and IOP Intermediate Bodies.

7.1 IOP Working Groups

Working groups represent a tool for communication on topical themes or problems. Minutes are taken from WG meetings and the MA conducts evaluation of WG activities. In collaboration with WG members, the evaluation considers the frequency of meetings in the year concerned, attendance, fulfilment of tasks assigned at the working group meetings, involvement and activity of members, satisfaction of members with the organisation of WG and contributions of the working group.

Working groups can respond in a flexible fashion to problems currently addressed in IOP implementation. To a great degree they are also used as an educational tool.

Main conclusions of the Working Groups' meetings

WG for communication

In the monitored period the WG met on 23 Jan 2013. At the meetings the plans of IBs and MA for 2013 have been aligned and cooperation for 2013 has been agreed upon (joint IOP publication, IOP activities for the general public, etc.). The WG also met on 21 May 2013. The MA and IBs agreed on procedures for taking photos of projects in order to prevent the duplication of activities. The IBs

promised to cooperate in the geocaching contest, communication campaign and other activities of the MA consisting in sharing contacts, supporting documents and promotional merchandise. The last meeting of the WG in 2013 took place on 19 Nov 2013. The MA informed about the Common Communication Strategy for 2014-2020 and the Methodological Guideline for publicity and communication of CSF Funds in the programming period 2014-2020, which are being drafted by the NCA. The CRD and MA representatives agreed to proceed jointly when communicating about IA 5.1, which was as of 1 Nov 2013 transferred to the MRD CR and CRD CR.

WG Financial management

The meeting held on 22 Jan 2013 assumed the form of training. A lady expert in the field of state aid presented examples relevant for IOP. In 2013, the Working Group convened seven times, namely on: 27 Feb, 28 Mar, 25 Apr, 23 May, 26 Jun, 24 Sep, and 29 Oct 2013.

Regular meetings of the WG FM addressed the topical issues faced in the administration of APs with the IBs with the view to enhance the quality of supporting documents for programme management and to adopt measures for smooth absorption of support and elimination of the risk of errors.

Fulfilment of n+3/n+2 rule was monitored mainly by control of fulfilment of forecasts of submitted applications for payment and realistic forecasts were made based on the current development. The Working Group also dealt with the newly introduced links between the tenders and projects stage in IS Monit 7+, which will enable more accurate forecasts of the absorption of funds.

WG for evaluation

The Working Group did not meet in the monitored period.

WG for risk management

In the monitored period, the Working Group for risk management met on 27 Jun 2013 and 7 Oct 2013. The WG met to discuss the evaluation of the implemented remedial measures and to provide the information on future steps within the current IOP stage.

WG for public contracts

The Working Group for public contracts met on 20 Feb 2013. The main topic on the agenda was the PCA guidance on the imposition of sanctions for incorrectly implemented contract award procedures. At the same time the WG members exchanged experience with addressing the topical issues related to the award of public contracts and agreed to jointly develop a single methodological guideline for imposition of sanctions. The WG met on 18 Sep 2013. The main topic on agenda was the harmonisation of checklists for public contracts with the European Commission checklists.

WG Jessica

Since September 2012 technical discussions have been held between the IOP MA and SHDF every two weeks. The main topics discussed were the contract award procedure for the selection of Urban Development Fund administrator, management and control system of JESSICA FI, business plan of the UDF administrator, and support of marketing and absorption capacity. With respect to the implementation of JESSICA FI, technical meetings were held between the IOP MA and HF SHDF in the course of 2013. The main topic of these meetings was the selection of the Urban Development Fund administrator; addressed were first and foremost the issues related to the preparation of tender documentation and publishing of the public contract for the UDF administrator, and following the unsuccessful tender also the changes in tender documentation and a repeated tender. The repeated tender was successful and on 31 October 2013 the contract with the winning UDF administrator was signed. The subsequent technical meetings between the IOP MA and HF SHDF concentrated on

physical implementation of JESSICA FI; discussed were also the Business plan of the UDF administrator, management and controls systems of the HF and UDF administrator, and preparation of the launch of receipt of first applications for soft loans from JESSICA FI. Other topics on the agenda of technical meetings between the IOP MA and HF SHDF were the other tenders advertised by the HF SHDF associated with the implementation of JESSICA FI and monitoring through quarterly monitoring reports of HF SHDF. The technical meetings aim to ensure the observance of rules of JESSICA FI.

WG for risk reduction in Smart Administration

The meetings are convened to deal with specific matters, as necessary. Its activities concentrate on work with particular beneficiaries who implement projects classified as high-risk or sleeping projects.

WG IS and monitoring

In the monitored period, the WG met on 21 May 2013, 18 Oct 2013 and 8 Nov 2013. The meetings focused on training of IS Monit7+ IOP users concerning output reports and the possibility to obtain data from the IS and their use for monitoring of programme implementation and identifying the potential problems and bottlenecks.

WG PILOT

Since the pilot projects were implemented smoothly in 2013, the WG met only once, namely on 10 Dec 2013. All the planned projects are implemented in line with their timetable.

WG Technical assistance

The Working Group on technical assistance did not meet in the monitored period.

WG for 5.2

In 2013, no significant problems occurred in the implementation of Intervention area 5.2, which is why the MA did not convene the working group. Two information seminars for IUDP managers took place, as stated in Annex No 2 Publicity activities in 2013.

7.2 Education of IOP MA and IOP IB staff

7.2.1 IOP Managing Authority

The system of education of IOP MA staff in 2013 involved the following stages:

- Planning the education of employees through individual education plans for 2013,
- Education (internal, external educational events, e-learning),
- Monitoring of the accomplishment of individual education plans for 2013,
- Annual evaluation of accomplishment of the education plan of the IOP Managing Authority,
- Evaluation of the quality of educational events.

In 2013, 79 educational events were organised, of which 48 were outsourced and 31 were delivered by inhouse lecturers. The internal educational events comprised those held by the IOP Managing Authority and events organised within the System of Education and Training of Employees Implementing the NSRF in the period 2007 – 2013 and by the Human Resources Department of MRD CR.

Table 96 - Number of educational events and trained persons

Educational events in 2013		Trained persons in 2013	
79		541	
Internal	external	internal	external
31	48	211	330

Source: Evaluation of the education plan of the IOP MA 1 Jan -31 Dec 2013

The total number of educational events also includes all the training courses, i.e. not only those funded from the IOP Technical Assistance.

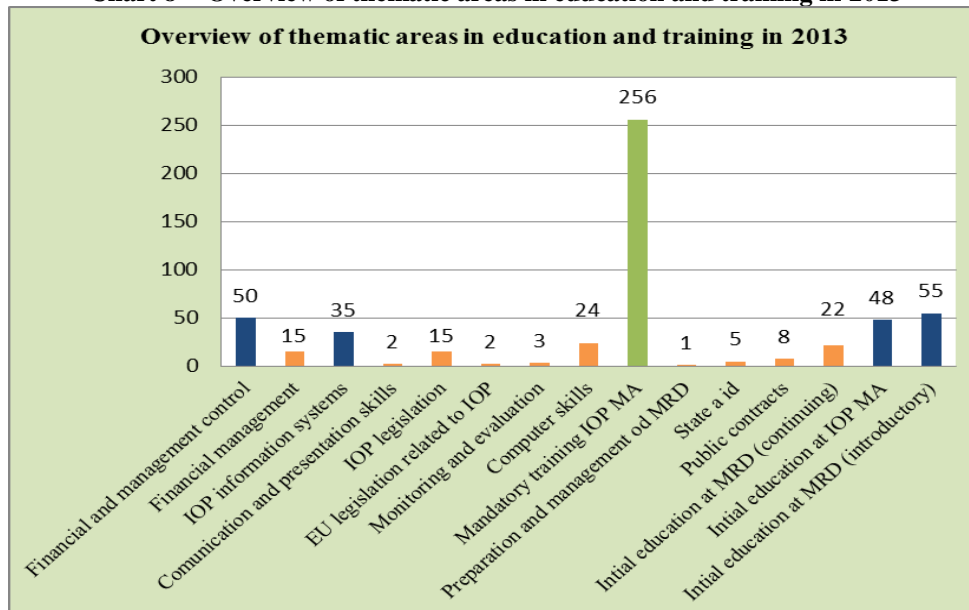
Chart 7 - Share of trained persons in the number of employees of the IOP Managing Authority in the period from 2012 to 2013



Source: IOP MA

In 2013, the highest number of educational events focused on mandatory induction training of IOP MA, initial education of MRD CR, financial and management control and information systems.

Chart 8 - Overview of thematic areas in education and training in 2013



NOTE: green colour – the highest number of training courses

Source: IOP MA

7.2.2 IOP Intermediate Bodies

The Intermediate Bodies cover the costs of education and training within its IOP TA projects, or are invited to participate in training courses held by the IOP Managing Authority.

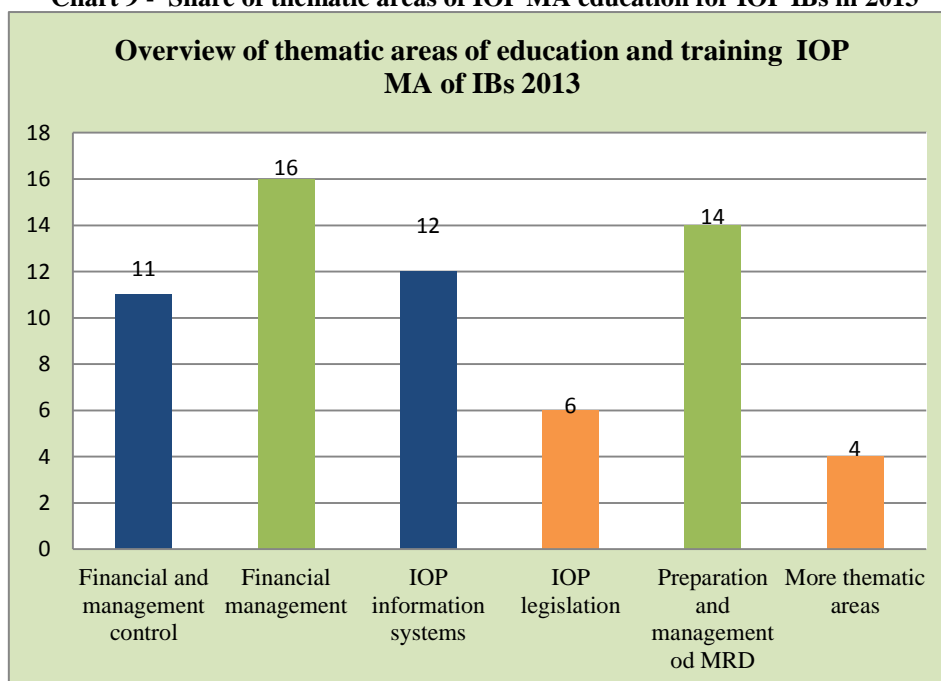
In 2013, the IOP MA organised a total of 8 educational events for IBs. A total of 63 persons were trained. The lower number of educational events as against the previous years was caused by peak workload with respect to the fulfilment of n+3/n+2 rule, thus the regular training courses of IOP MA for IOP IBs were temporarily discontinued. The share of trained persons in the total number of employees is illustrated in the following table. For more accurate quantification, the comparison with 2012 is presented.

Table 97 - Share of trained persons in the number of employees – Intermediate Bodies

Name of the Intermediate Body	Number of trained persons		Number of IB employees	
	2012	2013	2012	2013
Ministry of Health	40	12	20,5	24,00
Ministry of Labour and Social Affairs	28	13	21,52	21,61
Ministry of Culture	31	6	16,65	15,75 ¹⁷
Ministry of Interior	27	11	24,8	22,23
Centre for Regional Development	44	21	39,45	46,76

Source: IOP MA

Chart 9 - Share of thematic areas of IOP MA education for IOP IBs in 2013



Note: green colour – the highest number of training courses

Source: IOP MA

¹⁷ MoC CR– transfer of agenda to MRD CR – CRD CR as of 31 Oct 2013.

7.3 Meetings held between the IOP Managing Authority and the IOP Intermediate Bodies

The highly beneficial tool of communication and sharing experience between the IOP MA and IBs are regular IOP MA and IB meetings held once a month.

Especially the following items were on the agenda of meetings:

- Evaluation of plans of absorption and submitted applications for payment,
- Forecast of the volume of submitted applications for payment in individual intervention areas,
- Current state of absorption in individual intervention areas
- Applied measures to accelerate absorption,
- Information of IOP IB on the state of play and progress in implementation of sleeping and risky projects,
- Settling the corrections in the ACR 2011 and ACR 2012,
- Information on the EC audit,
- Information on preparation of the meetings with the EC on Intervention areas 1.1, 2.1, 3.1 and 3.3,
- Forecast of fulfilment of n+3/n+2 rule in 2013,
- Exchange rate reserve and savings,
- Adopted measures regarding the administration of applications for payment,
- Forecast of absorption of allocation in the period from 2013 to 2015,
- Information on transfer of activities from the MoC CR to the MRD CR and CRD CR,
- Information on the extraordinary meeting of the IOP MC,
- Outputs from re-performance audit,
- Preparation of the IOP MC,
- Preparation of certification of expenditure.

7.3.1 Meetings of the Interministerial Commission at the level of Deputy Ministers implementing the IOP

With regard to the status of implementation of the programme and addressed problems, which many times went beyond the competence of IOP IB Directors, the top officials of MRD CR decided to convene a meeting at the level of Ministers and Deputy Ministers involved in the implementation of IOP. Based on the meeting of Ministers held on 29 June 2010, the Interministerial Commission of Deputy Ministers implementing the IOP was established.

Conclusions from the meeting held on 5 May 2013:

- IOP MA shall send the IBs a list of projects investigated by the OPC which will be updated by the IBs and duration of investigations will be added,
- IOP MA shall examine the potential ways of selection of projects from project pipeline,

- IBs shall draft a crisis plan at the level of Deputy Ministers for addressing the non-fulfilment of n+2/n+3 rule, as a source document for the IOP MA for the material on decommitment and overcommitment of programme allocation; the IBs will send to the IOP MA a list of controversial decisions of the AA/DAB,
- MoLSA IB and MoC IB shall forward to the IOP MA information on the status of project division into stages,
- IBs shall take measures in the field of human resources to ensure smooth administration during the busy summer months,
- IBs shall look into the possibility of ensuring new expenditure for certification in 2013,
- MoI shall convene a meeting of IOP MA, CRD, MoI IB, GD FRS, Department of Policy, Architecture and ICT projects of the MoI and Česká pošta concerning the framework contracts of Česká pošta.

Conclusions from the meeting held on 22 August 2014:

- Individual IBs shall within 14 days notify the IOP MA of amounts to be included in the aggregate payment claims in September, October, November and December 2013,
- IBs shall check the anticipated values of forecasts for individual months of 2014 and 2015 together with forecasts of IB calls,
- IBs shall within 14 days examine the possibility of incurring higher expenditure this year,
- IBs shall add a brief summary of potential role of municipalities and regions in relevant proposed measures to the MRD CR analysis of absorption to be submitted to the Government,
- MRD CR shall look into the possibility of setting fixed deadlines for government agencies, the non-fulfilment of which could result in cutting the allocation.

7.3.2 Bilateral meeting between the IOP MA and IOP IBs

In 2013, several bilateral meetings took place addressing the following topical issues:

- Status of absorption in intervention areas of the respective IOP IB,
- Outputs from meetings with beneficiaries,
- Revision and preparation of calls,
- Tasks assigned by the IOP MC,
- Sleeping and high-risk projects,
- Simplification of administrative procedures,
- Closing of calls in 3.1 and absorption of allocation, division of projects into stages,
- Changes of indicators,

- Revision of the HAB,
- Postponements in timetable, extension of implementation period,
- Meeting on the transfer of delegated activities from the MoC CR IB to MRD CR and CRD CR,
- Generation of reports for the control of fulfilment of timetables of tenders of main beneficiaries in IA 4.1.

LIST OF ABBREVIATIONS

Abbreviation	Meaning of the abbreviation
AA	Audit Authority
ACR	Annual Control Report
AP	Application for payment
APC	Act on Public Contracts (Public Procurement Act)
AR	Association of Regions
CBA	Cost Benefit Analysis
CF	Cohesion Fund
Conv.	Convergence objective
CoP	Communication Plan
CP	Česká pošta (Czech Post)
CR	Czech Republic
CRD	Centre for Regional Development
CRD HQ	Centre for Regional Development Headquarters
CSG	Community Strategic Guidelines on Cohesion
CSO	Czech Statistical Office
CzT	CzechTourism
DAB	Delegated Audit Body
DB	Data Box
DG	Directorate General (European Commission)
DPAICT (MoI)	Department of Policy, Architecture and ICT projects
DPG	Decision on providing a grant
EAFRD	European Agricultural Fund for Rural Development
EC	European Commission
ERDF	European Regional Development Fund
ERM	Electronic Records Management
ESC	Economic and Social Cohesion
ESF	European Social Fund
EU	European Union
FI	Financial Instrument
FRS	Fire Rescue Service
GA	Government Agency
GD FRS HZS	General Directorate of the Fire Rescue Service
GFD	General Financial Directorate
GG	Global Grant
HAB	Handbook for Applicants and Beneficiaries
HF	Holding Fund (JESSICA, SHDF)
HWP	Handbook of Work Procedures

Abbreviation	Meaning of the abbreviation
IA	Intervention area
IB	Intermediate Body
ICT	Information and communication technologies
IIA	Internal Integration of the Authority and Integration with the ISPA
IOP	Integrated Operational Programme
IOP MC	Monitoring Committee of IOP
IOP OM	IOP Operational Manual
IPM	Internal Procedures Manual
IRS	Integrated Rescue System
ISBR (ISZR)	Information System of Basic Registers
ISPA (ISVS)	Information System of Public Administration
ITS-NGN	Integrated Telecommunications Network – New Generation Network
IUDP	Integrated Urban Development Plan
JROP	Joint Regional Operational Programme
LO	Labour Office
MA	Managing Authority
MoC	Ministry of Culture
MoH	Ministry of Health
MoI	Ministry of Interior
MoLSA	Ministry of Labour and Social Affairs
MR	Monitoring report
MRD	Ministry for Regional Development
NCA	National Coordination Authority
NRA	National Registers Authority
NRP	National Reform Programme
NSRF	National Strategic Reference Framework
NUTS	La Nomenclature des Unités Territoriales Statistiques
OP	Operational Programme
OP EC	Operational Programme Education for Competitiveness
OP HRD	Operational Programme Human Resources Development
OP HRE	Operational Programme Human Resources and Employment
OPC	Office for the Protection of Competition
OPTA	Operational Programme Technical Assistance
PA	Priority axis / priority area
PAM	Planning analytical materials
PCR	Police of the CR
PFD	Programme Financing Department
PMO SA	Programme Office for the Coordination of Smart Administration Projects
RCE	Regional Competitiveness and Employment objective
RDP	Rural Development Programme
ROI (ROB)	Register of Inhabitants
ROP	Regional Operational Programme
RRO (RPP)	Register of Rights and Obligations
SA	Smart Administration
SAPD	Strategy and Aid Policy Department of the Ministry of Culture
SC	Selection Committee
SEA	Strategic Environmental Assessment
SF	Structural Funds
SFD (MoI)	Structural Funds Department (MoI)
SHDF	State Housing Development Fund

Abbreviation	Meaning of the abbreviation
T	Tourism
TA	Technical assistance
TD	Tender documentation
TD	Tourism Department
TFO	Territorial Financial Authority
TOP	Thematic Operational Programme
UDF	Urban Development Fund
WG	Working Group

ANNEXES

Annex No 1 – Forms for Reporting Synergies by Thematic Area

Annex No 2 – Publicity Activities in 2013

Annex No 3 – Action Plans from Evaluations

Annex No 4 – Action Plan of the NCA for IOP

Annex No 1 Forms for Reporting Synergies by Thematic Area

FORM NO 1 – SMART ADMINISTRATION

SUPPLIER OF THE DOCUMENT: INTERMEDIATE BODY – MINISTRY OF INTERIOR

Supplier of the form:	<i>Intermediate body of the Ministry of Interior</i>					
Thematic area*:	<i>Modernisation of public administration</i>					
Synergic intervention areas OP/ROP1*	<i>OP HRE Intervention area 4.1</i>					
Links to intervention areas OP/ROP2*	/					
Has an agreement on cooperation been concluded between the MA (initial projects) and the MA (follow-up projects):	NO					
<i>Evaluation of the functioning of coordination mechanisms between the MA (initial projects) and the MA (follow-up projects) set out in the agreements between the MAs/in the programming documentation/in other coordination mechanisms, incl. description of the form (e.g. sending the timetable of calls, sending the reports on implementation/annual reports, participation in the MCC//thematic microtomes**convened under the Coordination Committee/Monitoring Committees/Working Groups/annual conferences, information on seminars for applicants/beneficiaries, information in the Handbook for Applicants/Handbook for Beneficiaries, etc.):</i>						
The system of coordination of building Smart Administration in synergy between IOP and OP HRE was addressed by assigning the task of administration of the respective parts of operational programmes to a single Intermediate Body reporting to two different Managing Authorities, namely the IOP MA (MRD) and OP HRE MA (MoLSA). Agreements on delegated activities have been concluded between the IB and these two MAs.						
<i>Summary of synergic projects fulfilling the given synergy – MSC221 report, in case the MA does not use the MSC2007 system for monitoring all the synergies, it shall state its own method of synergic projects registration.</i>						
Selection criteria: Programme = OP/ROP1						
Sequence number	Number of synergic project OP/ROP1 (initial project, follow-up project)	Name of project OP/ROP1	Description of synergy	Assigned synergy code	Number of synergic project OP/ROP2	Name of project OP/ROP2
1	OP HRE CZ.1.04/4.1.00/41.00001	Staffing for processes of data mining for creation and consolidation of master registers of insured persons and their individual accounts with reference to the basic public administration registers – Part 1	The IOP project is of investment nature and provides for the purchase of HW and SW. The OP HRE projects facilitate the entry of data to databases by experts and further processing of the data on insured persons.	/	/	/
2	OP HRE CZ.1.04/4.1.00/41.00002	Staffing for processes of data mining for the	The IOP project is	/	/	/

		creation and consolidation of master registers of insured persons and their individual accounts with reference to the basic public administration registers – Part 2	of investment nature and provides for the purchase of HW and SW. The OP HRE projects facilitate the entry of data to databases by experts and further processing of the data on insured persons.			
3	IOP CZ.1.06/1.1.00/07.06393	Creation of information and communication interface of the Czech Social Security Administration (CSSA) in order to provide information to clients	The IOP project is of investment nature and provides for the purchase of HW and SW. The OP HRE projects facilitate the entry of data to databases by experts and further processing of the data on insured persons.	/	/	/

Comments on the table and other information on synergic projects (total number of synergic projects, most frequently present area of synergy, number of synergies not stated in the report due to the transition of a follow-up project/initial project to a negative status,...):

Synergies between OP HRE and IOP (not formally stipulated)

- **Super strategic projects**
 - Objective: design of the underlying coordination structures of the strategy (Programme Management Office for the Coordination of Smart Administration projects, Unit of the Chief Architect of eGovernment)

- Submitted in call **No 27** of OP HRE

- **Public administration analyses in support of proposing the implementation of procedures and activities leading to the accomplishment of the Strategy objectives**
 - Projects under call **No 32** of OP HRE
 - Analyses for the implementation of projects in calls **No 03 and No 07** of IOP

- **Education of public administration officers and employees, methodologists, trainers and politicians in the field of introduction of eGovernment to PA**
 - Projects under call **No 38**
 - Projects on education in the field of CzechPOINT and eGovernment
 - Synergy with projects under call **No 40** of OP HRE and **No 03 and 07** of IOP

- **Process modelling of public administration agendas**
 - Projects under call **No 38**
 - Objective: audit of processes and organisation of the most important public administration agendas
 - Synergy with and impact on projects submitted under the calls of both the OP HRE and IOP

Problems and identified risks in ensuring synergy by the Managing Authorities, adopted measures:

Topics to be discussed by the Coordination Committee/thematic micro-team meetings:

Other notes:

Elaborated by: MoI CR IB

FORM NO 2 – ROMA RELATED MATTERS

SUPPLIER OF THE DOCUMENT: IOP MANAGING AUTHORITY

Form elaborated by:	<i>IOP MA</i>									
Thematic area*:	<i>Roma related matters</i>									
Synergic intervention areas in IOP:	<i>3.1 Social integration services 5.2 Improving the environment in problematic housing estates</i>									
Links to intervention areas in OP HRE:	<i>3.2 Promoting social integration of Roma localities</i>									
Links to intervention areas in OP EC:	<i>1.2 Equal opportunities of children and pupils, incl. children and pupils with special education needs 3.2 Support for supply of further education</i>									
Has an agreement on cooperation been concluded between the IOP MA and OP HRE /OP EC MA:	YES									
<i>Evaluation of the functioning of coordination mechanisms between the MA (initial projects) and the MA (follow-up projects) set out in the agreements between the MAs/in the programming documentation/in other coordination mechanisms, incl. description of the form (e.g. sending the timetable of calls, sending the reports on implementation/annual reports, participation in the MCC//thematic microtomes**convened under the Coordination Committee/Monitoring Committees/Working Groups/annual conferences, information on seminars for applicants/beneficiaries, information in the Handbook for Applicants/Handbook for Beneficiaries, etc.):</i>										
<table border="1"> <tr> <td>1) Sending the timetable of calls: cooperation with OPHRE</td> </tr> <tr> <td>2) Sending the report on implementation and the annual report: NO</td> </tr> <tr> <td>3) Sending the list of approved projects with synergy: in MSC</td> </tr> <tr> <td>4) Participation in the MC: cooperation with OPHRE</td> </tr> <tr> <td>5) Participation in WG: WG Pilot, WG ROMEA</td> </tr> <tr> <td>6) Participation in seminars for applicants: NO</td> </tr> <tr> <td>7) Participation in seminars for beneficiaries: NO</td> </tr> <tr> <td>8) Information on implementation of projects with synergy: continuously</td> </tr> <tr> <td>9) Other mechanisms: Cooperation with the Agency for Social Inclusion, seminars for IUDP managers</td> </tr> </table>		1) Sending the timetable of calls: cooperation with OPHRE	2) Sending the report on implementation and the annual report: NO	3) Sending the list of approved projects with synergy: in MSC	4) Participation in the MC: cooperation with OPHRE	5) Participation in WG: WG Pilot, WG ROMEA	6) Participation in seminars for applicants: NO	7) Participation in seminars for beneficiaries: NO	8) Information on implementation of projects with synergy: continuously	9) Other mechanisms: Cooperation with the Agency for Social Inclusion, seminars for IUDP managers
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4) Participation in the MC: cooperation with OPHRE										
5) Participation in WG: WG Pilot, WG ROMEA										
6) Participation in seminars for applicants: NO										
7) Participation in seminars for beneficiaries: NO										
8) Information on implementation of projects with synergy: continuously										
9) Other mechanisms: Cooperation with the Agency for Social Inclusion, seminars for IUDP managers										
<i>Summary of synergic projects fulfilling the given synergy – MSC221 report, in case the MA does not use the MSC2007 system for monitoring all the synergies, it shall state its own method of synergic projects registration.</i>										
<p>It concerns projects implemented within the IUDPs in IOP. The IUDPs in IOP are primarily focused on regeneration of residential buildings and revitalisation of public spaces (IOP 5.2) and may be supplemented by projects financed from other operational programmes may be included. The projects implemented in a zone with a developed IUDP are awarded preferential points equalling 10 %. Information is available in MSC and in individual IUDPs. In activity 5.2c) the obligation of a synergy with project in 3.1b of IOP or 3.2 of OP HRE is laid down directly by the Programming Document.</p>										
<i>Comments on the table and other information on synergic projects (total number of synergic projects, most frequently present area of synergy, number of synergies not stated in the report due to the transition of a follow-up project/initial project to a negative status, ...):</i>										
Projects can be added to IUDP under IOP by the notification of a change (modification) in IUDP.										
Elaborated by: IOP MA										

* defined in the Methodological recommendation on ensuring synergies between the OPs (Annex 1 and 2)

** see Annex to the Decision of the Minister for Regional Development No 235/2009

FORM NO 3 – INCREASING THE QUALITY AND AVAILABILITY OF PUBLIC SERVICES/ SOCIAL INTEGRATION

SUPPLIER OF THE DOCUMENT: INTERMEDIATE BODY – MINISTRY OF LABOUR AND SOCIAL AFFAIRS

Supplier of the form:	CR – Ministry of Labour and Social Affairs					
Thematic area*:	Social integration					
Synergic intervention areas OP/ROP1*	3.1 Social integration services					
Links to intervention areas OP/ROP2*	3.2 OP HRE Roma related matters, 3.1 OP HRE Mirror projects and increasing the quality and availability of public services, 5.2 IOP Social integration (IUDP)					
Has an agreement on cooperation been concluded between the MA (initial projects) and the MA (follow-up projects):	NO					
Evaluation of the functioning of coordination mechanisms between the MA (initial projects) and the MA (follow-up projects) set out in the agreements between the MAs/in the programming documentation/in other coordination mechanisms, incl. description of the form (e.g. sending the timetable of calls, sending the reports on implementation/annual reports, participation in the MCC//thematic microtomes**convened under the Coordination Committee/Monitoring Committees/Working Groups/annual conferences, information on seminars for applicants/beneficiaries, information in the Handbook for Applicants/Handbook for Beneficiaries, etc.):						
Applicants receive information on synergies between operational programmes at seminars for applicants.						
Summary of synergic projects fulfilling the given synergy – MSC2007 221 report						
Selection criteria: Programme = OP/ROP1						
Se- que- nce No	Number of synergic project OP/ROP1 (initial project, follow-up project)	Name of project OP/ROP1	Descrip- tion of synergy	Assign ed synerg y code	Number of synergic project OP/ROP2	Name of project OP/ROP2
1	CZ.1.06/3.1.0 2/01.06080	Extension of social entrepreneurship of Active Colour s.r.o. - Mokrá lakovna			CZ.1.04/3.1.06/30. 00010	Extension of social entrepreneurship of Active Colour s.r.o. - Mokrá lakovna
2	CZ.1.06/3.1.0 2/01.06088	CLEAR SERVIS- establishment and development of laundry, ironing and mending services in Těrlicko			CZ.1.04/3.1.06/30. 00005	CLEAR SERVIS – establishment and development of laundry, ironing and mending services in Těrlicko
3	CZ.1.06/3.1.0 2/01.06232	Woodworking plant Tomíkovice - Social enterprise in a Roma locality			CZ.1.04/3.1.06/30.00039	Woodworking plant Tomíkovice - Social enterprise in a Roma locality of Kobylá

		of Kobylá n.Vidnavkou, Velká Kraš				n.Vidnavkou, Velká Kraš
4	CZ.1.06/3.1.0 2/01.06074	SOFIRA - Slunce pro všechny (The Sun for all)			CZ.1.04/3.1.06/30. 00011	SOFIRA - Slunce pro všechny (The Sun for all)
5	CZ.1.06/3.1.0 2/01.06448	DEK Group- to support, to help, to do business			CZ.1.04/3.1.06/30.00069	DEK Group- to support, to help, to do business
6	CZ.1.06/3.1.0 2/01.06938	V pohodě na souši i na vodě (Comfortable both on land and in water)			CZ.1.04/3.1.06/30.00104	V pohodě na souši i na vodě (Comfortable both on land and in water)
7	CZ.1.06/3.1.0 2/01.06944	Catering – catering vehicle			CZ.1.04/3.1.06/30. 00098	Catering – catering vehicle
8	CZ.1.06/3.1.0 2/01.06963	Forest operations – equal opportunities social enterprise			CZ.1.04/3.1.06/30.00118	Forest operations – equal opportunities social enterprise
9	CZ.1.06/3.1.0 2/01.07110	Fruit and herbs processing in Velká Kraš			CZ.1.04/3.1.06/30. 00128	Fruit and herbs processing in Velká Kraš
10	CZ.1.06/3.1.0 2/01.06232	Woodworking plant Tomíkovice - Social enterprise in a Roma locality of Kobylá n.Vidnavkou, Velká Kraš			CZ.1.04/3.1.06/30.00039	Woodworking plant Tomíkovice - Social enterprise in a Roma locality of Kobylá n.Vidnavkou, Velká Kraš
11	CZ.1.06/3.1.0 2/01.06457	Krabičky v.d. – social enterprise			CZ.1.04/3.1.06/30.00141	KRABIČKY v. d. – social enterprise
12	CZ.1.06/3.1.0 2/01.07131	Art with a handicap			CZ.1.04/3.1.06/30.00163	Art with a handicap
13	CZ.1.06/3.1.0 2/01.06942	Equipment of the centre of printing services Broumov			CZ.1.04/3.1.06/30.00168	Social enterprise Centre of services Broumov s. r. o.
14	CZ.1.06/3.1.0 2/01.07541	Social enterprise – Cukrárna Sedmička Strakonice			CZ.1.04/3.1.06/30.00166	Social enterprise – Cukrárna Sedmička Strakonice
15	CZ.1.06/3.1.0 2/01.07596	Integrating café PONTES			CZ.1.04/3.1.06/30.00169	Integrating café PONTES

16	CZ.1.06/3.1.0 2/01.07113	Dairy bar NAPROTI – setting up and stabilisation of a sustainable social enterprise			CZ.1.04/3.1.06/30.00154	Dairy bar NAPROTI – setting up and stabilisation of a sustainable social enterprise
17	CZ.1.06/3.1.0 2/01.06284	Technical capacity of services provided by Centrom			CZ.1.04/3.2.01/19.0018	Extension of capacities and portfolio of services provided by CENTROM
18	CZ.1.06/3.1.0 2/01.06284	Technical capacity of services provided by Centrom			CZ.1.04/3.2.01/19.00182	Quality management of provided registered social services by CENTROM II
19	CZ.1.06/3.1.0 2/01.06284	Technical capacity of services provided by Centrom			CZ.1.04/3.2.01/19.00229	Qualification course for social service employees in excluded locations
20	CZ.1.06/3.1.0 2/01.07307	Construction of a low threshold and consultancy centre in Ostrava - Kunčičky			CZ.1.04/3.2.00/55.00004	Operation of a low threshold and consultancy centre in Ostrava – Kunčičky
21	CZ.1.06/3.1.0 2/01.07288	Development of social services for the town of Broumov – equipment of premises for social services			CZ.1.04/3.2.00/55.00007	Development of social services for the town of Broumov
22	CZ.1.06/3.1.0 2/01.07303	KHAMORO consultancy centre			CZ.1.04/3.2.00/55.00010	Services of KHAMORO consultancy centre
23	CZ.1.06/3.1.0 2/01.07577	Low threshold facility for children and youth aged 15 to 26 years			CZ.1.04/3.2.00/55.00005	Comprehensive integration programme for socially excluded population and population at risk of social exclusion in the town of Most
	CZ.1.06/3.1.0 2/08.07973	Minitesimal services			CZ.1.04/3.1.06/30.00220	Minitesimal services
	CZ.1.06/3.1.0 2/08.08002	Stone mining and processing in Stará Červená Voda municipality			CZ.1.04/3.1.06/30.00232	Stone mining and processing in Stará Červená Voda municipality

	CZ.1.06/3.1.0 2./08.8035	With empathy			CZ.1.04/3.1.06/30.00242	With empathy
	CZ.1.06/3.1.0 2/08.08119	Wellness centre in Svitavy			CZ.1.04/3.1.06/30.00276	Wellness centre in Svitavy
	CZ.1.06/3.1.0 2/08.08141	Roots are fundamental II			CZ.1.04/3.1.06/30.00290	Roots are fundamental II
	CZ.1.06/3.1.0 2/08.08134	Social enterprise – Accounting company			CZ.1.04/3.1.06/30.00293	Social enterprise – Accounting company
	CZ.1.06/3.1.0 2/08.08125	BENECYKL social enterprise investment part			CZ.1.04/3.1.06/30.00275	Social enterprise BENECYKL s. r.o.
	CZ.1.06/3.1.0 2/08.08302	Social enterprise of I.V. ENERGY s.r.o. building company			CZ.1.04/3.1.06/30.00511	Social enterprise I.V. ENERGY
	CZ.1.06/3.1.0 2/08.08366	The first producer of natural cider in the CR			CZ.1.04/3.1.06/30.00387	The first producer of natural cider in the CR
	CZ.1.06/3.1.0 2/08.08355	Šikulové (handy guys) – model accessories production			CZ.1.04/3.1.06/30.00244	Social enterprise Šikulové (handy guys)– model accessories production
	CZ.1.06/3.1.0 2/08.08340	Mini brewery on the farm			CZ.1.04/3.1.06/30.00401	Mini brewery on the farm
	CZ.1.06/3.1.0 2/08.08389	Collarca laundry			CZ.1.04/3.1.06/30.00533	Collarca laundry
	CZ.1.06/3.1.0 2/08.08632	Social enterprise AZPO Group s.r.o. – sustainable employment for disadvantaged persons			Withdrawn	Social enterprise AZPO Group s.r.o. - sustainable employment for disadvantaged persons
Comments on the table and other information on synergic projects (total number of synergic projects, most frequently present area of synergy, number of synergies not stated in the report due to the transition of a follow-up project/initial project to a negative status,...):						
Problems and identified risks in ensuring synergy by the Managing Authorities, adopted measures:						
Topics to be discussed by the Coordination Committee/thematic micro-team meetings:						
Other notes:						
Elaborated by: MoLSA CR IB						

FORM NO 4 – TOURISM, PUBLICITY, MARKETING

SUPPLIER OF THE DOCUMENT: IOP MANAGING AUTHORITY

Supplier of the form:	<i>Integrated Operational Programme - IOP MA</i>
Thematic area*:	<i>Tourism, publicity, marketing</i>
Synergic intervention areas OP/ROP1* _____:	<i>ROP South-East 2.2 Development of services in tourism</i> <i>ROP South-West 3.3 Development of services in tourism, marketing and tourism products</i> <i>ROP Central Bohemia 2.3 Publicity and management of tourist destinations of Central Bohemian region</i> <i>ROP Moravia-Silesia 2.4 Marketing of the region</i> <i>ROP Central Moravia 3.4 Publicity and management</i> <i>ROP North-East 3.2 Marketing and coordination activities in tourism</i> <i>ROP North-West 4.3 Support for marketing and development of tourism products</i>
Links to intervention areas OP/ROP2* _____:	<i>(name of the Intervention areas* OP/ROP2)</i>
Has an agreement on cooperation been concluded between the MA (initial projects) and the MA (follow-up projects):	YES
<i>Evaluation of the functioning of coordination mechanisms between the MA (initial projects) and the MA (follow-up projects) set out in the agreements between the MAs/in the programming documentation/in other coordination mechanisms, incl. description of the form (e.g. sending the timetable of calls, sending the reports on implementation/annual reports, participation in the MCC//thematic microtomes**convened under the Coordination Committee/Monitoring Committees/Working Groups/annual conferences, information on seminars for applicants/beneficiaries, information in the Handbook for Applicants/Handbook for Beneficiaries, etc.):</i>	
<i>Summary of synergic projects fulfilling the given synergy – MSC221 report, in case the MA does not use the MSC2007 system for monitoring all the synergies, it shall state its own method of synergic projects registration.</i>	
Not applicable	
<i>Comments on the table and other information on synergic projects (total number of synergic projects, most frequently present area of synergy, number of synergies not stated in the report due to the transition of a follow-up project/initial project to a negative status, ...):</i>	
<p>In Priority axis 4 no projects are implemented that show the synergic links to projects implemented under ROP.</p> <p>In projects in activity d) presentation and promotion of natural and cultural wealth, cultural industry and services used for tourism a synergy with the CzechTourism project has been proven based on the concluded partnership contracts.</p> <p>Projects implemented in activity e) promoting the CR as a tourism destination show synergies.</p>	
<i>Problems and identified risks in ensuring synergy by the Managing Authorities, adopted measures:</i>	
No problems have been identified in this area.	
<i>Topics to be discussed by the Coordination Committee/thematic micro-team meetings:</i>	
<i>Other notes:</i>	
Elaborated by: IOP MA	

FORM NO 5 – UTILISING THE CULTURAL HERITAGE POTENTIAL
SUPPLIER OF THE DOCUMENT: IOP MANAGING AUTHORITY

Supplier of the form:		<i>IOP Managing Authority</i>				
Thematic area*:		<i>National support of tourism development</i>				
Synergic intervention areas OP/ROP1*		<i>(names of intervention areas* OP/ROP1) 5.1 National support for utilising the cultural heritage potential</i>				
Links to intervention areas OP/ROP2*		<i>(names of intervention areas* OP/ROP2)relevant Regional Operational Programmes</i>				
Has an agreement on cooperation been concluded between the MA (initial projects) and the MA (follow-up projects):		YES				
<i>Evaluation of the functioning of coordination mechanisms between the MA (initial projects) and the MA (follow-up projects) set out in the agreements between the MAs/in the programming documentation/in other coordination mechanisms, incl. description of the form (e.g. sending the timetable of calls, sending the reports on implementation/annual reports, participation in the MCC//thematic microtomes**convened under the Coordination Committee/Monitoring Committees/Working Groups/annual conferences, information on seminars for applicants/beneficiaries, information in the Handbook for Applicants/Handbook for Beneficiaries, etc.):</i>						
<i>Summary of synergic projects fulfilling the given synergy – MSC221 report, in case the MA does not use the MSC2007 system for monitoring all the synergies, it shall state its own method of synergic projects registration.</i>						
Selection criteria: Programme = OP/ROP1						
Sequence No	Number of synergic project OP/ROP1 (initial project, follow-up project)	Name of project OP/ROP1	Description of synergy	Assigned synergy code	Number of synergic project OP/ROP2	Name of project OP/ROP2
1	CZ.1.06/5.1.00/01/06156	Terezín – Project on Revival of Historical Monuments			CZ.1.09/4.1.00/31.00770	Revitalisation of access to reconstructed building in Terezín
2	CZ.1.06/5.1.00/01.05508	Model Renovation of the National Cultural Monument of the Premonstratensian Monastery in Teplá			-	-
3	CZ.1.06/5.1.00/01.05498	Opening the Vítkovice National Cultural Monument to the Public and Its New Use			CZ.1.10/2.2.00/10.01160	Accompanying tourism infrastructure for the National Cultural Monument Vítkovice
4	CZ.1.06/5.1.00/01.06135	Revitalisation of the Castle Hillock in Litomyšl			CZ.1.13/3.1.00/15.00844	Revitalisation of the historical building of the Regional Museum in Litomyšl
5	CZ.1.06/5.1.00/01.06155	Kuks – The Pomegranate			CZ.1.13/3.1.00/24.01133	Braun's region II
					CZ.1.13/3.1.00/24.01130	Ensuring the accessibility of tourism sights in

					the municipality of Kuks
				CZ.1.13/3.1.00/24.01132	ZOO Dvůr Králové a.s.
				CZ.1.13/3.1.00/24.01134	Rentz's baroque printing house and street theatre in Kuks
6	CZ.1.06/5.1.00/01.06095	Multifunctional centre - Castle Riding School in Lednice		CZ.1.11/2.1.00/02.00453	Reconstruction of the Castle hotel Lednice
				CZ.1.11/2.2.00/02.00545	Product development and publicity, marketing campaign in tourist area Pálava and Lednice-Valtice Cultural Landscape
				CZ.1.11/2.2.00/01.00134	Guide to Podluží and Hodonín region
7	CZ.1.06/5.1.00/01.06096	Revitalisation of Jewish Monuments in the Czech Republic		CZ.1.11/2.2.00/02.00572	Support to the development of tourism in Pelhřimov region
				CZ.1.11/3.2.00/01.00242	Comprehensive renovation of Karlovo square in Polná and its vicinity
				CZ.1.11/2.2.00/02.00506	Presentation and publicity of important tourist sites in the town of Polná
				CZ.1.11/2.1.00/06.01093	Making the national cultural monument in Polná accessible for the purposes of tourism
				CZ.1.11/2.2.00/02.00474	Where to go in Boskovice region?
				CZ.1.11/2.2.00/06.00945	Visitors service at architectural heritage sites in Boskovice region
				CZ.1.11/2.2.00/01.00067	Mikulov region – a professional partner in tourism
				CZ.1.11/2.2.00/06.00937	Provision of multimedia guides for exhibitions in the Regional Museum in Mikulov

8	CZ.1.06/5.1.00/01.06093CZ.1.06/5.1.00/01.06348	Vila Tugendhat Centre of renovation of architectural monuments of the 20 th century			CZ.1.11/2.2.00/02.00466	Brno – the town of future – Information and publicity materials of the town of Brno
					CZ.1.11/2.2.00/02.00470	Brno architectural trails
					CZ.1.11/2.1.00/02.00531	Creation of the exhibition of Brno functionalism with the use of the cultural monument of "Kavárna ERA"
					CZ.1.11/2.2.00/02.00537	Jewish Brno
9	CZ.1.06/5.1.00/01.05477	Architectural Heritage Centre in Plasy			CZ.1.14/3.1.00/16.02545	Plasy. A tour through the monastery – exploration tracks
10	CZ.1.06/5.1.00/01.06132	Revitalisation of monasteries in Český Krumlov			CZ.1.14/3.1.00/16.02542	Moldavite Museum
					CZ.1.14/3.1.00/16.02543	Development of new access routes to the complex of monasteries in the CR
11	CZ.1.06/5.1.00/01.05935	National Museum of Photography and Tapestry Workshop - Centre of Indigenous Crafts and Unique Technologies			CZ.1.14/3.1.00/16.02544	Photography and Modern Media Centre
12	CZ.1.06/5.1.00/01.06128	Schola Naturalis – Project on the Revitalisation of Veltrusy Chateau and the Centre for the European Landscape Convention				
13	CZ.1.06/5.1.00/01.06138	National Horticulture Centre in Kroměříž			CZ.1.12/3.1.00/37.01796	Information system in Kroměříž – town of UNESCO sites
					CZ.1.12/3.1.00/40.01912	Improvement of access area to the Floral Garden
					CZ.1.12/3.1.00/40.01913	Design of new public space in Chateau Garden
14	CZ.1.06/5.1.00/01.05920	Velehrad-Centre of Cultural Dialogue of Western and Eastern Europe			CZ.1.12/3.1.00/28.01424	Tourist Centre in Velehrad
					CZ.1.12/3.1.	Building the

					00/28.01425	access road and parking spaces for tourist destinations in the Home for persons with disabilities Velehrad
					CZ.1.12/3.1.00/43.02147	Velehrad – infrastructure promoting tourism development
<p>Comments on the table and other information on synergic projects (total number of synergic projects, most frequently present area of synergy, number of synergies not stated in the report due to the transition of a follow-up project/initial project to a negative status,...):</p> <p>In Intervention area 5.1 where the support is intended exclusively for National Cultural Monuments and UNESCO sites and for the development of cultural services at national level, overlaps are prevented with other aid schemes which are focused first and foremost on other needs of cultural monuments or rural areas and sites in municipalities with up to 500 inhabitants.</p> <p>Problems and identified risks in ensuring synergy by the Managing Authorities, adopted measures:</p> <p>Ranking among the measures adopted by the MoC IB in order to ensure synergy with ROP is a close cooperation and communication with IOP beneficiaries in Intervention area 5.1 as well as safeguarding the flow of information from respective ROP the areas of which are impacted by projects from IOP IA 5.1. The IOP MA continues to pursue this cooperation.</p> <p>Topics to be discussed by the Coordination Committee/thematic micro-team meetings:</p> <p>Other notes:</p> <p>Table of synergic projects was updated in 2013 when updated information concerning the synergic projects was sent by ROP and beneficiaries.</p> <p>Elaborated by: IOP MA</p>						

Annex No 2 – Publicity activities in 2013

MA/IB	Name	Topic	Target group	Funds from IOP TA (EUR)	More information
MA	www.strukturalni-fondy.cz/iop website	On-going publishing of information, updating of the website and launch of the new website	Applicants and beneficiaries general public, evaluators, implementation bodies, mass media	0	Update of the website throughout the year. A new website was launched in autumn 2012.
MA	<i>IOP pod lupou</i> newsletter	Topical information on IOP, successful projects, calls, FAQ, etc.	Applicants and beneficiaries, general public, implementation bodies, mass media	4580,49	4 issues were published in 2013. The contractor, MORAVAPRESS s.r.o., was selected for the newsletter production and distribution in 2012-2015 period already in mid-2012.
MA in cooperation with IBs	kvalitazivota.eu microsites	On-going publishing of information on IOP projects	General public	766,15	Microsites were launched in April 2012. They are updated by the MA and IBs. The price covers webhosting and other modifications..
MA	Enquiries through iop@mmr.cz	General enquiries concerning IOP	Applicants and beneficiaries General public	0	Number of responses to enquiries: 35
MA	Promotional IOP film distributed to cinemas	Data boxes and CzechPOINT	General public	19137,55	In 2012, a tender was held for a film distributor. In February 2013, the film was shown in Cinema City and CineStar cinemas in 10 regions of the CR. Small presents were handed out to the audience to promote this event. A total of 9 000 magnets bearing the photos of IOP projects were given away.
MA	Promotional merchandise	Promotional and presentation merchandise	Participants in seminars, general public, Monitoring Committee, implementation bodies	14198,5	The contract, composed of three parts, was awarded through a simplified below-the-threshold procedure. The purchase agreement for part one was concluded on 4 Dec 2013, for part three on 25 Nov 2013, and for part two it will be concluded by the end of January 2014.
MA	IOP Annual Conference	IOP 2013: Experience and Prospects	Professional public, mass media	8806,4	10 October 2013, Jindřichův Hradec. Number of visitors – approx. 60 persons

MA/IB	Name	Topic	Target group	Funds from IOP TA (EUR)	More information
MA	Seminars for IUDP managers	Information for IUDP managers	Beneficiaries	498,75	7 Nov 2013 Prague. 13 Nov 2013 Olomouc
MA	IOP events for general public held in CR regions	Information for applicants under IA 5.2	General public	2201,6	Promotional stands of the Integrated Operational Programme on the occasion cultural events held in Kroměříž (28 Jun 2013) and Jindřichův Hradec (27 Jul 2013) during the weeks of culture. Number of visitors to the stand at both the events – approx. 300
MA	Photo documentation of selected IOP projects	Photo documentation of selected projects across all intervention areas of IOP.	Beneficiaries and general public	4366,81	Photos started to be taken in August 2013 and will continue to be taken until mid-2014.
MA	Internet campaign to promote microsites	Publicity campaign on kvalitazivota.eu. microsites	Applicants, beneficiaries, general public	6604,8	Campaign was running from May to November 2013 in the form of SEO optimisation of texts, creation of banners, update of Facebook. The output was the initial analysis, monthly reports and the final report.
MA	IOP information campaign on the Czech Radio	Making the successful projects and positive impacts of the Integrated Operational Programme in the Czech Republic more visible	General public	110059,35	The subject matter of the contract was the implementation of an information campaign aimed to make more visible the successful projects and positive impacts of the Integrated Operational Programme, run on the Czech Radio stations. The contractor was selected pursuant to the derogation stipulated in Section 18 (2) (d) of Act No 137/2006 Coll., on public contracts, as amended. The contract is concluded based on the approved project Ref. No 26298/2013-26. A total of 27 reports were aired in

MA/IB	Name	Topic	Target group	Funds from IOP TA (EUR)	More information
					November and December 2013 by regional and national stations of the Czech Radio.
MA	Geocaching contest to support the publicity of IOP projects	The Integrated Operational Programme decided to exploit the growing popularity of this game and organised the contest called Search and Win (Pátrej a vyhraj). Its aim was to motivate the contestants to visit the projects supported from the European Funds.	Applicants	0	The contest took place from 3 Jun 2013 to 30 Nov 2013. The caches were hidden at ten places in Bohemia and Moravia and the contestants could choose five places to visit. The heritage sites were selected to everyone's liking. E.g. Vitkovice ironworks offer an interactive centre for children, the gardens of Kroměříž castle are an ideal destination for strolls of young couples and wine and archaeology lovers would certainly not miss the visit to Uherské Hradiště. The invoices have not been issued as yet (CZK 178 000). Number of participants: 21
CRD	Specialised PR articles	Support available from IOP 5.2 for repair of the prefabricated buildings and regeneration of housing estates (Integrated Urban Development Plans)	Beneficiaries and applicants, general public	1100,8	Article "European assistance helps improve the environment of Czech housing estates" – Panelák journal issue No 40 (Most and Litvínov), 41 (Liberec and Jablonec nad Nisou), 42 (Pardubice and Hradec Králové); article "Financing in 2013" – bulletin called Komplexní řešení pro bytový dům 2013/ 2014 (Comprehensive solution for residential buildings 2013 / 2014); article "Renewal of Czech housing estates using the support from the European Structural Funds" – Výstavba měst a obcí journal 4/2013.
CRD	Presentation in daily press	An example of projects implemented under IOP	General public	6916,66	A colourful advertisement covering 1/4 of the page in regional inserts of

MA/IB	Name	Topic	Target group	Funds from IOP TA (EUR)	More information
		5.2			MF DNES daily (a total of 12 advertisements – except for Prague and Plzeň Region, where no IUDPs are implemented), with a photo of one of the implemented IUDP projects and a brief text, published on 2 Dec 2013.
CRD	Photo documentation of IUDP projects in IOP	Taking photos of some of the implemented projects	General public	4545,12	Taking photos of IUDP projects in all towns, a total of 41 x 5 photos, delivered on a DVD in jpg and tiff format, to be used in printed publicity of the programme.
CRD	CRD newsletter	Preparation and implementation of projects, interesting projects	Applicants and beneficiaries, or general public	1187,98	Special extended issue of the CRD newsletter No 10 dedicated to the topic of European Funds (taking over of IOP 5.1 agenda and projects in the field of culture, projects on revitalisation of housing estates, news in public procurement, project sustainability, new programme - IROP), published on 12 Dec 2013 in the circulation of 2000 copies, distributed by CRD branches and at CRD events.
CRD	www.crr.cz , www.risy.cz , www.kvalitazivota.eu websites	On-going publishing of information on IOP, continuous update of the overview of projects implemented with EU support on RIS website	Applicants and beneficiaries, general public, implementation bodies, mass media	0	Websites are updated throughout the year, updating and adding interesting projects on Kvalita života website
CRD	Seminars on Intervention area 5.2	IOP 3.1: public procurement, monitoring reports, notification of a change (modification), applications for	Beneficiaries	0	MoLSA: Prague 8 Mar 2013, 3 Jun 2013, 6 Jun 2013 – a total of 100 participants; MoC: Prague 14 Nov 2013 – 40 participants.

MA/IB	Name	Topic	Target group	Funds from IOP TA (EUR)	More information
		payment; IOP 5.1: change of the grant provider			
CRD	Promotional merchandise	Promotional merchandise	Participants in seminars, general public	8065,45	Nine types of promotional merchandise were produced (memo set, mint sweets, metal bag holder, travel first aid kit, dynamo-powered light, pen with a laser pointer and a flashlight, USB hub, USB flash disc, pen gift set), a total of 4800 pieces.
CRD	Promotional printed materials	Promotional printed materials	Participants in seminars, general public	2065,17	Two types of promotional printed materials were produced with the newly taken photos of IUDP projects – desk calendar (500 pieces) and Find the pair game (600 pieces) on the topic of revitalisation of housing estates.
CRD	Consultation services	Enquiries on IOP	General public, beneficiaries, applicants	0	Number of replies to registered e-mail enquiries: 50, moreover approx. 6000 unregistered e-mail enquiries and 7500 telephone enquiries and 550 one-to-one consultations
MoC	www.kultura-evropa.eu web portal	On-going publishing of and updating information on Intervention area 5.1	Applicants and beneficiaries, general public	1506,55	Update of the website throughout the year
MoC	Printed materials	Folded leaflet	General public, beneficiaries	4443,74	Presentation and information material on IOP 5.1 projects written in informal language, focusing on attractions and curiosities from the places of implementation of individual projects
MoC	Printed materials	“Památkej si“ (Go sightseeing) game	General public, beneficiaries	20426,92	Social and educational game with the topics of supported projects under IOP 5.1, intended for children as well as their parents with 2 levels of

MA/IB	Name	Topic	Target group	Funds from IOP TA (EUR)	More information
					difficulty
MoC	Photo documentation of implementation of projects	Taking photos of projects implemented under IA 5.1	General public, beneficiaries, applicants	1794,03	Continuously taken professional photos of the implementation of projects
MoC	Enquiries sent via iop@mkcr.cz	Enquiries concerning IOP IA 5.1	General public, beneficiaries, applicants	0	Number of replies to enquiries: 7
MoLSA	www.mpsv.cz website	General information on Intervention areas 3.1 and 3.3	Applicants and beneficiaries, general public, mass media	0	Update of the website throughout the year
MoLSA	Number of replies to enquiries	Enquiries on IOP IA 3.1 and 3.3	General public, beneficiaries, applicants	0	Number of replies to e-mail enquiries: IA 3.1. - 852 IA 3.3 – 466
MoLSA	One-to-one consultations with applicants and beneficiaries	One-to-one consultations on IOP 3.1 and 3.3	Beneficiaries, applicants	0	Number of one-to-one consultations: IA 3.1 – 74 IA 3.3 – 53
MoLSA	Seminars for applicants and beneficiaries, conferences, panel discussions	Information on 3.1 and 3.3	Professional public, applicants, beneficiaries	0	IA 3.1 Presentation of a paper at the Meeting with Regions - 3x Presentation of a paper at the meeting of the Association of Regions of the CR – 2x Presentation of a paper at the Meeting with representatives of facilities - 2x
MoLSA	Seminars for beneficiaries and applicants under IA 3.1.	Information on calls and news in IA 3.1	Beneficiaries, applicants	335	9 seminars for applicants and beneficiaries. Total participation: 126 persons
MoLSA	Seminars for beneficiaries and applicants under IA 3.3.	Information on calls and news in IA 3.3	Beneficiaries, applicants	125	6 seminars for applicants and beneficiaries. Total participation: 96 persons
MoI	www.osf-mvcr.cz website	On-going publishing of information and updating of the website	Applicants and beneficiaries, general public, evaluators, implementation bodies, mass media	2796,21	Continuous update of the website throughout the year. Website traffic 2013: 48 212 Two modifications – a new module for contests, a new homepage
MoI	Projekty.osf-mvcr.cz	Database of	Applicants and beneficiaries,	74,89	Continuous update of the website

MA/IB	Name	Topic	Target group	Funds from IOP TA (EUR)	More information
	website	presentations of successful projects	general public, mass media		throughout the year. Website traffic 2013: 1 594 One modification of the homepage
MoI	Hosting	SFD website hosting	Applicants and beneficiaries, general public, mass media	2380,16	Webhosting.
MoI	Twitter	Continuous publishing of news by SFD	General public, mass media	0	Twitter account was launched in September 2011, the current number of followers:127
MoI	Media communication	Advertisements concerning the contest called "Make a video of a smart authority and win!"	General public	0	3x colourful advertisements of A4 size in Veřejná správa (Issue No 21, 22, 23) 1 x colourful advertisement of A4 size in IOP pod lupou newsletter (November 2013) Publicity of the contest called "Make a video of a smart authority and win!"
MoI	Number of replies to enquiries	Enquiries on IOP	General public, beneficiaries, applicants	0	Number of replies to enquiries: 8 000 (qualified estimate) – telephone and e-mail enquiries, one-to-one consultations, on-line advisory centre
MoI	Provision of PR services for the general public – press releases	Information on new calls in IOP and projects under evaluation	General public, mass media	0	Press releases: 2 1. More money for improving the quality of public administration (8 Apr 2013) 2. Additional ten strategic projects on Smart Administration has a chance to receive almost 600 million from IOP (20 Dec 2013) Both concerned the call No 16 of IOP
MoI	Regular distribution and creation of the newsletter	Provision of information on SFD activities, on successful projects, statistical data	Professional public	0	Electronic form, disseminated via e-mail to approx. 1 136 addresses, downloadable from SFD website; a quarterly
MoI	A publication	Publication on	General public,	565,9	Topic "Examples of best practice or

MA/IB	Name	Topic	Target group	Funds from IOP TA (EUR)	More information
		successful projects within the remit of MoI	mass media applicants, beneficiaries		how to get the best of the EU Structural Funds“ Presentation of 6 IOP projects and 6 OP HRE projects, circulation of 300 copies
MoI	PR articles	Various topics related to IOP support and successful projects	General public, mass media	0	4 PR articles published on SFD website http://www.osf-mvcr.cz/pr-clanky
MoI	A contest for the general public	Video contest for the general public on the SFD website	General public	203,93	Contest “Make a video of a smart authority and win!“ took place from September to December 2013. The contestants were supposed to shoot a short video spot about a smart authority. 3 winners received an e-reader, a voucher for the purchase of e-books and promotional merchandise. The other contestants received promotional merchandise.
MoI	Leaflets	Complementary to publicity activities, information on various topics	Applicants and beneficiaries, general public	148,87	Reprint of double-sided A4 leaflets, 300 copies Print of new double-sided A5 leaflets, 500 copies
MoI	Technical seminars for applicants and beneficiaries	2 seminars providing information on calls, practical information on monitoring reports and applications for payment, public contracts	Applicants and beneficiaries	2421,76	12 Jun 2013 Prague – Seminar for beneficiaries – calls No 3, 7, 10, 35 participants 25 Jun 2013 Prague – Seminar for beneficiaries – calls No 14, 15, 16 32 participants
MoI	Promotional merchandise	Various types of promotional merchandise bearing the IOP visual identity elements or IOP/HRE visual identity elements	Applicants and beneficiaries, professional public, IB and implementation structure	1613,24	Business card holder 200 pcs Letter opener 200 pcs Bag holder 75 pcs 2014 diaries 100 pcs (covered from the MoI funds) Paper folders 1000 pcs (covered from

MA/IB	Name	Topic	Target group	Funds from IOP TA (EUR)	More information
					the MoI funds)
MoH	www.mzcr.cz and www.kvalitazivota.eu websites	Ongoing publishing and updating of information on Intervention area 3.2	Applicants and beneficiaries, general public	0	Update of the website throughout the year.
MoH	Promotional merchandise	Promotional merchandise	Applicants and beneficiaries, general public, EF Department	9461,88	Delivered in June 2013.
MoH	Seminars and training courses for applicants (3x)	Provision of information to applicants under the 14 th , 15 th and 17 th call (introduction to the application, project financing, system of evaluation, etc.)	Applicants	558,22	Held on 12 Feb 2013 (25 participants), 24 Apr 2013 (6 participants) and 11 Dec 2013 (9 participants) in Prague.
MoH	Training courses for evaluators (5 x)	Information for evaluators of projects under the 12 th , 13 th , 14 th , and 15 th call	Evaluators	90,61	Held on 25 Mar 2013 (12 participants), 27 Jun 2013 (9 participants), 4 Sep 2013 (14 participants), 11 Sep 2013 (16 participants), 23 Oct 2013 (30 participants).
MoH	A business trip abroad	Technical seminars	EF Department staff	2059,56	Mgr. Lukáš Dařilek took part in the seminar Project Fund Manager held in Paris in July.
MoH	International conference “Structural Funds in health care sector – medical history, diagnosis, prognosis“	Exchange of best practice and presentation of 3.2. of IOP	Professional and general public	19065,82	On 18-19 Jun 2013 the European Funds Department held a conference called “Structural Funds in health care sector – medical history, diagnosis, prognosis“. The conference aimed to present to the general and professional public the regional, national and international experience with the use of the Structural Funds in the health care sector in the programming period 2007–2013. Number of participants: 102
MoH	Promotional calendars 2014	Presentation photos of	Professional and general	719,79	Calendar – creation of a calendar with

MA/IB	Name	Topic	Target group	Funds from IOP TA (EUR)	More information
		purchase medical equipment under 3.2. of IOP	public		the use of photos of successful projects in Intervention area 3.2 of IOP.
MoH	Workshop with the representatives from Lithuania	Sharing the best practice	Representatives of the Ministries of Health of the CR and Lithuania	437,77	Held in Prague on 5 Sep 2013. The agenda of the workshop was the presentation of best practice from IA 3.2 of IOP.

Annex No 3 – Action Plans from Evaluations

Action plan from the evaluation called Analysis of administrative capacities and outsourcing in the implementation structure of IOP 2013

Recommendation of the evaluator	IOP Managing Authority		
	CORRECTIVE MEASURE	DEADLINE	ACCOMPLISHED
<p>MoI and MoLSA IBs have zero expenditure on education</p> <p>Recommendation: <i>IOP MA shall examine the system of education and training of the entire IOP implementation structure through an external evaluation and based on its results shall design a quality system of education</i></p>	<p>a) MA shall elaborate an internal evaluation with facilitation</p> <p>b) Based on the conclusions of evaluation it shall propose modifications of the system of education and training for the whole IOP implementation structure</p>	<p>a) 4-5/2013</p> <p>b) within 1 month from the approval of the final report</p>	<p>a) Accomplished: internal evaluation with the support of a facilitator was completed, report on the evaluation was distributed in January 2014 to the members of the WG for evaluations of IOP for comments</p> <p><u>b) After the approval of the final report</u></p>
<p>Rate of the turnover of staff in 2011 exceeds 20 % in all the IOP implementation structure entities, except for the MoC and MoH.</p> <p>Recommendation: <i>MA and IBs shall analyse the reasons behind the high turnover of staff and subsequently create such working conditions, including financial and non-financial incentives that will reduce the turnover of staff.</i></p>	<p>a) MA shall conduct an analysis of reasons behind the high turnover of staff at IOP MA and shall propose corrective measures</p>	<p>a) 4/2013</p>	<p>a) Accomplished: the Analysis of administrative capacities and outsourcing in the implementation structure of IOP 2013 indicated that the average turnover of staff across the structure dropped by June 2013 from 29.2 % to 14.81 %. The turnover rate declined in all IBs and in IOP MA, except for the MoC (where, on the contrary, it grew from 5.7 % to 35.82 %)</p>
<p>There are huge differences between the costs of administration among individual IBs. E.g. financial costs of 1 approved project range from CZK 27 thousand (CRD) to CZK 1.2 million (MoC). Costs related to the value of approved projects range from CZK 3 400 (CRD) to CZK 21 000 (MoLSA). The costs per CZK 1 million of approved application for payment are the highest at the MoI (CZK 43 thousand), while in other IBs they amount to roughly CZK 20 thousand. The highest number of projects under implementation and under administration per 1 FTE is reported by CRD (7.1 projects under implementation and 4.8 projects</p>	<p>a) IOP MA will discuss the possibility of modifying the personal incentive payment in dependence on the actual performance of IOP MA staff</p> <p>b) It will apply the diversification of remuneration pursuant to the Government Resolution No 1332 in dependence on the performance of staff in the given month</p>	<p>a) 4/2013</p> <p>b) From 1/2013</p>	<p>a), b) Accomplished: IOP MA applies in 2013 the remuneration pursuant to Government Resolution No 1332 in dependence on the performance of staff.</p>

Recommendation of the evaluator	IOP Managing Authority		
	CORRECTIVE MEASURE	DEADLINE	ACCOMPLISHED
<p>under administration). The lowest number of projects on the contrary is reported by MoC (0.3 projects under implementation and 0.9 projects under administration). <u>Recommendation:</u> <i>It is recommended to link the remuneration system across the whole IOP implementation structure to the actual performance in administration.</i></p>			
<p>MoI IB excessively uses the agreement on work performance/agreement on work activities. The costs of staff on AWP and AWA constitute 40 % of total labour costs. The share of employees involved in the implementation of two operational programmes calculated pro-rata is too high. <u>Recommendation:</u> <i>Following the examination of efficiency of the current organisational structure the MoI is recommended to decrease the number of staff working on AWP/AWA, to decrease the share of staff involved in both the OPs, to increase the share of staff fully (100%) dedicated to one OP, and in service units to set the share of financing from IOP TA corresponding to their actual involvement.</i></p>	<p><u>MoI:</u> a) Substantial decrease in the number of staff working on AWP/AWA, creation of new posts and announcement of selection procedure for these posts. b) Decrease of the share of employees involved in both the OP implementation, i.e. preference will be given to more specialised employees and at the same time the IOP TA should correspond to their actual involvement.</p>	<p><u>MoI</u> 1/2013</p>	<p><u>MoI:</u> Accomplished on 1 Jan 2013 a) Number of staff working on AWP/AWA dropped to 20 % as against December 2012. The staff working on AWP/AWA are used only for extra and ad hoc activities (e.g. IT experts, graphic design). As of 1 Jan 2013, a total of 7 new posts were created (2x IOP, 5x pro-rata¹⁸), for which selection procedures were announced. b) The share of employees involved in the implementation of two OPs decreased and they started to specialise in a single OP only. The number of employees involved in the implementation of both the programmes decreased from 15 in December 2011 to 11 despite the fact that the total number of employees increased. The number of persons working under AWA dropped from 9 to 2.</p>

¹⁸ Some employees of the MoI participate in the implementation of both the programmes and their share of work is calculated based on the “pro-rata” formula, agreed upon by both the Managing Authorities. Since 31 Aug 2012 the ratio has been 63 % vs. 37 % (IOP vs. OP HRE).

Recommendation of the evaluator	IOP Managing Authority		
	CORRECTIVE MEASURE	DEADLINE	ACCOMPLISHED
<p>Rate of the turnover of staff in 2011 exceeds 20 % in all the IOP implementation structure entities, except for the MoC and MoH.</p> <p>Recommendation: MA and IBs shall analyse the reasons behind the high turnover of staff and subsequently create such working conditions, including financial and non-financial incentives that will reduce the turnover of staff.</p>	<p>MoI:</p> <p>a) A substantial decrease in the turnover of staff working on AWP/AWA is anticipated.</p> <p>b) Modification of the remuneration system: stronger link of bonuses to the employee's performance.</p> <p>c) Teambuilding was carried out at the department meeting and other activities conducive to the improvement of working conditions will continue to be performed in 2013.</p> <p>MoLSA:</p> <p>a) It shall conduct an analysis of reasons causing the high turnover of staff</p> <p>b) Based on the conducted analysis it shall introduce financial and non-financial incentives for staff in order to reduce the turnover of staff.</p> <p>CRD:</p> <p>a) It applies an incentive financial instrument in the form of a bonus pursuant to Government Resolution No 1332. In the busiest months such as at the end of 2012 (October - November) there was another possibility of financial incentive in the form of special bonuses. They are precisely distributed among individual workplaces in a way corresponding to the volume of works performed in the given period. Thus the bonuses match the performance of both the working unit and the particular employee.</p>	<p>MoI: 12/2012-1/2013</p> <p>MoLSA: 3/2013</p> <p>CRD:</p>	<p>MoI: Accomplished</p> <p>a) Lower turnover of staff thanks to decrease in the number of staff on AWT/AWA, the number of staff has become stable.</p> <p>b) Application of the internal methodology of remuneration, the bonuses reflect the employee's performance.</p> <p>c) Planning further department meetings and teambuilding events.</p> <p>MoLSA: Accomplished on 31 Mar 2013</p> <p>The document called Analysis of IOP staffing at MoLSA IB analysed the turnover of staff and evaluated the financial and non-financial incentives of staff.</p> <p>CRD: Accomplished</p> <p>An incentive financial instrument is applied and has already generated some results – in the second half of 2012 and the first two months of 2013 the turnover rate is much lower than in the period evaluated. Not all the employees who leave do so in connection to incentives or financial dissatisfaction, some leave due to dissatisfaction with performance and results of work of another employee.</p>

Recommendation of the evaluator	IOP Managing Authority		
	CORRECTIVE MEASURE	DEADLINE	ACCOMPLISHED
<p>There are huge differences between the costs of administration among individual IBs. E.g. financial costs of 1 approved project range from CZK 27 thousand (CRD) to CZK 1.2 million (MoC). Costs related to the value of approved projects range from CZK 3 400 (CRD) to CZK 21 000 (MoLSA). The costs per CZK 1 million of approved application for payment are the highest at the MoI (CZK 43 thousand), while in other IBs they amount to roughly CZK 20 thousand. The highest number of projects under implementation and under administration per 1 FTE is reported by CRD (7.1 projects under implementation and 4.8 projects under administration). The lowest number of projects on the contrary is reported by MoC (0.3 projects under implementation and 0.9 projects under administration).</p> <p>Recommendation: <i>It is recommended to link the remuneration system across the whole IOP implementation structure to the actual performance in administration.</i></p>	<p><u>MoI:</u> a) Remuneration system already reflects the performance of individual employees. b) Costs of administration were affected by higher share of outsourced services, the use of which was gradually reduced starting from 1/2012 to merely a fraction of the amount they represented in 2011 (renting the copiers only). <u>MoLSA:</u> Once a year it shall carry out an assessment of staff which be conducive to potential modification of salary rate of individual employees matching their performance and involvement in IOP implementation; the system of remuneration will be linked to the actual performance in administration while taking into account all the activities and financial and non-financial incentives of employees with the view to reduce the turnover of staff <u>CRD:</u> In the light of the results of CRD evaluation with the best performance in administration per one employee, the bonuses are distributed among the individual workplaces in a way that reflects the performed volume of activities in the period concerned. <u>MoC:</u> The MoC remuneration system of staff implementing the IOP matches the actual requirements for administration of projects of the given type, i.e. it is designed so as to provide financial remuneration proportional to the requirements for individual work posts, fair remuneration and motivation of staff. By introducing the referred to measures a very low turnover of staff, high expertise and</p>	<p>MoI: Being accomplished MoLSA: 1/2013 CRD: Being accomplished MoC: Being accomplished MoH: Being accomplished</p>	<p><u>MoI:</u> Accomplished <u>MoLSA:</u> Accomplished <u>CRD:</u> Accomplished <u>MoC:</u> Accomplished <u>MoH:</u> Accomplished Analysis of administrative capacities and outsourcing in the implementation structure of IOP 2013 confirmed that the remuneration of employees of individual ministries reflects their work performance.</p>

Recommendation of the evaluator	IOP Managing Authority		
	CORRECTIVE MEASURE	DEADLINE	ACCOMPLISHED
	<p>engagement of staff are achieved. The system is efficient and is tried and tested in practice; the MoC IB does not consider appropriate to interfere and thus put at risk the quality and performance of human resources. <u>MoH:</u> The payment of bonuses is done exclusively in line with Government Resolution No 818/2007. The bonuses are paid quarterly and always based on a written assessment by the superior officer. This assessment states the particular work tasks and objectives to which the bonus is linked and which were accomplished. This way it is possible to taken into account the diverse job descriptions of all the employees. Each employee is familiarized with this assessment which makes it possible for all to better focus on personal and professional development.</p>		
<p>Costs incurred during the six months period and related to the allocation are the highest at MoLSA IB and MoI IB in all 3 monitored periods. The total costs incurred during 1.5 year linked to the allocation are twice as high at MoLSA and 1.5 times as high at MoI as against those of CRD where the costs are the lowest. <u>Recommendation:</u> <i>MoI and MoLSA shall examine whether all the expenditure and the existing organisational structure are efficient.</i></p>	<p><u>MoI:</u> a) Substantial reduction of the use of outsourced services. b) Change in the organisational structure of MoI SFD as of 1 Jan 2013. <u>MoLSA:</u> It shall examine the effectiveness of the existing organisational structure and propose potential changes in the IB structure.</p>	<p>MoI: 1.1.2013 MoLSA:1/2013</p>	<p><u>MoI:</u> Accomplished on 1 Jan 2013 a) Major reduction of outsourced services, the originally outsourced services are provided by internal staff. b) As of 1 Jan 2013 a new organisational structure of SFD took effect. The Control, Monitoring and Publicity Unit and the Organisational and Technical Assistance Unit were dissolved and the Control Unit and the Publicity and Technical Assistance Unit were created. <u>MoLSA:</u> Accomplished on 31 Mar 2013 The document called Analysis of staffing of IOP at MoLSA IB provides a description and evaluation of the organisational structure.</p>

Annex No 4 – Action Plan of the NCA for IOP of 10 November 2013

Monitored area	Proposed measure	Dead-line of accomplishment	Objective	Status as of 10 July 2013 accomplished – not accomplished	Status as of 10 November 2013 accomplished – not accomplished
1. Fulfilment of n+3 / n+2 rule	<p>1.1 To take necessary steps in order to achieve the forecasts made in the status of funds paid to beneficiaries (accounted for funds) and funds included in aggregate applications for payment accounted for by the MoF-PCA.</p> <p>To monthly evaluate the fulfilment of forecasts in the above referred to statuses and send an evaluation of their fulfilment to the MRD-NCA. In case the forecasts are not fulfilled, justification of their non-fulfilment and corrective measures shall be presented. Evaluation of the</p>	From 1 March 2013, monthly	<p>To submit to the MoF-PCA the aggregate applications for payment in the volume of 54.4 % of the total allocation for objective 1 before the end of 2013.</p> <p>To submit to the MoF-PCA the aggregate applications for payment in the volume of 71.7 % of the total allocation for objective 1 before the end of 2014.</p> <p>To submit to the MoF-PCA the aggregate applications for payment in the volume of 95.0 % of the total allocation for objective 1 before the end of June 2016.</p>	It is being accomplished on a continuous basis.	<p>The target for 2013 will not be achieved, the MA anticipates the submission of aggregate applications for payment in the volume of 48.7 % of the allocation for Objective 1 to the MoF-PCA. This issue is addressed by the IOP MA through the revision of the Programming Document, specifically by the following measures: implementation of two major projects, inclusion of private financing in the calculation of the EU share, and application of Article 95 of the General Regulation.</p> <p>The target for 2013 will not be achieved, the MA anticipates the submission of aggregate applications for payment in the volume of 49.5 % of the allocation for Objective 2 to the MoF-PCA. Under the RCE objective there is a risk of a loss of allocation in the amount of approximately CZK 80 million, by application of Article 95 the loss could be decreased by a few million.</p>

Monitored area	Proposed measure		Dead-line of accomplishment	Objective	Status as of 10 July 2013 accomplished – not accomplished	Status as of 10 November 2013 accomplished – not accomplished
		fulfilment of forecasts shall be sent to the MRD-NCA no later than on the 15 th day of the month.		<p>To submit to the MoF-PCA the aggregate applications for payment in the volume of 53.2 % of the total allocation for objective 2 before the end of 2013.</p> <p>To submit to the MoF-PCA the aggregate applications for payment in the volume of 73.6 % of the total allocation for objective 2 before the end of 2014.</p> <p>To submit to the MoF-PCA the aggregate applications for payment in the volume of 95.0 % of the total allocation for objective 2 before the end of June 2016.</p>		
	1.1a	To regularly monitor and evaluate the submission of applications for payment in important projects.	monthly		It is being accomplished on a continuous basis.	It is being accomplished on a continuous basis.
	1.1b	To make stricter the approval of changes (modifications) in projects which result in postponements of the timetable and thus also the expected volume of reimbursed and certified expenditure in relation to the achievement of absorption targets. To incorporate the procedures for managing the changes in their internal procedures.	By 30 June 2013		Accomplished – procedures have been incorporated in the revision of manuals of Intermediate Bodies, completed on 8 July 2013.	
	1.1c	To monitor the progress made in	From 1 April		Partly accomplished – the progress made in the	Partly accomplished – progress of investigation of PCs at the OPC is monitored. The NCA is, upon

Monitored area	Proposed measure	Deadline of accomplishment	Objective	Status as of 10 July 2013 accomplished – not accomplished	Status as of 10 November 2013 accomplished – not accomplished
	individual investigations of the Office for the Protection of Competition regarding the implementation of the Integrated Operational Programme, and to inform the MRD-NCA on the state of play of investigated projects on a quarterly basis.	2013, quarterly		investigation is monitored, information on the state of play of investigations at the OPC was provided upon request of the NCA.	request, informed about the progress made in the OPC investigation. The IOP MA puts pressure on the OPC to terminate the investigation of public contracts in projects which have an effect on reimbursing the applications for payment. In the framework of its controls, the IOP MA assesses and decides on financial corrections applied to the submitted applications for payment, and reimburses the expenditure not affected by corrections.
	1.2 To increase the absorption of funds in Intervention areas 3.1 and 3.3 (MoLSA)				
1.2a	To fulfil the milestones of absorption in Intervention area 3.1 (65 % of the allocation is covered by Decisions, 15 % is reimbursed) and 3.3 (88 % is covered by Decisions, 8.5 % is reimbursed), to	By 30 April 2013	To accelerate the rate of absorption of funds by MoLSA.	Not accomplished – sanctions were not imposed, as of 30 Apr 2013 in 3.1 60% of allocation was covered by Decisions and in 3.3 82 % of allocation was covered by Decisions	As of 30 Apr not accomplished , as of 31 Oct 2013 currently 69.44 % of allocation was covered by Decisions in IAI 3.1 and 82.91 % in IA 3.3, in IA 3.3 purchase by the GD Labour Office

Monitored area	Proposed measure	Dead-line of accomplishment	Objective	Status as of 10 July 2013 accomplished – not accomplished	Status as of 10 November 2013 accomplished – not accomplished
	1.2b	To inform the members of the Monitoring Committee.	IOP Monitoring Committee meeting held in spring	Accomplished – the IOP Monitoring Committee was informed.	
	1.3	To continue to accomplish the measures from the document “Summary of measures of IOP MA and IOP IBs to fulfil the n+3/n+2 rule in 2012 and 2013.”	Continuously		
2. Absorption capacity	2.1	To send information with the proposed solution of sleeping and risky projects pursuant to Government Resolution No 106 of 13 February 2013.	Within 30 days from the approval of Government Resolution	Accomplished – the information was submitted on 28 June 2013	
	2.1a	To evaluate the sent	Within	Accomplished – Summary	

Monitored area	Proposed measure		Dead-line of accomplishment	Objective	Status as of 10 July 2013 accomplished – not accomplished	Status as of 10 November 2013 accomplished – not accomplished
		proposal for solution and to adopt measures with respect to the achievement of absorption targets.	45 days after sending the proposed solution		<p>document was submitted to the 1st Deputy Minister</p> <p>IB adopted the following measures:</p> <ul style="list-style-type: none"> • Intensive monitoring of absorption • Intensive meetings with beneficiaries and division of projects into stages • IBs will meet the deadlines for entering the data in Monit7+ system • Measure addressing the staffing in summer months <p>Measures of the MA:</p> <ul style="list-style-type: none"> • Management and reporting of sleeping and risky projects • Checking the possibility of implementation and preparation of a “major project” • Preparation of supporting documents for the launch of discussions with the EC pursuant to Article 95 • Discussions on the use of Prevention project 	
	2.2	To efficiently				

Monitored area	Proposed measure	Dead-line of accomplishment	Objective	Status as of 10 July 2013 accomplished – not accomplished	Status as of 10 November 2013 accomplished – not accomplished
	implement Intervention area 1.1 (MoI)				
	2.2a In Intervention area 1.1 to continue to perform activities of stable teams (the so called project task force).	Continuously	Optimisation of situation in sleeping and risky projects.	Accomplished – the TaskForce meets once a month for each project under implementation	Accomplished – the TaskForce meets once a month for each project under implementation
	2.2 b In Intervention area 1.1 to continue to submit once a month to the Managing Authority and to the MRD-NCA a summary of implementation of individual projects in Intervention area 1.1, including the description of the state of play and identified risks.	Continuously	Summary of topical problems faced in the implementation of projects with the view to efficiently respond to problems.	It is being accomplished on a continuous basis.	
	2.3 Absorption of funds in Intervention area 5.1 (MoC)				
	2.3a In sleeping and risky projects in Intervention area 5.1 to evaluate the obtained information	By 30 April 2013	To accelerate the absorption of funds in Intervention area 5.1.	Accomplished - 1. Regular provision of information on IA 5.1 in the form of Monthly reports on activities of IBs	Accomplished - 1. Based on the Government Resolution No 567 of 31 July 2013 the Addendum No 1 to the Agreement on delegating the tasks of the IOP MA to the MoC was concluded. In accordance with the

Monitored area	Proposed measure	Dead-line of accomplishment	Objective	Status as of 10 July 2013 accomplished – not accomplished	Status as of 10 November 2013 accomplished – not accomplished
	and to elaborate a summary of absorption of funds by project.			<p>in IOP to the Managing Authority, a summary on situation in risky projects is attached to it as an annex</p> <p>2. The “Crisis plan for addressing the non-fulfilment of n+3/n+2 rule“ was drawn up:</p> <ul style="list-style-type: none"> • Modifications in the division of projects into stages • Continuous meetings with beneficiaries on financing plans and their observance • Evaluation of applications of beneficiaries for extension of project implementation • Control of individual steps in the course of contract award procedure • Reinforced management of risky projects • More intensive communication between the project and financial managers and the beneficiary • Revision of the Handbook for Applicants and Beneficiaries, including 	<p>Decision of the Minister for Regional Development No 123/2013, since 1 Nov 2013 the role of the IB has been played by the CRD CR. As of 1 Nov 2013 the MA has revised the Handbooks for Applicants and Beneficiaries for 5.1 for all calls under 5.1, which simplified first and foremost financial flows, documenting of eligible expenditure and control procedures for state aid.</p>

Monitored area	Proposed measure	Dead-line of accomplishment	Objective	Status as of 10 July 2013 accomplished – not accomplished	Status as of 10 November 2013 accomplished – not accomplished	
				annexes		
	2.3 b	In case of serious problems (e.g. a failure to fully absorb the funds of the project, major delays of the project) to propose resolute measures (e.g. withdrawal of projects, sanctions for not observing the deadlines) and to inform the Minister of Culture, or the Prime Minister and the Minister for Regional Development.	By 31 May 2013	To absorb the total allocation for Intervention area 5.1. in time	Not accomplished - MoC does not consider the issues occurring in IA 5.1 serious, therefore it does not find it necessary to bring them to the attention of the top officials (Minister of Culture or the Prime Minister). The MoC has taken the following measures: 1. Sanctions for repeated failure to fulfil the obligations of the beneficiary's project team 2. Modification in duration of stages of projects to accommodate the dates of certification 3. Permission to transfer the labour costs in case of extension of project implementation only if objective reasons are stated	Pursuant to the Government Resolution, the administration of Intervention area 5.1 was on 1 November 2013 taken over by the IOP MA and CRD CR. No project in 5.1 has so far been withdrawn.
	2.3c	Due to the demanding nature of tenders to perform control of these tenders already during their conduct (i.e. not to wait with	Immediately	To eliminate the problems in advertised tenders in projects.	Accomplished - 1. Control of the progress of all public contracts is done continuously (control of conditions of the contracts, course and completion of	Pursuant to Government Resolution No 567/2013 the administration of Intervention area 5.1 was 1 November 2013 taken over by IOP MA and CRD CR, which also performs the controls of tenders. Starting from 1 Nov 2013, the control of tenders will

Monitored area	Proposed measure	Dead-line of accomplishment	Objective	Status as of 10 July 2013 accomplished – not accomplished	Status as of 10 November 2013 accomplished – not accomplished
	<p>the control until the time prior to signing the contract with the winning bidder). To reflect this rule in work procedures and other documents.</p>			<p>the award procedure, control of addenda to the contract). Controls are carried out in all public contracts that have been implemented/are under implementation before or after the issuance of guidance documentation and the expenditure of which the beneficiary included in the application for payment.</p> <p>2. Measures included in the Crisis Plan for addressing the failure to fulfil the n+3/n+2 rule:</p> <ul style="list-style-type: none"> • Increasing administrative capacity in the field of public contracts and controls • Speeding up the control of contracts and administration of projects by MoC IB • Use of external services in the field of public contracts. • Ensuring non-stop control of public contracts by MoC IB. 	<p>be conducted in accordance with the methodological guideline of the CRD, including the completion of checklists and entering the data in IS Monit.</p>

Monitored area	Proposed measure		Dead-line of accomplishment	Objective	Status as of 10 July 2013 accomplished – not accomplished	Status as of 10 November 2013 accomplished – not accomplished
					3. Update of MoC IB OM (version 1.3, 15 Apr 2013) and checklists of public contracts in accordance with IOP OM	
	2.4	Absorption of funds in IUDP (MRD)		To ensure the absorption of funds earmarked for the implementation of IUDP.		
	2.4a	To continue to evaluate the implementation of IUDP based on the annual monitoring reports.	Following the receipt of annual monitoring reports		Evaluation of the absorption of IUDP funds is consistently monitored and continuously evaluated	
	2.4 b	To cut the volume of funds earmarked to IUDP in risky towns that fail to meet the absorption limits and to use the saved funds in other IUDPs.	2 nd half of 2013, 2014 and 2015		Accomplished – due to the failure to fulfil the conditions of absorption in 2013 the allocation for the following towns has been cut: Děčín, Cheb, Most, Ostrava and Znojmo. The allocation for towns has been cut by roughly a total of CZK 168 million.	
	2.4c	To inform the members of the Monitoring Committee on results of evaluation and on proposed measures.	IOP Monitoring Committee meeting		Accomplished , information is stated in the Report on Implementation as of 31 March 2013	

Monitored area	Proposed measure		Dead-line of accomplishment	Objective	Status as of 10 July 2013 accomplished – not accomplished	Status as of 10 November 2013 accomplished – not accomplished
			held in autumn			
3. Implementation of the OP	3.1	To reduce administrative barriers to absorption in Intervention areas 3.1 and 3.3		Acceleration of administration of projects.		
	3.1a	To make clear the financial and technical limits and to concentrate on significant items during the control.	By 31 May 2013		So far partly accomplished , MA with MoLSA agreed to modify the limits on 7 Feb 2013, the modifications are still being made in the Handbook for Applicants and Beneficiaries in individual calls, currently in 3.1a).	Accomplished – Handbook for Applicants and Beneficiaries for 3.1 a) and 3.1 c) has been approved, the Handbook for 3.1 b) is being modified, the limits have been incorporated.
	3.1 b	To cut short the period (deadlines) for the conduct of ex-ante checks.	Continuously		Periods for ex-ante checks in IA 3.1 are monitored in the framework of regular monthly reporting. Periods given in IOP OM are observed. The length of administration of ex-ante checks is impacted by the quality of submitted documents, speed of delivery of required documents and approval process (administration of changes) by the applicant	

Monitored area	Proposed measure	Deadline of accomplishment	Objective	Status as of 10 July 2013 accomplished – not accomplished	Status as of 10 November 2013 accomplished – not accomplished
	3.1c To cut short the stages of projects in Intervention areas 3.1 and 3.3 to six months' stages.	By 31 July 2013		It is being accomplished on a continuous basis. All the beneficiaries with long project stages have received letters or emails with the requirement to cut short the stages, and each project, in which the division into stages is possible, is continuously consulted with the applicants. MoLSA IB disagrees with the extension of stages unless it is necessary and its potential non-approval threatens the implementation of the project.	In IA 3.1 time-limited calls, MoLSA IB disagrees with the extension of stages unless it is necessary and its non-approval threatens the implementation of the project.
	3.3 To continue in the established system of sleeping and risky projects				
	3.3a To evaluate the obtained information and to adopt adequate measures.	Continuously	To reduce the impact of problems in implemented projects on the programme allocation.	Accomplished – as of 28 Jun 2013, the fourth update of risky projects was done in IOP. In the update as of 28 Jun 2013, the number of sleeping projects was decreased to only 1, and of 16 high-risk projects 8 projects were successfully resolved. However, 9 new high-risk projects in the volume exceeding 2.5 billion were identified.	

Monitored area	Proposed measure	Deadline of accomplishment	Objective	Status as of 10 July 2013 accomplished – not accomplished	Status as of 10 November 2013 accomplished – not accomplished	
	3.3 b	To inform the Government on the state of play of sleeping and risky projects and to propose measures	January 2013, 2014 and 2015 (or as necessary)	Escalation of problems to the higher level.	Accomplished – the document was presented to the Government on 27 Feb 2013 and 31 Jul 2013.	
	3.4	Launch of implementation of Jessica FI.				
	3.4a	To conduct a tender for the Urban Development Fund administrator in Intervention area 5.2.	By 31 August 2013	Timely absorption of allocation for Jessica FI.	Accomplished.	
4. Administrative capacity	4.1	To increase the administrative capacity at CRD (e.g. AWP, AWA at the time of cumulation of applications for payment).	By 15 April 2013	To ensure smooth progress of administration in case of a higher volume of applications for payment.	Accomplished.	
	4.2	To increase the number of employees performing controls in response to increased demands for the conduct of controls at the MA.	By 30 June 2013	Elimination of errors in projects and activities of IB.	Accomplished.	

Monitored area	Proposed measure	Deadline of accomplishment	Objective	Status as of 10 July 2013 accomplished – not accomplished	Status as of 10 November 2013 accomplished – not accomplished
	4.3 To use the MRD-NCA project on NSRF education.	Continuously	To increase the qualification of administrative capacity.	Accomplished.	
5. Management and control system	5.1 Relaunch of certification of expenditure and sending the applications for payment to the European Commission in connection to the error rate in the Annual Control Report 2012.			So far not accomplished.	The certification will be relaunched in December 2013 as scheduled
	5.1a To implement corrective measures in response to findings identified in the Annual Control Report 2012.	Continuously, no later than on 31 July 2013	To launch the certification at the MoF-PCA.	Accomplished – the most frequent error stated in the ACR 2012 concerns the non-compliance with Act No 137/2006 Coll., on public contracts – IOP MA carries out regular controls of public contracts on a sample of projects and within the checks of delegated activities	
	5.1b To use the funds from financial corrections in the programme implementation.	Continuously	To reuse the unused part of expenditure.	Accomplished – the funds from recoveries and offsetting based on financial corrections are continuously included in the available residual allocation.	

Monitored area	Proposed measure	Deadline of accomplishment	Objective	Status as of 10 July 2013 accomplished – not accomplished	Status as of 10 November 2013 accomplished – not accomplished
	5.2 To settle the enquiries of the European Commission to the SAO Audit Conclusion of audit No 12/02.	Continuously, no later than on 31 July 2013	Disproving the doubts of the European Commission.	Accomplished.	
	5.3 To conduct a control of public contracts in projects in Intervention area 1.1 (model audits implemented in Intervention area 3.2 can be used).	By 31 December 2013	Application of the precautionary principle.	It is being accomplished.	It is being accomplished , only a few projects are to be checked, the deadline set out in the Action Plan will be met.
	5.4 To use the MRD-NCA project “Controls“.	By 31 December 2013	To ensure due functioning of the management and control system and to prevent the suspension of certification.	Accomplished.	
	5.4a Timely handing over of acceptance protocols from conducted controls.	Within 40 working days after the handing over of the proposal		Accomplished.	