

## **Annex 6**

### **Experience from programme implementation in the programming period 2007–2013**

Specific objectives of IROP are thematically linked to the intervention areas financed in the previous programming period, especially in the Integrated Operational Programme, Regional Operational Programmes and partly in the Rural Development Programme. These programmes can be used to draw experience concerning the implementation of support.

## **I. Experience from thematic areas**

### **1. Transport infrastructure and mobility**

- Decomposition of goals and forms of support in the area of transport infrastructure and mobility support in the period 2007–2013 were subject to different principles than the basis for the current programming period. Activities with a significant regional impact have been allocated to the IOP, where a common and single solution appeared to be an important priority (transport not among supported priorities), and to the ROPs, where priorities for support were assessed from a regional perspective. In addition, some activities were implemented under the OP CBC.
- The approach of individual OPs to transport infrastructure and promoting mobility was considerably differentiated, with the shares of allocated funds varying considerably. For example, in ROP Southeast, it was almost ¼ of funds, while less than 10% in ROP Moravia-Silesia.
- The scope of supported activities was more or less identical across the country and had no direct relation to the existence (or the completion) of the TEN-T. The nature of supported activities was varied, from the replacement of wear layers of roads to modification of road parameters to the standard appropriate to its use.
- The selection of supported projects did not have a strong link to environmental issues, especially on reducing emissions and traffic noise in residential areas.
- With regard to the gradual completion of roads within TEN-T and the gradual renewal of Class I roads, an increase was observed in regional disparities in accessibility, which is the key parameter in competitiveness of regions.
- In the area of mobility and sustainable forms of transport, supported projects rather had an ad hoc character and lacked the unifying order. The support for traffic management systems and promotion of intelligent transport systems were virtually non-existent.
- Experience, identified problems, strategic documents, associated sectoral transport strategies – 2nd Stage, and the principles of support defined in EU regulations became the basis for the proposal of SO 1.1 and 1.2 of IROP. The actual approach to the objectives and forms of support was formulated in partnership primarily with regional bodies in a working group set up under the IROP Steering Committee.
- Close and regular cooperation with the regions as the main beneficiaries and organizers of integrated transport is essential (meetings, working group).
- It is essential that the beneficiaries of projects for roads and cycle paths have priority investments defined (multi-criteria assessment) and gradually they realized the project preparation in a volume higher than the annual allocation.

- Construction of cycle paths on the basis of the relevant part of the regional transport strategy and bicycle strategy. Involvement of cycling transport coordinators (usually in large cities and their hinterlands) in the preparation of the terms of calls.
- Cooperation with the Regional Integrated System coordinator (KODIS) and the Department of transport in regional authorities in defining the terms of calls in public transport (vehicles, terminals).
- Call to develop sustainable mobility plans, promote public transport, particularly in children of school age, mobility information centre etc. was announced in advance.

## **2. Integrated rescue system, risk prevention and management**

- Consider the volume of activities awarded to the Czech Post, branch office as the ICT contractor for public administration pursuant to the exemption under Section 18 PPA, given its capacity and the related performance deadlines.
- The complex structure of the beneficiaries consisting of the Police Presidium of the Czech Republic, 13 Regional Police Directorates, Directorate General of Fire Rescue Service and 13 regional Fire Rescue Services and 13 Emergency Medical Services, and the ensuing challenging project coordination, which must be addressed uniformly across the Czech Republic. This applies in particular to uniform technology standards and interconnection information system interfaces.
- Specialized, unique technologies and the resulting procurement problems. During procurement procedures, it is common that a single tender is submitted or tenderers are excluded and the procurement procedure must be repeated. Often, these are very specialized technologies, where there is only one manufacturer.
- Lack of coordination between the various IBs on the national level limits the possibilities of unified management.
- Examples of good experience from regional operational programmes include coordination of the preparation and implementation of key projects of Integrated Security Centre with the region, the city and the Integrated Rescue System units.

## **3. Infrastructure for social integration**

- Coordination of projects financed from IOP with projects financed from OP HRE is essential already in the project's development phase.
- In the support area of social integration (transformation of social services, investments into social service buildings, social economy), it is necessary to combine social area with infrastructure development. The system was not entirely clearly set-up, understandable and coherent from the beginning, there was a gradual fine tuning of the system and adapting of the stakeholders.
- It is necessary to ensure close communication between the social service providers and municipalities; there must be a link between the budget of the municipality and the community plan. Also important is the level of public opinion, which must be



ensured early in project preparation (exchanging information should involve the professional public – NGOs, the police, the authorities, doctors, grantor, etc.).

- The main reasons for the low interest of applicants are: complex technical specifications for infrastructure, including e.g. health standards, lack of funding for the preparation and operation concerning non-profit organizations and small municipalities, complicated project approval and changes in the municipal bodies.
- This leads to the following recommendations:
  - collaboration with the National centre to support the transformation of social services in preparation of social transformation projects right from the very beginning of the project plan;
  - grant providers should provide less experienced applicants with intensive consultancy support;
  - simplify requirements and substantive parameters for social integration infrastructure;
  - intensive support for the preparation and implementation of projects, sharing of good practice.
- Set the parameters of optimal social network to areas where there are socially excluded localities (emergency accommodation, refuges, coordination of public services) in collaboration with all stakeholders (such as the Agency for Social Inclusion).

#### 4. Social entrepreneurship

- In the field of social entrepreneurship it is necessary to address closer cooperation with labour offices - **identification of the unemployed in all types of socially excluded people**, not just the disabled, with the aim of increasing independence on welfare and reducing unemployment in socially excluded people.
- Seek **original solutions to social problems** (the current form of support provided by the State to social enterprises does not meet their real needs).
- **Provide products and services in an entrepreneurial and innovative ways** and use the profits mainly to achieve social objectives.
- Path to **follow good example**, increasing financial self-sufficiency and maintaining or **enhancing publicly beneficial activities of non-governmental organizations** (funds to be provided as non-returnable financial aid, which will be accompanied by counselling).
- Increase **motivation and self-confidence** of potential social economy providers **and their willingness to take risk**.
- Support for expert and lay discussions on social economy, sharing good practice from 2007–2013 and from abroad.

## 5. Infrastructure to provide healthcare services

- In the programming period 2007–2013, support mainly was directed to the acquisition of instrumentation and renovation and construction of buildings. The aim of the programming period 2014–2020 is therefore to implement interventions in the health care system with a unified coordination at the national level, based on the evaluation of the necessity and taking into account the territorial specificities and needs.
- Due to the highly expert nature of the assessment of project applications, and monitoring of the entire implementation process, as well as the effectiveness and cost-efficiency of the expenditure, engaging external independent and specialized experts to examine technical specifications and pricing instruments purchased by the Structural Funds has proved beneficial.
- The priorities of the programming period 2007–2013 limited the range of applicants, which was directly linked to the requirement of being entered in the Bulletin of the Ministry of Health, which regulates the specialized network. Interest in the purchase of medical equipment was high and projects were almost always submitted by all potential beneficiaries. For this reason, it was easy to estimate the absorption capacity and allocation of calls. For the period 2014+, the criteria of follow-up care have been established for its providers, which similarly define the range of applicants.
- The effectiveness of support is partly ensured by defining instrumentation in the National Network Standards.
- The specific features of medical technology market are reflected in public procurement – a low number of tenders (almost half the cases involved the submission of a single tender) is caused by market conditions. There is insufficient competition, there may be agreements between companies on the division of the market and contracting authorities may have high demands on the tenders.
- In the programming period 2007–2013 interventions in health care infrastructure outside the IOP were not negotiated with health insurers; therefore, a requirement concerning the subsequent care strategy for the agreement of health insurance companies with project implementation was set.

## 6. Infrastructure for education and lifelong learning

- With regard to the education infrastructure, it is necessary to take into account the already completed interventions from ROPs. It would be advisable to link infrastructure interventions with interventions from the ESF.
- In the case of secondary education, it is important to ensure cooperation with the regions as the main bodies responsible for secondary education (meetings, working groups).
- It is necessary to have a regional strategy in secondary education, to ensure coordination with the labour market requirements – for example, through cooperation between businesses, schools and other institutions.

- The model of simplified reporting of indirect flat rate costs proved beneficial.

## **7. Reduced energy consumption in the residential sector**

- Support in the field of energy savings in the housing sector was implemented in the previous programming period under the IOP; it was also possible to benefit from support through the national programmes PANEL and NOVÝ PANEL+, as well as through the Green Savings programme; this led to fragmentation of support to several possible sources and mutual competition between the different forms of support could occur. For the next period, the various forms of support are integrated, which should prevent a situation where applicants can receive support for the same activity from several national sources and EU structural funds (see Memorandum between MoRD and MoE).
- The scope of support in housing did not have a nation-wide impact in IOP. Support was provided to “deprived zones” in cities with populations of at least 20 thousand and was combined with the support of the revitalization of public spaces. Support therefore excluded a significant part of the housing stock in the Czech Republic. The newly set rules for support will thus be applied more broadly, without ties to a predetermined zone.
- The selection of projects did not have a strong link to the support for addressing environmental problems in the area; the newly selected form of support already reflects this issue. Support in strongly structurally deprived areas (pilot projects aimed at socially excluded localities) was combined through the integrated approach, investments in improving the energy performance of housing can be interconnected with other activities from other OPs (a combination of energy savings in public buildings, investments in the social sector, etc.).

## **8. Cultural heritage**

- If resources are invested into accessibility and use of cultural heritage, it is necessary to accompany the implementation of the project with proper promotion.
- The activities to promote access to cultural heritage can sometimes mitigate the socio-economic regional disparities, and in many cases represent the only economically sustainable activity in the area with very limited conditions for production activities.
- The Monuments Fund of the Czech Republic has been consistently underfunded, with unresolved issues with property, records and means of monitoring sites. Especially municipalities have insufficient resources to carry out extensive renovations of monuments, or even to conserve the status quo.
- Thanks to European funds, progress was made in 2007-2013 towards the promotion of cultural and historical monuments. Cultural heritage was supported from the IOP,



regional operational programmes and the Rural Development Programme. Tourism was also supported from the IOP, regional operational programmes and the cross-border cooperation programmes.

- In the IOP, this particularly concerned model projects of renewal and utilization of UNESCO sites (the most significant part of the immovable heritage fund of the Czech Republic) and the national cultural monuments. Based on the experience from the restoration of these monuments, the eligible expenditure will be reduced from CZK 500 million to a lower amount. These projects had an implementation period of several years.
- Lesson learned under IOP also include addressing State aid in the field of cultural heritage under IROP by means of a block exemption.
- An important experience is the unpredictability of archaeological finds and the related delays in completion deadlines and incurring additional costs.
- Regional Operational Programmes to support national cultural heritage sites from IOP were followed up by thematically- and locally-specific calls for proposals in the area of tourism development and transport infrastructure.
- In regional operational programmes, the cultural sector was closely interconnected in a common priority axis with tourism. The priority axis focused on tourism in ROP aimed to improve the attractiveness of each region for the purposes of tourism by improving its infrastructure, services, information and publicity. In the field of culture, it particularly concerned building alterations of cultural monuments, technical monuments or cultural attractions with the intention of their use for tourism, including related infrastructure. In the above-mentioned activities, support was also provided to construction of follow-up / additional tourism infrastructure, especially roads leading to the tourist attractions, including parking lots, and to ensuring promotion, but only in relation to the above activities.
- In accordance with the position paper, IROP excludes commercial tourist facilities such as hotels, leisure facilities and a spas. Similarly, no funding will be provided to promotional campaigns promoting the Czech Republic as a tourist destination etc.

## 9. eGovernment

- Insufficient capacity, turnover, competencies and qualifications of project teams in the State organizational units pose a substantial risk, which leads to delays in implementation, errors and ineligible expenditure.
- It is necessary to set a clear plan for project implementation and take advantage of already built systems in public administration, and link them to the further development of eGovernment.
- The need for flexible and functional coordination structures. During the implementation of IOP, coordination was not clearly set and competences were being transferred. IROP must have a clear operational structure based on an inter-ministerial body, with the involvement of local self-governing authorities, whose projects follow up on the central level.

- Commencement of projects (legislative preparation), procurement procedures and commencement of project implementation are very complex (project registration, approvals by the Ministry of Finance); therefore, there is a real danger that a sufficient number will not be commenced and implement.
- Complicated public procurement Concerning information technology, it is difficult to set precise but non-discriminatory requirements for supplies, qualification and acceptance criteria, and this leads to problems during project implementation. This is related to high staff turnover and the inability to maintain qualified employees in public administration. Public administration does not have a sufficient number of qualified experts for a thorough definition of requirements and the subsequent acceptance.
- During project implementation by a State organization unit, implementation becomes complicated because of the many, often unrelated, internal guidelines and procedures within the organization, which may be contrary to the guidelines for applicants and beneficiaries.
- An important limit to further develop shared solutions in public administration is the budgetary impossibility to have multiple ministries (public authorities) participate financially in the implementation and especially operation of ICT projects.

## 10. Land-use planning

- As part of territorial development support, the preparation of territorial analyses at the level of regions and municipalities with extended competences, and of territorial plans at the level of municipalities, while in the case of territorial analyses the absolute majority of this need has been covered, but in terms of the territorial plans only a small part of the real allocation capacity was covered, also with regard to the limited funding.
- With respect to the high effectiveness and benefits of such support for other areas of support from ESIF and the continuing high absorption capacity, there is an apparent need to continue to support the preparation of territorial development tools (documents) in the programming period 2014-2020, which was also confirmed in the Partnership Agreement.
- Currently, the third update of analytical land-use planning documents is underway, i.e. land-use planning tool, which was initially significantly supported from intervention 5.3 IOP. Since it is an already established land-use development document, its additional financial support from the structural funds is no longer necessary.
- Conversely, in the case of land-use plans, it is necessary, also with regard to new development needs (e.g. adaptation to climate change) and objectives of common interest (e.g. TEN-T, TEN-E, TEN-G), to continue to rely on the financial support for this land-use planning documentation. Moreover, when preparing land-use plans, it became evident that certain projects must be prepared in greater detail, i.e. using other land-use planning tools such as regulatory plans, and also conceptually



approach some areas (e.g. landscape, transport and technical infrastructure) through land-use studies.

## 11. Community-led local development

- The main benefit of LEADER is the way rural development actions are implemented and interconnected both within rural regions and communities, and through rural communities.
- Through local action groups, LEADER provides rural actors (municipalities, micro-regions, associations and non-profit organizations, entrepreneurs) with tools and open approach to the formulation and implementation of the strategy for the development of their region.
- This approach also ensures coordination at the level of rural region, cooperation in the use of the achieved outputs and therefore a global effect of sustainable and diversified development of municipalities and communities.
- The Leader principles are particularly suitable for the development of rural areas because by merging the various entities working in the rural area, these principles lead to positive effects. Through Local Action Groups (LAGs), chance is given to the general population to engage in issues in individual fields, especially by taking over decision-making powers.
- **There are large and significant differences between LAGs.** On the one hand, there are LAGs which have not shown that they are working according to the Leader principles (non-transparency, nepotism, lack of interest in the development of the region, a mere "moneytubing", low management level). On the other hand, there are LAGs which should have greater autonomy and accountability.
- The MA RDP inadequately supported the partnership principles, stuck with the formal requirements and in the last two years, it began to evaluate LAGs, thereby indirectly leading them.
- The MA RDP did not attempt to link the LAG activities with other management tools and showed poor communication mainly with the MoRD, MoI and regions. For example, strategic plans Leader and integrated area strategies did not reflect in the regional development programmes, the activities of the MEPs and, without some active attempts, they were not linked with tools such as Local Agenda 21.
- Also, the RDP became isolated from other operational programmes and contributed, along with other OPs, to fragmented and not integrated support for rural regions.
- The evaluation of Leader shows that the lack of uniform monitoring indicators complicates the assessment of methods.
- The representatives of public administration sometimes find the principle of cross-sector partnerships difficult to approach, they do not actively use their own membership in the governing bodies of the LAGs, thus leaving the potential of LEADER untapped.

- The principle of cross-sector partnerships, the bottom-up creation of MAS and formation of managing and decision-making bodies, collaboration and networking **undoubtedly contribute to the strengthening of social capital and mobilize existing resources in rural areas.**
- The amount of funding for the RDP for Axis IV Leader was low and could not satisfy the strategic plans; despite this, **for a number of small municipalities it was the sole grant source** which they used in that period. LAGs supported their capacity as applicants, which was important given the complexity of grant conditions.
- By 2013, LAGs implemented approximately 9,850 projects in rural areas.

## 12. Technical assistance

- The main problem of the implementation of projects funded from the TP IOP was the inexperience of beneficiaries with using technical assistance (ministries in the role of intermediary bodies), leading to withdrawals from project implementation and a considerable amount of ineligible expenditure.
- A negative experience is involved efforts to implement projects scheduled for a period longer than one year, which included the activities covering the entire area of intervention. The beneficiaries were unable to precisely specify activities, which led to frequent changes in projects. To ensure good quality of the implementation of technical assistance projects, it is recommended that the implementation time is about 1 year, with each project being focused on one activity (e.g. publicity, education).
- A big problem in IOP was that projects aimed at administrative capacity showed ineligible expenditure for non-compliance with guidelines for the selection of personnel, failure to comply with the Labour Code (e.g. the conclusion of agreements to perform work for a similar subject-matter of activity, which was agreed in the employment contract).
- Smooth absorption of funds was also hindered by complicated set-up of the public procurement system of the beneficiaries.
- Planning to ensure the needs in advance, before the need becomes acute, is an important experience.
- Simplifying the administration of technical assistance projects by allowing the possibility not to show copies of invoices and tax documents for expenditure of less than CZK 10,000 per one accounting document.

## 13. Experience with measures to support the Roma minority

- Support for the Roma community was implemented in IOP through pilot projects. Cities, implementing the Integrated Urban Development Plan, undertook to invest part of the funds in the IDP area inhabited by socially excluded Roma. Follow-up support in IROP will not be limited by belonging to the deprived area, but can be applied on a wider scale, subject to respecting the rules of the territorial dimension.

- Links will be established to previous IOP activities, which targeted in particular the improvement of the environment in the area (revitalization of housing and public space) and provision of social services, including support for social entrepreneurship.
- In light of the positive experience, it is recommended to support the inclusion of socially excluded inhabitants of the area using an integrated approach.
- Individual activities should be indicatively listed in the integrated strategy, which must be in line with national strategies. In light of previous experience, where activities were confined to a particular area, it is recommended to keep the possibility to implement the support for socially excluded people also outside these integrated strategies.
- Positive aspects include the experience concerning complementarity with other operational programmes. In particular, synergies with the support from ESF will ensure greater efficiency of the investment and have a positive impact on the sustainability of project outputs.
- Unlike in the previous period, there is the need for greater cooperation in the area between strategy promoters, project beneficiaries and relevant professional actors (Office of the Government – Human Rights Section).

## **II. Experience from implementation of support**

### **1. Introduction of the principle governing body = grant provider**

Substantial experience related to the management of the programme with several IBs. Only when respecting this principle, the MA is able to manage and control the entire programme in terms of implementation and finance, and administer individual intervention areas. It is important to unify the requirements for beneficiaries and the implementation structure through a single operating manual and rules for applicants and beneficiaries.

### **2. Reducing the number of information systems involved in project administration**

The risk of slowing down the implementation of the programme and creating errors lies in irregular updates, service periods, transmissions of databases and closings that minimize the time during which a project can be administered and reimbursed in information systems.

### **3. Minimizing the involvement of the selection and evaluation committees in project selection**

Use non-competitive nature of calls and set evaluation criteria to limit subjective criteria and place emphasis on the relevance and quality of the project to the maximum. There is a significant area of interventions that aim to match the minimum standard in an area where projects do not compete with each other. Examples include projects for the creation of land-

use plans, equipping hospitals specified in the Journal of the National Network of Specialized Care, etc.

#### **4. System of two-round calls**

In the case of specific objectives, where it is appropriate (e.g. with a wide range of ways to achieve the objectives), use a system of two-round calls where the initial assessment of the project concerns the fulfilment of strategies and needs of the territory, and the second stage involves detailed documentation. Advantages of the system of two-round calls:

- it saves money and time, since the applicant is not required to submit complete project documentation in the first round,
- Reduced administrative burden for the evaluators, who do not have to conduct a detailed assessment of all projects, on condition that the second round will involve only successful projects from the first round,
- encourage potential applicants to submit interesting projects, because the financial demands in the first round are not so high.

#### **5. Determining minimum threshold of eligible expenditure where it is efficient to implement a project co-funded by the structural funds**

The administrative demands of operational programmes increase especially with the number of implemented projects, rather than with the volume of allocated funds. The administration of programmes with a large number of small projects is more challenging than in the case of programmes with a small number of mostly large projects; the average size of a selected projects for all the thematic and regional programmes amounted to CZK 18.7 million. The average project amount is CZK 1.3 billion in OP T, over CZK 520 million in OP RDI, CZK 4.5 million in OP EC, CZK 4.2 million in IOP, CZK 9.1 million in OP ENV and CZK 11.9 million in OP HRE.

High administrative burden associated with the preparation and implementation of projects leads to efficiency of project implementation decreasing with the size of the project. The Mas are aware of this problem and in a number of calls they have determined limits on the size of the projects submitted.

In the period 2014+, more emphasis will be placed on programme efficiency. It can be assumed that the pressure on increased size of projects with relatively higher output of monitored indicators could contribute to an overall increase in the efficiency of programmes.

The MAs should set limits on the size of the total eligible project costs depending on the sector and supported activity. The determination of limits is related to the required number of employees within the implementation structures and will lead to greater efficiency.

The determination of limits can mean a barrier for some types of projects, which have their own specificities, so it is necessary to work very carefully with the limits and use them only where it is useful and where the impact of introducing the limit is known in advance.

#### **6. Elimination of marginal and administratively burdensome eligible expenditure**

When assessing grant applications or conducting controls and the administration of payment applications, it became evident that it is administratively more demanding to monitor and evaluate a sub-part of eligible expenditure, such as overhead costs, personnel costs or travel expenses, than the critical part of the eligible costs, which are important for achieving the objectives of the project.

Good experience in the field of simplified cost reporting in particular involve reduced time of the administration of payment applications, reduced error rate and eliminating unnecessary bureaucracy for beneficiaries and the grant provider. Simplified reporting was introduced for supplementary costs (typically, human resource expenses, expenses associated with the procurement procedure, spending on consulting and legal services, account management fees, etc.), where an analysis confirmed that to document a very marginal part of expenses, one must document and check a disproportionately large number of documents.

## **7. Eliminating duplicities and inefficient activities, especially in controls**

The control system suffers from inefficiency and lack of coordination of activities of entities inside and outside of the implementation system. Controls in the Structural Funds must be adapted to the Czech control system and practices, even though European legislation allows for less demanding forms and ways of performing the controls (in terms of capacity, administration and especially time).

The problem is the existence of controls, sanctions and appellate levels, where two similar projects in the Czech Republic, even in the same operational programme, may be subject to a different method of monitoring and assessing by control bodies depending on budgetary rules.

There is no platform or procedure that would allow all control bodies to plan and coordinate control activities of a single body, which leads to a situation where a beneficiary is visited by two or more control groups in the same week, with many of them checking the same thing. The biggest problem is that several controls find no errors, and then, after many years, comes another and concludes that the beneficiary has to return the grant. This creates legal uncertainty with liquidation consequences for the beneficiary.

## **8. Obsolescence of budgeting tools with projects funded from ESIF**

Budgeting for projects co-financed from ESIF and reimbursing from the state budget brings many difficulties caused by improper application of the procedures from national grants. There is duplication of required documents and data incompatibility and obstruction. An example is requiring EDS/SMVS (Registry Grant System / Administration of State-Owned Property) and, at the same time, the project's budget data in the MS2014+, artificial division of grants to investment and non-investment type, transfers between budget headings, unnecessary issuance of new legal acts, unnecessary Final Project Evaluation, which was constructed for a different type of financing. Applicants, beneficiaries and administration are overwhelmed by bureaucratic requirements aimed at dividing expenditure and grants into statistical columns.



## **9. Integrated approaches – integrated urban development plans (IDP)**

The relationship between the MA and the body implementing the integrated tool must be formalised by a contractual agreement.

The implementer of the integrated approach must have a strategy for its territory.

The contractual agreement must contain the basic parameters for the fulfilment of the integrated plan, i.e. monitoring indicators, financial plan to use the allocation by years, procedure in case of a failure to meet the financial plan and monitoring indicators.

The experience from the regional operational programmes showed that IDPs covered a limited segment of the development needs of cities and the list of supported areas was too narrow. It would be advisable to substantially expand it so that the integrated strategies cover major development needs of cities and achieved greater synergy effects, which should also be the basic purpose of integrated tools.

The principle of partnership in the creation of IDPs was applied indirectly (in the development of strategies that relied on the IDP). It should be applied consistently, starting from the preparation of the integrated tool by means of direct participation of all relevant stakeholders.

Allocating funds in EUR increases the risk of over-commitment or failure to fully use the entire allocation with respect to EUR/CZK exchange rate fluctuations; a similar risk occurs in the case of allocation in CZK. It is necessary to develop a system to monitor the allocation in order to eliminate the risk of over-commitment and failure to fully use the allocation and to provide the MA with a reliable system of financial management.

The MA approves the parameters of individual calls of the promoters of integrated strategies. This ensures the financial management of the programme, compliance with programme rules and transparent decision-making on project support.

The MA assesses the evaluation criteria used by the cities. This ensures compliance with the principles of equal and transparent approach.

It is necessary to ensure unquestionable procedures in the event that a grant application is submitted by a city, which is the owner of the strategy and which is responsible for project evaluation and recommends them for support.

Experience has shown that calls for integrated tools should be announced by managing authorities in coordination with the owners of integrated tools, ideally for all integrated tool owners in one long-term ongoing call.

After the pre-selection of the project, the city is not involved in the administration, control and financing, which are conducted by the intermediary body or MA.

## **10. Indicators**

Establish clear definitions of indicators as early as during programme preparation. Select indicators for which input and achieved values are realistically identifiable and comparable.

When evaluating projects, rigorously control the selection of indicators so that the same indicators are selected for similar projects.

## **11. Human resources management**

In terms of human resources, it is important to set the adequate administrative capacities. They must be set down to the lowest level of implementation structure and, at the same time, for each year. It is also necessary to set specialization of individual employees for specific tasks (i.e. ensuring competence and substitutability). It is necessary to regularly perform analysis of procedural and administrative capacity (at least once a year).

Ensure qualified personnel through transparent and well-conducted selection procedures.

Reduction in staff turnover thanks to appropriate remuneration, benefits, emphasis on professional development of staff and the possibility of career advancement.

Ensure effective and efficient training of employees in accordance with elaborate training plans. Furthermore, cooperation with foreign partners, regular (at least once a year) evaluation of the worker as a basis for employee feedback and creating his/her training plan.

It is important to ensure adaptation of new employees, making them familiar with the work of the implementation structure and involving them with the team.

Concurrence of FTEs and agenda handover between the outgoing and incoming employee should be at least one month.

## **12. Procurement procedure**

The emphasis on the control of procurement procedures in connection with qualified specialized internal and external employees, and minimising irregularities of procurement through a two-stage control – for tender documentation before the announcement of the procurement procedure and after its completion (before signing the contract with the successful tenderer).