STANDARD SUMMARY PROJECT FICHE

1. Basic Information

1.1 Désirée Number: CZ 2002/000-282.10.01
1.2 Twinning Number: CZ02/IB/SPP/01
1.3 Title: SOP HRD and ESF Structures – Building Implementation Capacity
1.4 Sector: Economic and Social Cohesion
1.5 Location: The Czech Republic

2. Objectives

2.1 Overall objective
The ability to take on the obligations of membership in the area of Social Policy and Employment, and structural instruments for economic and social cohesion.

2.2 Project purpose
To finalise the development of structures and capacities to effectively manage the European Social Fund (ESF) upon accession at national and regional level.

2.3 Accession Partnership and NPAA priority
AP: 2001 medium-term priority addresses to:

- define the bodies in charge of the implementation of Structural Funds and the Cohesion Fund, in particular the managing and paying authorities; establish a clear division of responsibilities and improve the administrative capacity, in particular in terms of recruitment and training; ensure effective inter-ministerial co-ordination,
- continue to develop, rationalise and streamline the national development plan and define the implementation structures of the final plan; develop project and programme generation and implementation capacity at central and regional level; continue development of monitoring and evaluation capacity; ensure availability of all relevant statistical data,
- align with the specific financial management and control procedures for future Structural and Cohesion Funds under the relevant Community Regulations

NPAA: NPAA stress the need for the preparation for the ESF as a high priority in Chapter 3.6.1.1.8 and 3.6.1.2.7. in particular

- Establishment of the Managing Authority for each Programme
- Management and Implementation of Projects
- Pilot Projects in Selected Regions
- Creating and testing the information system for monitoring the course of implementation of EU programmes in preparation for the use of SF
- Drafting new programming documents in the area of ESC and amending the existing operational programmes (SOP, SPD obj.3 Prague)
- Preparation of instruments for implementing the SF and CF
- Training
- Strategic and technical support to the national bodies in improving programming and co-ordination process

2.4 Contribution to National Development Plan

to finalize appropriate structure to have adequate absorption and implementing capacity for the SOP HRD and ESF measures
2.5 Cross Border Impact
n.a.

3. Description

3.1 Background and justification
Gaps related to requirements of Council Regulations 1260/99 laying down general provisions on the SFs and 438/01 on management and control systems for assistance under SFs are being identified by on-going projects, verification audits (National Training Fund, MoLSA), ex-ante evaluation of the HRD SOP and SPD Obj. 3 (see section 3.2). The purpose of the project is to fill these gaps so that the management, control and implementation system for SF assistance is effective and fully functional. The project will also contribute to ensuring compliance with other key Regulations including 448/01 on financial corrections to assistance under SFs, 1159/00 on information and publicity measures, 1685/00 on eligibility of expenditure of co-financed operations and other relevant legislation.

A systems audit of all MA’s, PA and Intermediate Bodies and certain Final Beneficiaries will be carried out at the turn of 2003/2004. The audit will result in series of recommendations which this project will assist in implementing.

The Czech Republic will participate in the co-ordinated approach to employment and HRD policies within the EU - the European Employment Strategy upon accession. The Structural Funds and the ESF in particular are the main EU financial instruments for supporting the implementation of this strategy.

The Czech Republic will become eligible for Structural Funds investment from the European Union on accession. It is the government priority to be prepared by that time to make full, effective and rapid use of the expected investment funds available. The purpose of this project fully corresponds to the key conclusions of the Joint Assessment of the Employment Policy ("the Government shall continue and closely monitor its progress towards implementing the institutional structures needed to implement ESF").


The programmes which will be the subject of this project are: SOP HRD and SPD Obj. 3, CI EQUAL and ESF in the Joint Regional Operational Programme. Government Resolution No. 102/02 of 23rd January on ‘finalisation of preparation of programming documents and specification of Managing and Paying Authorities for the use of Structural Funds and the Cohesion Fund’ paved the way for MoLSA to be appointed as the Managing Authority for the HRD OP and the SPD Objective 3 Prague. MoF was appointed as Paying authority for all Structural and Cohesion Fund assistance. Government Resolution No. 249/02 of 11th March is relevant for the National Employment Action Plan 2002 - (approval of NEAP and implementation of measures) and Government Resolution No.401/02 of 17th April determines the content of Operational programmes. Based on the principle of monofond SOPs, Sectoral measures for vocational training in the sectors of industry, tourism and environment have moved to the HRD OP. The JROP, on the other hand, will be multifond – and the ESF elements contained therein will be supporting social inclusion at the local level.

The ESF structures will involve MoLSA as the Managing Authority for both the Operational Programme for Human Resources Development (OP HRD) and SPD for Objective 3 Prague and EQUAL. MoLSA will also operate as the Paying Unit for the ESF in these programmes although the nominated Paying Unit for the ESF component in the JROP has yet to be decided. Due to the multi-ministerial character of OP HRD resulting from the adoption of a mono-fund approach the
ESF structures shall involve a number of intermediate bodies, ministries and their implementing bodies, such as MoLSA/Employment Service Administration (ESA), Regional Labour Offices, Ministry of Industry and Trade (MIT), Ministry of Regional Development (MoRD), National Training Fund (NTF), Ministry of Health (MoH), Ministry of Environment (MoE) and Prague City council for obj 3, and possibly others following the formation of a new government in July 2002.

There is a strong need for the realisation of this project as it will likely cover the period before accession when all preparatory work, that is currently going on with the assistance available from the below projects, will have to be finalised. The whole package of programming documents including the Programme Complements shall be ready by the end of 2002. Their ex-ante evaluations will be undertaken also in that year. During 2003 it is expected to begin negotiating the Community Support Framework with the EC, so as to start implementation of the programmes at the beginning of 2004.

It is proposed to implement the main part of this project through twinning. One supply contract is assumed for the design and delivery of information and publicity media and materials.

3.2 Linked activities

The proposed project will built on the results of the above Phare projects in the way of disseminating the acquired know-how and implementing the accepted recommendations and proposals (i.e. a suitable model for administration of ESF in the CR etc.).

- **CZ9902-02-01**: The twinning project will in its results lead to the basic training in ESF issues of the respective MoLSA staff responsible for future administration and realisation of the ESF including MoLSA's regional workers. During this project some of the key documents will be refined and updated, i.e. the National Employment Action Plan for 2002 and the Sector Operational Programme for Human Resources Development, so that the Czech Republic is better prepared to implement the European Employment Strategy upon accession. The project will also contribute to the new conception of MoLSA for 2002-2006 and to the actualisation of the National Development Plan. However, there are some of the key issues still to be completed, especially concerning the implementation of ESF, which this project will address.

- **CZ/99/IB-CO-03**: The project is connected to the above mentioned project CZ9902-02-01 and will lead to the strategy to secure disadvantaged groups benefit from ESF and proposal for a global grant scheme for social capital.

- **Consolidation of the National Development Strategy Phare 2000 (CZ 00.10.01)**: The key ESC objective is to prepare the Czech Republic to assume all obligations stemming from individual EC regulations for Structural Funds, the Cohesion Fund, and other legal norms of the European Community, and to establish institutional and other prerequisites for the use of the Structural Funds and the Cohesion Fund. The twinning project will lead in its results lead to the further development of the institutional building necessary, shall built up on the results of the previous projects realised and be orientated more on the regions' needs. The work carried out by the ESF PAA will be used and followed up by the new project. Results of the project:
  - Revised and finalised ESF Administration Model ready for full implementation of the HRD SOP;
  - ESF Administration Model applied to all NUTS II regions
  - National Action Plan for employment drafted for 2003;
  - Existing legislation revised and/or new developed as may be necessary to ensure effective implementation of the National Employment Plan / Human Resources Development SOP.

- **Finalising of Structures and Measures to increase the Absorption Capacity at National and Regional level Phare 2001 TA (CZ01-10-03)** – Revision of materials on SF developed under previous Phare projects; define appropriate skills and knowledge of trainers; development of guidance notes/provision of advice for FIs; recommendations to Czech authorities on capacity of Czech administration to assume administrative burden of SF preparation and implementation in last quarter of 2003; development of structures and measures to increase absorption capacity at the national as well as regional level to ensure capacity to propose, prepare, manage and administer complex, well-designed projects.
Phase I of an EC commissioned Administrative Capacity Study generated a number of key indicators relevant for estimating the capacities and needs of candidate countries in the areas of: Programming, Implementation, Management, Financial Control and Monitoring and Evaluation. Phase II of the study will make a gap assessment based on the indicators developed, and will result in a country study to be presented to the Czech Republic, as with all CCs, early in 2003. This should provide an ongoing reference point for the project, and ensure that the main gaps and problems identified can be tackled within the covenant.

Other related projects:

**Phare 2002 TA (CZ2002/000-282.10.04) Start up compliance and system audits of SF/CF implementation structures:** This technical assistance project addresses an AP priority and aims to provide a comprehensive gap assessment in the form of independent systems audit. All Managing Authorities, the Paying Authority and the relevant intermediary bodies shall be subject of the audit. The project should result in an independent confirmation of the implementing arrangements for the use of the Structural Funds and the Cohesion Fund, and the duties described in Council Regulation 1260/99, and 438/01, 448/01, 1159/00 and 1685/01 in particular. The project should ensure that the Paying Authority is able to perform all its duties as required by the relevant acquis. The project is directly linked to the results of CZ02.10.01 to 03 projects. The project should be based on the outputs of assistance programmed under existing relevant Phare projects CZ9903.01.01 and CZ0109.01. The project is conditional on respect by the Czech authorities of their commitments made within the framework of negotiations on Chapter 21.

**Management & Control of the EC Funds and National Public Sources /Preparation for EDIS (CZ01-09-01)** - technical assistance project for MoF carried out through twinning assistance provided by the state administration of the Member states (Ireland and France) and through the private sector inputs.

**Projects to prepare for EDIS for ISPA and Phare** (stage 1 for Phare and ISPA scheduled to start beginning of 3rd quarter 2002, stage 2 to be completed by the first quarter of 2003, 3rd stage to be completed by 3rd quarter 2003). Input to be provided by private TA and through the twinning project above.

**Project No 2001/CZ/16/P/PA/004 Assessment of capacity of the National Fund and ISPA Implementing Agencies to implement ISPA** under the EDIS comprised of audits of and subsequent technical assistance for bodies (MoTC, State Environmental Fund and Centre for Regional Development) that will become managing structures for Cohesion fund.

**Project No CZ-00-04-05 Strengthening Regulation and Enforcement of the Public Procurement Acquis** - the outcomes of this project shall be used especially for assessing the tendering and contracting procedures.

Some Phare implementing agencies (Centre for Regional Development, Czech Industry and National Training Fund) that are envisaged to become intermediary bodies for respective operational programmes have been audited for grant schemes to be implemented under Economic and Social Cohesion component of the Phare Programme 2003. (Project No SSTA 1999 - ZZ 9909 Assessment and audit of the Phare Implementing Agencies and associated intermediaries' capacity for the implementation of grant schemes financed from the Phare 2003 programme.)

3.3 Results

The bodies responsible for implementing ESF assistance need to be able to perform the duties resulting from their functions so that Reg. 1260/99, Art. 34 and related regulations are properly fulfilled. The results of this project build upon previous projects and the structures developed
therein. Results are broken down in line with the implementation structure, rather than with the tasks
defined under article 34 of Reg. 1260/1999 (as is done for SOP Industry and CSF/JROP projects),
although all relevant references are given.
Component 1:
1) ESF department fully operational and staffed, capacity is developed and staff trained and
given clear guidance to be in a position to ensure the following:
   - Programme Complements revised, adopted by MC, Progr. document HRD SOP, SPD for
     Objective 3 Prague, ESF component of JROP and CI EQUAL negotiated and approved by EC.
   - Information and publicity strategy tested in Phare is reviewed and recommendations
     incorporated into the ESF communication strategy incl. “Communication Action Plan” ready for
     implementation (Regulation 1159/00 art. 46)
   - All ESF manuals, including applicants’ guide and model contracts, finalised, agreed, printed,
     distributed to relevant bodies, who are in a position to use as binding procedures.
   - ESF scoring and selection system established and tested;
   - Capacity of all the relevant bodies is developed so that the MA is able to draw up, have
     approved by the Monitoring Committee, and submit to the Commission the Annual
     Implementation Report according to: (Reg. 1260/99 art. 34)
   - Developed systems and mechanisms tested through Phare 2003 by applying them to HRD
     projects/grant schemes
   - Working organisation and coordination of partnership related with ESF (within ministries) set up
   - Potential beneficiaries informed of the use of ESF funding and system for feedback, FAQs
     tested through Phare, including thoughts collected on application form.
   - System for gathering reliable financial and statistical information on implementation finalised
     and operational (1260/99 art 34 a)
   - Monitoring system is reviewed and tested and recommendations for ensuring compatibility with the
     overall MSSF are implemented so it is in compliance and to ensure the possibility of translating
     all relevant information to this MSSF system, in order to gather information at CSF level.
     (Reg. 1260/99 art. 34 a)

2) Control Unit established and fully operational and staffed, capacity is developed and staff
trained and given clear guidance to be in a position to ensure the following:
   - System functioning to implement the statutory financial management requirements
   - Structures and procedures for financial control reviewed and recommendations provided and
     implemented. (Reg 438/2001)
   - Control procedures written and disseminated to relevant actors through the verification manual,
     drafted under CZ 0010.01.
   - 15-20 trained people in control issues Regulation 438/01 and 1685/00. This training will take
     into account:
     - Verification of reality of expenditure (Reg. 438/01 art. 9)
     - Respect of procurements rules
     - Fulfillment of eligibility provisions
     - (Physical and written) Certification of services provided (Reg. 438/01 art. 4)
     - Keeping records (Reg. 1260/99 art. 39)
     - Compliance with Community policies (Reg. 438/01 art. 4)

3) Functionally independent Paying Unit able to effect payments and meet the requirements
of the Guidance issued by the Paying Authority
   - Payment system designed and operational
   - 5-10 trained people on the (MSSF) monitoring system and payment system. All paying unit staff
     will be trained + all those who will work with it. (The agency and procedures will be set up in
     2002 but all staff will be recruited in 2003).
   - Procedures written, developed, agreed and disseminated to relevant actors through the
     operational manual; and relevant staff trained in procedures.
   - Different manuals for various beneficiaries and areas developed
4) Audit Unit fully operational and staffed, capacity is developed and staff trained and given clear guidance to be in a position to ensure the following:
   - Audit trail established [Reg.438/01 art. 7, Annex 1]
   - 18-20 people trained
   - Procedures written, developed and agreed

5) ESF team in the Ministry of Education (MoEYS)
   - A fully operational team trained as a main IB for education measures
   - 8-10 member-team trained to use the guidelines and procedures
   - Specific guidelines for education developed and agreed
   - Trained on the Monitoring system and on project development for providers
   - A catalogue of type of projects established for education
   - Projects promoters in education sector trained

6) ESF team in the Employment Services Administration (ESA)
   - A fully operational team trained as a main IB for employment and training measures
   - Team trained to use the guidelines and procedures
   - Employment Services ready for implementation and evaluation of NEAP measures under ESF
   - Specific guidelines employment and training developed and agreed
   - Trained on the Monitoring system and on project development for providers
   - A catalogue of type of projects established for employment and training
   - Projects promoters in employment and training sector trained

7) Other Intermediary Bodies, Implementing bodies and final beneficiaries fully operational and Staffed, ie those not mentioned in points 5-6 (for a differentiation in definitions, please see table in Section 4 and Annex 4)
   (Regional Labour Offices, NTF, MRD, MoH, MIT, MoE, Prague City council)
   - All actors well trained in all aspects of Structural Funds management and implementation (for individual measures)
   - IBs and Final Beneficiaries able to amend and apply procedures manuals and application guide sufficiently
   - All IBs and FBs staffed with well trained employees ready for implementation of OP HRD and SPD Objective 3 Prague

8) ESF TA activities and team defined
   - Report finalised (on basis of Programme Complements and general review) which details the overview of actions to be supported by Technical Assistance

Component 2:
9) Ready information and publicity materials
   - Strategy and Action plan adopted
   - Content of Information (brochures, leaflets, newsletter, web pages, etc.) designed and adopted
   - publicity materials designed, manufactured, supplied and distributed

Requirement of 1159/2000 are observed by all bodies

3.4 Activities

(i) Twinning:

1) EFS Unit fully operational and staffed
   The activities are:
   - Further development of programme management capacity including negotiation with and
reporting to the EC
- Establishing the final manuals including a test period with different actors implied
- Drawing up the documentation for the implementation of ESF, i.e. operational guidelines, guidelines for applicants etc
- Training of evaluators
- Coordination of all Twinning activities by PAA 1 (giving support to different teams)
- On going Training of all teams
- Daily support for the ESF team
- Finalisation of all procedures
- Assistance with the establishment of scoring and selection system
- Design of format and procedures for annual implementation reports
- Implementation of ESF communication strategy – “Communication Action Plan” described in programme complement, preparation of information and publicity instruments (brochures, leaflets, newsletter, web page, etc.)
- System established for gathering information. Monitoring system should be in compliance with MSSF-system.
  - Training of people for monitoring system
  - Adoption of the final indicators and targets
  - Coordination with MRD, MoF and all ministries involved
  - Coordination with Final beneficiaries
  - Participation to the establishment of the manuals
- Testing of the developed systems and mechanisms through Phare 2003 by applying them to HRD projects/grants schemes
- Implementing recommendations, where relevant, provided by the Phare 2002 TA (CZ0002/000-282.10.04) project Start up compliance and system audits of SF/CF implementation structures.

2) Control Unit established and operational and staffed
The activities are:
- Designing the control process
- Training controllers on checks and control procedures (5-8 people)
- Drafting scheme and tasks
- Drafting procedures
- Coordination with relevant teams
- Implementing recommendations, where relevant, provided by the Phare 2002 TA (CZ0002/000-282.10.04) project Start up compliance and system audits of SF/CF implementation structures.

3) Functionally independent Paying Unit able to affect payments and meet the requirements of the Guidance issued by the Paying Authority - The activities are:
- Training people on EU regulations and national ones, on paying process and payment procedures (5 people)
- Drafting tasks
- Testing of payment system and drafting of procedures
- Coordination with relevant teams
- Consulting and adopting the final version of procedures for various final beneficiaries
- Disseminating the manuals of procedures to all relevant actors
- Coordination with MoF and MRD
- Implementing recommendations, where relevant, provided by the Phare 2002 TA (CZ2002/000-282.10.04) project Start up compliance and system audits of SF/CF implementation structures.

4) Audit unit fully operational and staffed
The activities are:
- Training auditors on regulations 438 and others related regulations including the national ones (5-8 people)
- Drafting tasks and audit trail
- Drafting and obtaining agreement on procedures
• Coordination with MRD and MoF
• Implementing recommendations, where relevant, provided by the Phare 2002 TA (CZ2002/000-282.10.04) project Start up compliance and system audits of SF/CF implementation structures.

5) ESF Unit in MoEYS
The activities are:
• Designing the Action plan for MoEYS
• Training Team on basic and advanced ESF issues, including training on using the guidelines and procedures manuals (8-10 people)
• Preparing the organisational arrangements of ESF in MoEYS and in partner institutions
• Designing and establishing the financial flows between Ministry and final beneficiaries (in coordination between MoLSA and MoF)
• Drafting and adjusting the specific guidelines and contracting documents for the area of education (in coordination with MoLSA)
• Permanent Coordination with MoLSA and MoF
• Implementing recommendations, where relevant, provided by the Phare 2002 TA (CZ2002/000-282.10.04) project Start up compliance and system audits of SF/CF implementation structures.

6) ESF Team in ESA
The activities are:
• Designing the Action plan for ESA
• Training Team on basic and advanced ESF issues including training on using the guidelines and procedures manuals (5-8 people)
• Preparing the organisational arrangements of ESF in ESA and in partner institutions
• Designing and establishing the financial flows between MoLSA, Labour Offices and final recipients (in coordination between MoLSA and MoF)
• Drafting and adjusting the contracting documents (in coordination with ESF Department at MOlsa)
• Permanent coordination with MoLSA and MoF
• Follow up of the implementation of the NEAP
• Support to introduce the NEAP in ESF
• Implementing recommendations, where relevant, provided by the Phare 2002 TA (CZ2002/000-282.10.04) project Start up compliance and system audits of SF/CF implementation structures.

7) Other Intermediary bodies, implementing bodies and final beneficiaries fully operational and staffed
(Regional Labour Offices, NTF, MRD, MoH, MIT, MoE, Prague City Council)
The activities are:
• Training activities for IBs (workshops, study visits)
• Coordination between IB and MoLSA and other ministries
• Support to ESA in implementing ESF at central and regional level
• Contracting documents (in coordination with MoLSA)
• Implementing recommendations, where relevant, provided by the Phare 2002 TA (CZ2002/000-282.10.04) project Start up compliance and system audits of SF/CF implementation structures.

8) ESF Technical Assistance activities and team defined
Activities will focus on:
• Specification of tasks and activities to be carried out by ESF technical assistance
• Designation of ESF technical assistance team
• Provision of advice and training required for ESF TA team

(ii) Supply contract

9) Ready information and publicity materials
Activities will focus on implementation of the “Communication Action Plan” for the whole ESF: graphical design, supply and distribution / dissemination of ESF information and publicity materials the content of that will be developed under twinning. Publicity and Communication Plan will be in compliance with overall activities developed in the framework of the CSF. These materials will be distributed to general public and all potential ESF users through a large number of intermediaries and implementing bodies for HRD OP, SPD Objective 3 Prague and JROP.

Means
The activities under Component 1 - will be carried out through twinning covenant. The activities under Component 2 –will be carried out via supply contract. Further details regarding inputs required are specified in Section 6.2 below and in the attached Logical Framework (Annex 1)

3.5 Lessons learned
The conclusions and recommendations of the recent M&A report by OMAS No.R/CZ/REG/00020 have been considered during the preparation of this project.

4. Institutional Framework
The institutional framework described below includes all of the relevant technical institutions and bodies that be beneficiaries of this projects, and will be involved in the ESF aspects of the CSF: Further details on the bodies are given in Annex 4

Ministry of Labour and Social Affairs
The Ministry of Labour and Social Affairs is a central ministry responsible for the Managing Authority tasks for HRD OP, SPD obj. 3 and the co-ordinating body for all the ESF funded measures. MoLSA will undertake delegated role and responsibilities of the Paying Unit for ESF. There will be one paying unit per fund. Decision concerning ESF and JROP is not definitely taken. The Employment Services Administration section is responsible for designing and implementing employment policy and managing the Employment Network consisting of 77 District Labour Offices and their local branches and is responsible for the implementation of the National Employment Action Plan. 14 Regional Labour Offices at NUTS III level were charged by the Minister to coordinate Labour market policy and they will implement selected measures of HRD OP, Labour Office Prague will implement part of SPD obj.3. Moreover, on 1st January 2000 the new regional MoLSA’s (department 45) offices were established in all NUTS II regions. Department 22 of MoLSA responsible for social policy is also participating to ESF.

Ministry of Education, Youth and Sports
The Ministry of Education, Youth and Sports is a central body responsible for policies in education and training including national curricula and standards in education. The ministry is expected to play a key role in implementing part of HRD OP devoted to the development of educational sector.

<table>
<thead>
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<th>Programming Document</th>
<th>Managing Authority</th>
<th>Structural Fund</th>
<th>Designated MA Dept</th>
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<td>SOP HRD</td>
<td>MoLSA</td>
<td>ESF</td>
<td>72 (Department of European Integration and Preparation for ESF Unit)</td>
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<td>SPD Prague Obj. 3</td>
<td>MoLSA</td>
<td>ESF</td>
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<td>JROP (ESF part)</td>
<td>MRD</td>
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Final beneficiaries
Under reserve of final approval of the programming documents by the CR Government, the final beneficiaries should be The Ministry of Labour and Social Affairs, The Ministry of Education, the Ministry of Trade and Industry, the Ministry of Environment.
**Intermediate bodies**

No final decision taken concerning the Intermediate bodies and eventual beneficiaries of global grants.

The MoLSA will be the main beneficiary institution for this project.

5. **Detailed Budget (mil.€)**

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<tr>
<th>Phase Support</th>
<th>Investment Support</th>
<th>Institution Building</th>
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6. **Implementation Arrangements**

6.1 **Implementing Agency**

Ministry of Finance / CFCU will be responsible for procurement of technical assistance and all supplies to be delivered under this project. MoLSA/MA will be responsible for preparations of ToR and technical specifications. MoLSA will co-ordinate the technical inputs of experts hired under this project.

6.2 **Twinning**

MoLSA is the main beneficiary institution for twinning. This twinning should be of approximately 18 months duration and provide for the services of 3 PAAIs. PAA 1 will be experienced in ESF programme management issues. This coordinator PAA will work for 18 months and be placed at ESF department. PAA 2 shall be experienced in employment policies and will be placed at ESA. PAA 3 shall be experienced in education and training policies and will be placed at MoEYS. These PAAs will work for 15 months and will be seconded by 3 Mid term experts: in the following 3 areas:

(i) Reinforcement and final preparation of paying agency and payment system for ESF and training - 6 months, (MTE 1)

(ii) Reinforcement of the control and audit Unit and training of them 6 months (MTE 2)

(iii) Programme management – 4 months (MTE 3)

The twinning team should be complemented by a pool of 10 to 20 short-term experts up to 150 days in total for specific field of expertise corresponding to the activities described under Component 1.

The twinning covenant shall also include provision for relevant training events (seminars, workshops and study visits) linked to activities 1-8.

6.3 **Non-standard aspects**

N/A

6.4 **Contracts**

(1) Twinning Covenant - 1.21 MEUR.
(2) Supply contract - 0.15 MEUR.
7. Implementation Schedule

7.1 Start of tendering/call for proposals Q4 2002
7.2 Start of project activity Q2 2003
7.3 Project Completion Q4 2004

8. Equal Opportunity

Equal opportunity principles and practices in ensuring equitable gender participation in the project will be guaranteed.

9. Environment
n.a.

10. Rates of Return
n.a.

11. Investment Criteria
n.a.

12. Conditionality and Sequencing
The start of contracting of the supply contract for information and publicity materials (Component 2) will depend on the provision of outputs of Component 1, under which these materials will be designed and developed.

Regarding the overall accession preparation, the important milestones relating to this project are the following; developments in square brackets not directly part of the project, but are considered linked activities.

- **By the end of 2002 at the latest**
  NDP, OPs and SPDs including Programme complements worked out according to the requirements of Reg. 1260/1999, including an ex-ante evaluation in the sense of Article 41, and submitted to the EC. [includes also: agreement obtained from all intermediate bodies to be involved in measures implementation, all implementing bodies/units established and staff structures in place, monitoring system agreed with all MAs and users and their roles defined including procedures with Czech Statistical Office, development of the HRD strategy by the MRD and the government office to achieve full administrative capacity of all MAs by accession, draft guidelines for MAs covering common approach in all fields related to effective administration of SF and CF produced under CZ00-10-01.] (Please see Annex 5 for a full list of all the guaranteed results of the CZ 0010.01 project which should be in place by the start of this project).
  [EDIS preparation – Phase 1: “Gap Assessment” completed for both Phare and ISPA Implementing Agencies, and Phase 2: “Gap Plugging” launched.]

- **By the beginning of 2003**
  [Czech co-financing (premises and equipment for twinning) available by the start of this Project].

  [EC assesses the documents received and informs the Czech side as the timetable for starting negotiations of the Community Support Framework, which will run throughout 2003].

  [EDIS preparation – Phase 2: “Gap Plugging” completed by 1st quarter of 2003]

- **By mid-2003**
  All common and specific guidelines for MAs and JROP procedures manuals prepared [and ready to be evaluated as part of the complementary project entitled “Start up compliance and system audits of SF/CF implementation structures”].
During second half of 2003
Intensive training of all responsible staff in MAs on common procedures and in MA JROP and its IBs on detailed procedures; external audit arranged by the MoF carried out.

During second half of 2003/first half 2004 All recommendations of the audit arranged by the MoF including any potential amendments to MA CSF/MA JROP procedures fulfilled.

Verification of the IT system (probably last quarter of 2003).

• Beginning 2004
Training of key staff on any amended procedures based on the audit arranged by the MoF financed and undertaken by responsible authorities

• A systems audit of all MAs, PA and intermediaries will be carried out at the turn of 2003/2004. The audit will result in series of recommendations which this project will assist in implementing.

ANNEXES TO PROJECT FICHE

1. Logical framework matrix
2. Detailed implementation chart
3. Contracting and disbursement schedule
4. Institutional Framework
5. Guaranteed Results of the Phare project CZ 2000.10.01
**LOGFRAME PLANNING MATRIX**

**Project title:** SOP HRD and ESF Structures – Building Implementation Capacity

**Programme number:** CZ 2002/000-282.10.01

**Contracting period expires:** 2003 - 2004  
**Disbursement period expires:** 2004 - 2005

**Beneficiary institution:** MoLSA – MA HRD SOP, SPD obj. 3 (Prague)

**Total budget:** 1.36 mil.€  
**Phase budget:** 1.36 mil.€

### Overall objective

- The ability to take on the obligations of membership in the area of Social Policy and Employment, and structural funds, mainly ESF

### Project purpose

- Finalise development of structures and capacities to effectively manage the European Social Fund (ESF) upon accession at national and regional level.

### Results

#### Component 1

*Regulation 1260/99 Article. 34*

1) ESF department fully operational and staffed, capacity is developed and staff trained and given clear guidance to be in a position to ensure following:

- Programme Complements revised, adopted by MC, Progr. document HRD SOP, SPD for Objective 3 Prague, ESF component of JROP and CI EQUAL negotiated and approved by EC

- Information and publicity strategy tested in Phase is reviewed and recommendations incorporated into the ESF communication strategy incl. “Communication Action Plan” ready for implementation (Regulation 1159/00, art. 46)

- All ESF manuals, including applicants’ guide and model contracts, finalised, agreed, printed, distributed to relevant bodies, who are in a position to use as binding procedures

#### Component 1

1) ESF department fully operational and staffed

HR strategy for finalisation management capacity for ESF will be implemented

All relevant documentation (ESF manuals/guidance) for programme management and applicants made available for use by end of 2003

Revision of programmes during 2003. Programme complement approved by Monitoring Committee. HRD SOP, SPD obj. 3, CI EQUAL approved by Commission

- Check of Regulation 1159/00 by some expert
- Manuals printed, distributed to relevant bodies
- Staff well trained in manuals
- Manuals for MA, Control and Audit unit
- Applicants guide approved by Monitoring Committee

#### Objectively verifiable indicators

- Positive EC assessment

#### Sources of Verification

- EC Regular Report on progress in Accession

#### Assumptions

- Other parts of the acquis implemented and enforced to fulfil the 3rd Copenhagen criterion

#### Objectively verifiable indicators


- EC Regular Report on progress in Accession
- Joint Assessment of the Employment Policy reports
- Reports prepared for the Monitoring subcommittees on Social Policy and Employment and ESC

#### Objectively verifiable indicators

- Reports generated by monitoring system
- Project progress and final reports
- Reports by external auditors hired under related Phare 2002 project
- MoLSA, MoEYS, NTF, IBs – organigrams, tasks description, job description, management procedure manuals
- MoLSA, MoEYS, NTF web pages

#### Assumptions

- Institutions entrusted with activities in programming and implementation of ESF recruit and retain adequate staff
- MoRD successfully implement the overall monitoring and information system for SF
- MoF secure for smooth system of financial flows
- All decisions taken concerning the implementation scheme
- SOP HRD adopted by Government
- SPD Objective 3 adopted by Government
- Technical equipment for Paying unit, Audit unit and Control unit
• ESF scoring and selection system established and tested
• Capacity of all the relevant bodies is developed so that the MA is able to draw up, have approved by the Monitoring Committee, and submit to the Commission the Annual Implementation Report according to Reg. 1260/99, art. 34
• Developed systems and mechanisms tested through Phare 2003 by applying them to HRD projects/grant schemes
• Working organisation and coordination of partnership related with ESF (within ministries) set up
• Potential beneficiaries informed of the use of ESF funding and system for feedback, FAQs tested through Phare, including thoughts collected on application form
• System for gathering reliable financial and statistical information on implementation finalised and operational
• Monitoring system is reviewed and tested and recommendations for ensuring compatibility with overall MSSF are implemented so it is in compliance to ensure the possibility of translating all relevant information to this MSSF system, in order to gather information at CSF level

2) Control Unit established and fully operational and staffed, capacity is developed and staff trained and given clear guidance to be in a position to ensure the following:
• System functioning to implement the statutory financial management requirements
• Structures and procedures for financial control reviewed and recommendations provided and implemented
• Control procedures written and disseminated to relevant actors through the verification manual, drafted under CZ 0010.01.
• 15-20 trained people in control issues (Regulation 438/01 and 1685/00) - verification of reality of expenditure

14) Manuals achieved (one manual of procedures for the internal team, one for the main stakeholders).
15) Training of a team of evaluators
16) Monitoring system implemented and tested in the field of MoLSA, IBs and final beneficiaries
17) Monitoring indicators definitively adopted by MoLSA, MC

2) Control Unit established
18) ESF control unit established and sufficiently equipped
19) Written manuals and procedures
20) Training for aprox. 5 people in the centre
21) Test exercise done by staff of control unit at the end of training

3) Paying Unit established
22) Paying Unit established
23) Written manuals and procedures for financial flows ready for use by end of 2003 for different measures
24) Test exercise done by staff of control unit at the end of training

4) Audit Unit established
25) A team of auditors
26) Audit trail in place by end of 2003
27) Written manuals and procedures for audit ready for use by end of 2003

5) ESF team in the Ministry of Education MoEYS
28) Department in Ministry of Education for SOP HRD (lifelong learning) management created and well trained
29) Trained in ESF issues, able to do all work related with ESF
30) Able to provide consultations, use money from ESF

Control unit
• Recruitment of the staff for Audit, Control and Paying unit (in the case that the recruitment of staff will be delayed, activities will start later and will be more intensive)
- respect of procurement rules
- Fulfilment of eligibility provisions
- (Physical and written) Certification of services provided
- Keeping records
- Compliance with Community policies
- Procedures written, develop and agreed and disseminated to relevant actors through the operational manual, and relevant staff trained in procedures
- Different manuals for various beneficiaries and areas developed

3) Functionally independent Paying Unit able to effect payments and meet the requirements of the Guidance issued by the Paying Authority
- Payment system designed and operational
- 5-10 trained people on the (MSSF) monitoring system and payment system. All paying unit staff will be trained + all those who will work with it. (The agency and procedures will be set up in 2002 but all staff will be recruited in 2003).
- Procedures written, developed, agreed and disseminated to relevant actors through the operational manual; and relevant staff trained in procedures.
- Different manuals for various beneficiaries and areas developed

4) Audit Unit fully operational and staffed, capacity is developed and staff trained and given clear guidance to be in a position to ensure the following:
- Audit trail established (Reg.438/01 art. 7, Annex 1)
- 18-20 people trained
- Procedures written, developed and agreed

5) ESF team in the Ministry of Education (MoEYS)
- A fully operational team trained as a main IB for education measures
- 8-10 member-team trained to use the guidelines and procedures
- Specific guidelines for education developed and agreed
- Trained on the Monitoring system and on project

31) 30 trained people (approximately)

6) ESF team in the Employment Services Administration (ESA)
- Training for ESA team
- Contracting documents established
- Financial flows between MoLSA, LO and final beneficiaries established

7) Intermediary Bodies and final beneficiaries fully operational
32) ESF Department in MoLSA, , Ministry of Education, NTF, sectoral Implementing Bodies, intermediary bodies, final beneficiaries sufficiently staffed with well trained employees by the end of 2003
33) IBs designed, nominated and tasked
34) Clearly defined chart
35) Implementation structure of OP HRD ready for implementation in 2004
36) Guidance and assistance provided to number of potential project developers
37) Increase in number of quality projects in HRD
38) Database of projects held by MA
39) Channels for projects applications ready

8) ESF Technical Assistance team established

Component 2:
development for providers
- A catalogue of type of projects established for education
- Projects promoters in education sector trained

6) ESF team in the Employment Services
   Administration (ESA)
- A fully operational team trained as a main IB for employment and training measures
- Team trained to use the guidelines and procedures
- Employment Services ready for implementation and evaluation of NEAP measures under ESF
- Specific guidelines employment and training developed and agreed
- Trained on the Monitoring system and on project development for providers
- A catalogue of type of projects established for employment and training
- Projects promoters in employment and training sector trained

7) Other Intermediary Bodies, Implementing bodies and final beneficiaries fully operational and Staffed, ie those not mentioned in points 5-6 (for a differentiation in definitions, please see table in Section 4 and Annex 4)
   (Regional Labour Offices, NTF, MRD, MoH, MIT, MoE, Prague City council)
- All actors well trained in all aspects of Structural Funds management and implementation (for individual measures)
- IBs and Final Beneficiaries able to amend and apply procedures manuals and application guide sufficiently
- All IBs and FBs staffed with well trained employees ready for implementation of OP HRD and SPD Objective 3 Prague

8) ESF TA activities and team defined
- Report finalised (on basis of Programme Complements and general review) which details the overview of

9) Ready information and publicity material
40) ESF information and publicity materials available throughout CR
actions to be supported by Technical Assistance

Component 2:

9) **Ready information and publicity materials**
   - Publicity materials designed, supplied and distributed

*Requirement of 1159/2000 are observed by all bodies*

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
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</table>
1) ESF Unit fully operational and staffed
   The activities are:
   - Further development of programme management capacity including negotiation with and reporting to the EC
   - Establishing the final manuals including a test period with different actors implied
   - Drawing up the documentation for the implementation of ESF, i.e. operational guidelines, guidelines for applicants etc
   - Training of evaluators
   - On going Training of all teams
   - Daily support for the ESF team
   - Finalisation of all procedures
   - Assistance with the establishment of scoring and selection system
   - Design of format and procedures for annual implementation reports
   - Implementation of ESF communication strategy – "Communication Action Plan" described in programme complement, preparation of information and publicity instruments (brochures, leaflets, newsletter, web page, etc.)
   - System established for gathering information. Monitoring system should be in compliance with MSSF system.
     - Training of people for monitoring system
     - Adoption of the final indicators and targets
     - Coordination with MRD, MoF and all ministries involved
     - Participation to the establishment of the manuals
   - Testing of the developed systems and mechanisms through Phare 2003 by applying them to HRD projects/grants schemes
   - Implementing recommendations, where relevant, provided by the Phare 2002 TA (CZ2002/000-282.10.04) project Start up compliance and system audits of SF/CF implementation structures.

Component 1
Component one covers activity 1 to 8

Twinning covenant for the estimated value of 1.21 MEUR. It should be of approximately 18 months duration and provide for the services of 3 PAAs. This coordinator PAA will work for 18 months and be placed at ESF department. PAA 2 shall be experienced in employment policies and will be placed at ESA. PAA 3 shall be experienced in education and training policies and will be placed at MoEYS. These PAAs will work for 15 months and will be seconded by 3 Mid term experts in the following areas: (i) establishment of payment system for approximately 6 months (to assist the Payment Unit), (ii) audit trail/ implementation of the requirements established by the Council Regulation No. 438/2001 for approximately 6 months (to assist the Control Unit), (iii) programme management for approximately 4 months. The twinning team should be complemented by a pool of 10 to 20 EU Short term experts up to 150 days in total for specific field of expertise corresponding to the activities described in the Action Plan.

Seminars, workshops and study visits linked to activities 1-8.

- Institutions entrusted with activities in programming and implementation of ESF are active in participation in the respective project components
- Institutions identified as intermediary bodies, final beneficiaries and / or project promoters are in a position to participate in activities under component 2

This project should build on the results of the above Phare projects in the way of disseminating the acquired know-how and implementing the accepted recommendations and proposals (i.e. a suitable model for administration of ESF in the CR etc.).

- CZ9902-02-01: The twinning project led to the basic training in ESF issues of the respective MoLSA staff responsible for future administration and realisation of the ESF. During this project some of the key documents has been created, refined and updated, i.e. the National Employment Action Plan for 2002 and the Sector Operational Programme for Human Resources Development.
- CZ99/IB-CO-03: The project is connected to the above mentioned project CZ9902-02-01 and will lead to the strategy to secure disadvantaged groups benefit from ESF and proposal for a global grant scheme for social capital.
2) Control Unit established and operational and staffed
The activities are:
- Designing the control process
- Training controllers on checks and control procedures (5-8 people)
- Drafting scheme and tasks
- Drafting procedures
- Coordination with relevant teams
- Implementing recommendations, where relevant, provided by the Phare 2002 TA (CZ2002/000-282.10.04) project Start up compliance and system audits of SF/CF implementation structures.

3) Functionally independent Paying Unit able to affect payments and meet the requirements of the Guidance issued by the Paying Authority
- The activities are:
  - Training people on EU regulations and national ones, on paying process and payment procedures (5 people)
  - Drafting tasks
  - Testing of payment system and drafting of procedures
  - Coordination with relevant teams
Consulting and adopting the final version of procedures for various final beneficiaries
- Disseminating the manuals of procedures to all relevant actors
- Coordination with MoF and MRD
- Implementing recommendations, where relevant, provided by the Phare 2002 TA (CZ2002/000-282.10.04) project Start up compliance and system audits of SF/CF implementation structures.

4) Audit unit fully operational and staffed
The activities are:
- Training auditors on regulations 438 and others related regulations including the national ones (5-8 people)
- Drafting tasks and audit trail
- Drafting and obtaining agreement on procedures
- Coordination with MRD and MoF
- Implementing recommendations, where relevant, provided by the Phare 2002 TA (CZ2002/000-282.10.04) project Start up compliance and system audits of SF/CF implementation structures.

Component 2:
The supply contract will be of an estimated value of 0.15 MEUR to cover the graphical design, supply and distribution / dissemination of ESF information and publicity materials that will be developed under twinning (see Component 1 above).

CZ2000-10-01: CZ2000-10-01: The key ESC objective is to prepare the Czech Republic to assume all obligations stemming from individual EC regulations for Structural Funds, the Cohesion Fund, and other legal norms of the European Community, and to establish institutional and other prerequisites for the use of the Structural Funds and the Cohesion Fund. The twinning project will lead in its results lead to the further development of the institutional building necessary, shall built up on the results of the previous projects realised and be orientated more on the regions' needs. The work carried out by the ESF PAA will be used and followed up by the new project. Results of the project:
- Revised and finalised ESF Administration Model ready for full implementation of the HRD SOP;
- ESF Administration Model applied to all NUTS II regions
- National Action Plan for employment drafted for 2003;
- Existing legislation revised and/or new developed as may be necessary to ensure effective implementation of the National Employment Plan / Human Resources Development SOP.
5) ESF Unit in MoEYS
The activities are:
• Designing the Action plan for MoEYS
• Training Team on basic and advanced ESF issues, including training on using the guidelines and procedures manuals (8-10 people)
• Preparing the organisational arrangements of ESF in MoEYS and in partner institutions
• Designing and establishing the financial flows between Ministry and final beneficiaries (in coordination between MoLSA and MoF)
• Drafting and adjusting the specific guidelines and contracting documents for the area of education (in coordination with MoLSA)
• Permanent Coordination with MoLSA and MoF
• Implementing recommendations, where relevant, provided by the Phare 2002 TA (CZ2002/000-282.10.04) project Start up compliance and system audits of SF/CF implementation structures.

6) ESF Team in ESA
The activities are:
• Designing the Action plan for ESA
• Training Team on basic and advanced ESF issues including training on using the guidelines and procedures manuals (5-8 people)
• Preparing the organisational arrangements of ESF in ESA and in partner institutions
• Designing and establishing the financial flows between MoLSA, Labour Offices and final recipients (in coordination between MoLSA and MoF)
• Drafting and adjusting the contracting documents (in coordination with ESF Department at MOLSA)
• Permanent coordination with MoLSA and MoF
• Follow up of the implementation of the NEAP
• Support to introduce the NEAP in ESF
• Implementing recommendations, where relevant, provided by the Phare 2002 TA (CZ2002/000-282.10.04) project Start up compliance and system audits of SF/CF implementation structures.

- CZ01-10-03: The project will lead to the support of regional and economic development, to the development of structures and measures to increase absorption capacity at the national as well as regional level. To ensure that the Czech Republic has capacity to propose, prepare, manage and administer complex, well-designed projects, addressing needs effectively at national and regional level, making use of all available funds.

The new project will establish strong coordination with the new projects 02 linked to ESF. A coordination team will be set up. It is already forecasted that the PAA 1 will be not only responsible for the internal project coordination but for external too.
7) Other Intermediary bodies, implementing bodies and final beneficiaries fully operational and staffed
   (Regional Labour Offices, NTF, MRD, MoH, MIT, MoE, Prague City Council)

   The activities are:
   - Training activities for IBs (workshops, study visits)
   - Coordination between IB and MoLSA and other ministries
   - Support to ESA in implementing ESF at central and regional level
   - Contracting documents (in coordination with MoLSA)
   - Implementing recommendations, where relevant, provided by the Phare 2002 TA (CZ2002/000-282.10.04) project Start up compliance and system audits of SF/CF implementation structures.

8) ESF Technical Assistance activities and team defined

   Activities will focus on:
   - Specification of tasks and activities to be carried out by ESF technical assistance
   - Designation of ESF technical assistance team
   - Provision of advice and training required for ESF TA team

Component 2

9-Ready information and publicity materials

   Activities will focus on implementation of the
   “Communication Action Plan”: graphical design, supply and distribution / dissemination of ESF information and publicity materials that will be developed under twinning

The administration model for the ESF and the implementation structures for the HRD OP including clear definition of the role and responsibilities of all institutions involved adopted.
The Minister of Labour & Social Affairs/ESF Unit entrusted the respective MoLSA departments with the execution of the activities of the ESF Department, the Managing Authority for OP HRD.
The Minister of Education Youth and Sports entrusted the appropriate MoEYS department with the execution of ESF activities under their responsibility.
# DETAILED IMPLEMENTATION CHART

**SOP HRD and ESF Structures – Building Implementation Capacity**

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<td>2002</td>
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<tr>
<td>Call for twinning proposals</td>
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<td>Signature of twinning covenant</td>
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<tr>
<td>Start of twinning activities</td>
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<tr>
<td>End of twinning activities</td>
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<tr>
<td>Submission of technical specifications by MoLSA to CFA</td>
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<tr>
<td>Issue of tender for supply of information and publicity materials</td>
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## CONTRACTING AND DISBURSEMENT SCHEDULE

### Cumulative Quarterly Contracting Schedule (mil.€)

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### Cumulative Quarterly Disbursement Schedule (mil.€)

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INSTITUTIONAL FRAMEWORK

Ministry of Finance
The Ministry of Finance as a Paying Authority for all Structural funds will be delegating part of responsibility and tasks bearing on verification and payment issues on Paying Units. Links with the National Fund of MoF and department 17 will be reinforced. MoF will be associated to the manuals.

HRD Monitoring Committee
The existing pre-MoC HRD is chaired by MoLSA, with representatives from the Ministry of Education, Youth and Sports, the Ministry of Industry and Trade and the Ministry for Regional Development, regional authorities, other ESC line ministries, NGOs and economic and social partners. It supervises and co-ordinates all activities related to the preparation of EU policies in Employment and HRD in the Czech Republic as well as future use of the ESF.

HRD Management Committee
The establishment of a MaC HRD is considered. It will be chaired by MoLSA and consists of the key ministries and partners in employment, education and HRD fields. The MoLSA shall delegate to MaC HRD some of the responsibilities of the Managing Authority especially final approval of projects proposed by the evaluation committees. The role of Management Committee will be the role defined by Regulation 1260/99 art. 35.

National Training Fund
The NTF is a non-profit institution (public beneficially organisation) established by MoLSA. It works in a close co-operation with the key ministries and the economic and social partners. The NTF operates under the supervision of its Board of Directors, which provides strategic guidance and ensures accountability to all partners. The NTF has been accredited as the Implementing Agency for Phare investment projects in the fields of employment, education and HRD. The NTF will act as support structure to the Managing Authority for the implementation of the CI EQUAL and ESF / OP HRD. It is still under discussion if NTF will be a final beneficiary.

Ministry of Regional Development
MoRD is the central body responsible for regional policy. It has been appointed as the national co-ordinator for implementation of the policies in Economic and Social Cohesion and implementation of SF/CF. It is also a designated MA for OP Tourism.
Benchmarks to be achieved by 30 September 2002

1. Delegation of functions of Managing Authorities, Paying Authority decided and all intermediate bodies identified and delegated functions clearly established; overview / organigrammes and text descriptions.

2. Organisational & administrative structure for financial flows and controls defined for each OP.

3. Sub group of MCC for Programmes operational.

4. Revised NDP with financial framework and ex-ante evaluation incorporated, ready for consultation and submission to Government.

5. First full draft of all OPs produced and consultation process engaged.

6. All ex ante evaluations including Strategic Environmental Impact Assessments completed for NDP and all OPs. Overview table up-to-date and annexed to 4th quarterly report.

7. Established Inter Ministerial working group to agree standard application forms and payment claim forms design and checklists (to check eligibility and compliance) based on advice and model forms delivered by STEs.

8. Czech side to present draft specimen standard reports produced from the MSSSF following workshop by STEs in May.

9. Czech side to present model guidelines on evaluation strategy and information following workshop delivered by STEs.

10. Member state experts delivered advice and guidance on the processes involved in making payments to Final beneficiaries for payments part of CSF manual once point 2 is clarified.

11. First draft of Czech version of Verification manual (5 per cent on-the-spot checks) (based on Scottish experience) agreed with other ministries in formal committee structures.

12. Human resource plan (Chapter 21 commitment) produced to show how staff numbers in Managing and Paying Authorities and intermediate bodies and capacity will be stepped up by end of 2003

13. Outline structure and contents of all Programme Complements prepared, including the ex-anted measures for all PCs.

14. Full consultations with all partners taken place within wider context of the NDP and all OPs, and fully documented, full description of process included in output reports.

Part of consultation process: Workshop on Financial Framework of NDP taken place

15. Part of consultation process: Workshop on implementation structures for OPs and CSF taken place

16. Model guidelines as text basis for CSF manual (and checklists for application forms) on eligibility and compliance with EC policies – state aids (incl. notifying aid schemes, updating state aid table, percentages of state aid map for CR, etc), public procurement, environmental protection, equal opportunities) produced by Member State experts together with a workshop on each issue [note: all topics will in principle also have to be covered in the application form at the intake of projects – see 7]

17. First draft set of application forms and payment claim forms produced in Czech and accompanying flow charts to clarify process of payment claims/invoices.

18. Overall evaluation strategy produced by Ministry for Regional Development for evaluating programmes in framework of the CSF (individual strategies for each programme to be drafted in the individual OPs).

19. Information and publicity strategy produced by Ministry for Regional Development.

20. First draft of the structure of an ESF manual produced by MoLSA.
22. Set of model projects for Final Beneficiaries produced by Member State experts as examples of types of projects which can be supported under Structural Funds.

23. Roll-out training sessions organised to demonstrate System to all potential users and in the regions.
1.1. Benchmarks to be achieved by 31 December 2002

1. Update of the NDP for 2003-06 ready for presentation for the negotiation of CSF.

2. The NDP, the Joint ROP and SOPs and SPDs for Prague (including all Programme Complement measures) have undergone ex-ante evaluation in accordance with Article 41 of Regulation 1260/99.

3. JROP, SOPs and SPDs for Prague with Programme Complements prepared ready for negotiation as Operational Programmes.

4. Implementation structures agreed and established for JROP and also for SOPs and SPDs, i.e., tasks of Managing and Paying Authorities and delegation to intermediate bodies finalised and agreed. Units operating but not at full strength – increase in capacity to take place in 2003 (detail of structure for each OP contained in Programme Complement or Prog. document).

5. Systems and structures established for the Phare ESC 2003 investment programme for full consultation of different partners (local and regional authorities, relevant NGOs) and for inter-ministerial co-ordination.


7. Monitoring Committees and other committees envisaged for implementation established.

8. Key performance indicators established and agreed for all Programme documents.

9. Monitoring system design phase completed and ready for roll-out to all users in 2003.

10. Rules for financial management, verification & control established & financial flows clarified.


12. Parallel arrangements identified to deal with phasing out of Phare and transition to Structural Funds (main similarities between Phare grant schemes and Structural Funds defined).

13. Systems and structures for Cohesion Fund (adapted from ISPA practices) identified and prepared for implementation on Accession.

14. Final Beneficiaries identified and aware of their role and responsibilities.

15. Model projects and model schemes from Member States developed as examples for Czechs.

16. Manual (or Guidelines) produced in draft format to be finalised and elaborated in more detail during 2003, as follows:

FOR Managing Authorities and Intermediate bodies

17. **CSF Manual**

Produced by Ministry for Regional Development for other Managing Authorities and Intermediate Bodies (based on Irish model); Detailed Operational Manuals on each OP to be produced by MA for OP during 2003

18. **ESF Manual**

Produced by MoLSA on operation of European Social Fund

19. **Verification Manual**

(5 % on-the-spot checks) Produced by MRD with other ministries part. MF.

20. **Evaluation Guidelines**

Produced by Ministry for Regional Development

21. **Info & Publicity Guidelines**

Produced by Ministry for Regional Development

22. **Eligible Expenditure Guidelines**

MRD for ERDF and MOLSA for ESF

23. **MSSF Draft Operational Manual**

Produced by Ministry for Regional Development
FOR FINAL BENEFICIARIES

24. Application forms
Set produced by MRD (agreed with MOLSA for ESF) to match with fields in MSSF. Guidelines on completing the forms to be finalised in 2003.

25. Compliance guidelines & checklists
   Coordinated by Ministry for Regional Development

   25a. State Aids
   Produced by MIT
   25b. Procurement
   Produced by MRD
   25c. Equal Opportunities
   Produced by MOLSA
   25d. Environment
   Produced by Ministry of Environment
GUARANTEED RESULTS TO BE ACHIEVED BY APRIL 2003

Component 1: Regional Policy and Co-ordination of Structural Instruments

Update of the NDP for 2003\(^1\)-06 ready for presentation for negotiation of CSF.

ROPs\(^2\) and SOPs also updated and Programme Complements prepared ready for negotiation as OPs (but depends on progress on negotiations for Accession and timetable for entry).

Implementation structures established and operational in all 8 NUTS II regions (also for SOPs).

Managing, Paying Authorities & Mon. Committees established & prepared for implementation.

Key performance indicators established for all Programme documents.

Monitoring system in place and tested.

Rules for financial management, verification and control established and tested.

Clear project pipeline established for bringing forward projects for potential funding.

Procedures tested through call for proposals for schemes under Phare 2000-2002.

Parallel arrangements identified for phasing out of Phare and transition to Structural Funds.

Systems and structures for Cohesion Fund (adapted from ISPA practices) identified and prepared for implementation on Accession.

Systems and structures established for full consultation of different partners (local & regional authorities, relevant NGOs) and improved inter-ministerial co-ordination.

Component 2: Industry

Updated Industry SOP covering 2003-06 and ready for negotiation as OP in line with the general framework of the CSF.

All relevant structures in place for implementation of SOP at national and regional level.

Project officers for assisting SMEs in 8 NUTS II regions identified and trained (ie increased absorption capacity).

\(^1\) Since approval of the covenant the NDP is foreseen for a shorter period – from 2004-2006.

\(^2\) Since approval of the covenant, there will not be individual NUTS II ROPs but 1 Joint ROP for Objective 1.
Model projects and model schemes developed.

Training & guidance material developed for use by project officers in all agencies when carrying out development & appraisal tasks. Full use will be made of online IT to this end.

Regionalised actions under SOP Industry co-ordinated with the regionalised actions under [J]ROP, ie which OP is going to support what.

Component 3. Human Resource and preparing for ESF

Revised SOP, and update of HRD chapter of the NDP and ready for negotiation as OP in line with the general framework of the CSF.

All the texts reviewed and updated.

Control and evaluation procedures established.

Co-ordination mechanisms established.

All stakeholders of ESF including Final Beneficiaries identified and aware of their role and responsibilities.

An ESF team in the Ministry of Education.

A manual on ESF.

Regionalised actions under the SOP for Human Resource Development co-ordinated with the regionalised actions under ROPs ie which OP is going to support what.