STANDARD SUMMARY PROJECT FICHE

1. Basic information
   1.1. Désirée Number: CZ2002/000-282.10.03
   1.2. Twinning Number: CZ02/IB/SPP/03
   1.3. Title: Joint Regional Operational Programme and Community Support Framework – Building Implementation Capacity
   1.4. Sector: Economic and Social Cohesion
   1.5. Location: Czech Republic

2. Objectives

2.1 Overall Objective:
Ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union including effective management of Structural Funds.

2.2 Project Purpose:
To ensure full compliance with the relevant SF Regulations by all designated bodies to be involved in the management of EU assistance.

2.3 Accession Partnership and NPAA priority

Accession Partnership 2001: Regional policy and co-ordination of structural instruments
- 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 2001: Medium-term priorities: Economic and Social Cohesion:
One of the medium term NPAA priorities is “Preparation for Structural Funds” with following relevant areas:
- Establishment of the Managing Authority for each Programme
- Planning and Programming (NDP, SOPs, JROP, SPDs)
- Management and Implementation of Projects
- Pilot Projects in Selected Regions
- Implementation Agency for SOPs, JROP
- Financial Management (Budgeting, Monitoring, Control and Evaluation, Audit)

3. Description

3.1 Background and justification:
Upon accession the majority of the territory of the Czech Republic will qualify for SF assistance – either under Objective 1 (assumed 7 NUTS II regions out of 8) or under Objective 2 and 3 (selected regions within Prague NUTS II). To draw down Structural Funds, the CR must be able to prove that all requirements relating to the relevant EU regulations (particularly Reg. 1260/99, 1685/00, 438/01, 448/01, 1159/00, 1164/1994 and any other relevant legislation) are met, i.e. if administrative systems capable of efficient and effective programme management and implementation are in place. These administrative systems have to deliver quality programmes and projects to meet quantified targets specified in programming documents (CSF, OPs, SPDs and Programme Complements), be sensitive to the requirements of EU horizontal policies, publication requirements and guarantee
sound financial management and be transparent to meet the monitoring, control and evaluation obligations for programmes and projects.

According to the Government resolution No. 102/2002\(^1\), ministries responsible for the management of the SF assistance provided under the CSF to the Czech Republic and further to individual OPs, SPDs and CF have been designated as follows:

<table>
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<tr>
<th>Ministry for Regional Development (MRD)</th>
<th>Managing Authority (MA) CSF</th>
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<tr>
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<td>MA for Joint Regional Operational Programme (JROP),</td>
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<td>MA for SPD Prague Objective 2</td>
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<td>MA for SOP Tourism and Spa Industry</td>
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<td>MA for Cohesion Fund</td>
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<th>Ministry of Labour and Social Affairs (MoLSA)</th>
<th>MA for SOP HRD</th>
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<td>MA for SPD Prague Objective 3</td>
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<tr>
<th>Ministry of Industry and Trade (MIT)</th>
<th>MA for SOP Industry</th>
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<tr>
<td>Ministry for Transport and Communications (MTC)</td>
<td>MA for SOP Transport</td>
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<tr>
<td>Ministry of the Environment MoE</td>
<td>MA for SOP Environment</td>
</tr>
<tr>
<td>Ministry of Agriculture (MoA)</td>
<td>MA for SOP Rural Development and Multifunctional Agriculture</td>
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<tr>
<td>Ministry of Finance (MoF)</td>
<td>Paying Authority (PA) for all Structural Funds and the Cohesion Fund</td>
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The above Resolution (102/2002) also decided on submitting to the Commission six SOPs, one JROP and two SPDs. The Commission recommended to reduce the number of SOPs proposed and to reconsider the submission of SOP Environment, SOP Transport and SOP Tourism, whose measures could be incorporated into other programmes. The final decision based on further discussion with the EC should follow in short time. The Resolution indicates also a schedule for finalising all programming documents including programme complements and having them all undergo ex-ante evaluation by the end of 2002, by which time all the programming documents shall be submitted to the EC. The documents shall be negotiated with the EC during 2003 so as to start implementation of the programmes in early 2004.

Based on the above arrangements respective Ministries have to prepare a detailed system for managing, implementation, monitoring, evaluation and control of the SF programmes. Though the preparations for SF have been started already under Special Preparatory Programme (SPP) within Phare National Programme 1998, and are going on with the assistance provided under current Phare projects (see section 3.2., Linked Activities) there is a strong need for the additional assistance which will help cover last year before accession when all preparatory work has to be finalised in every detail.

The efforts to achieve the full stage of preparedness for SF are foreseen to be supported in total through four institutional building projects under Phare 2002. The assistance provided under this project will focus on achievement of full administrative capacity of the Managing Authority for the CSF and the Managing Authority for the Joint Regional Operational Programme (JROP) including its intermediate bodies. In addition to building its own administrative capacity, the CSF Managing Authority assumes the responsibility for preparation of all MAs for those activities which should be carried out in a unified manner across all OPs and SPDs. Thus, certain activities proposed under CSF MA are not focused on the administrative capacity of the MA CSF itself but on appropriate capacities of all MAs (covering issues common for all MAs, which have been subject of analysis in a previous project, see 3.2). Other three projects will be located in the MoLSA (finalisation of the preparations for the ESF), in the MIT (preparation of MA and its structures for SOP Industry) and in the MoF (compliance audit of Paying authority and Managing authorities and all their intermediary bodies).

The highest priority will also be given to the horizontal emerging and urgent need to address intensive ongoing involvement of NGOs in programming and implementation of SF assistance. This will be achieved through participation of a representative of Government Office (which is responsible for NGO sector) in CSF Steering Committee (see below) and all MCs. Later on, the CSF Monitoring Committee set up on the basis of transformation of the Managing and Co-ordination Committee in which the social partners fully participate will ensure support to the interests of NGOs. This project will also contribute to developing the permanent channels for NGO involvement besides the representation mentioned above.

\(^1\) on Finishing of the Programming Documents Preparation and Determining Managing and Paying Authorities for the Structural Funds and the Cohesion Fund
Specific arrangements are also foreseen for ensuring effective inter-ministerial co-ordination within this system. Close links have to be established among all these projects and among the MA-targeted ones in particular. The MRD as the CSF MA will set up a CSF Steering Committee at the beginning of 2003, a co-ordination and advisory body to ensure effective co-ordination both of Phare 2002 IB (avoiding overlaps) and of CSF management after accession. The CSF Steering Committee will consist of representatives of the CSF MA and the MAs for individual operational programmes, a representative of the Ministry of Finance as the Paying Authority and a representative of the Government Office. In addition, activities of twinning teams will be co-ordinated by the PAA for the CSF Managing Authority, who will be placed within the Ministry for Regional Development, the Department for Integration and SF.

3.2. Linked activities:
Projects completed or nearly completed before the end of this project and activities/results of these projects on which the actors will build on (avoiding potential overlaps at the same time):

- **Consolidation of the National Development Strategy Phare 2000 (CZ 00.10.01) – IB/SPP** to run from 3Q 2001 – 4Q 2002. The structures for implementing SF-type programmes established, staffed (however not fully operational), their role and responsibilities clearly defined and any gaps/weaknesses of the system identified. Assistance in development of an HRD strategy for SF implementing structures, general support to updating/finalising programme documentation to be ready for submission to the EC; supervision of works on the monitoring system (agreement with all MAs and definition of users and their roles including procedures with Czech Statistical Office), assistance in establishing of project pipeline for funding from SF, draft manuals/guidelines covering all issues to be approached in an unified manner by all MAs. A review of the guaranteed results of the project (see Annex) will be part of the inception report for this project.

- **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 FBs; 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.**

- **Paying Authority – Start up compliance and system audits of SF/CF implementation structures Phare 2002 TA (CZ2002/000-282.10.04)** – this project includes building the capacity of a paying unit at the MRD which will fall under the hierarchy of the central Paying Authority in the MoF and will be functionally independent from the Managing Authority for JROP in the MRD.

- **In addition to Phare funds, financial resources from the Czech state budget are provided for the development of programming documents and the monitoring systems, particularly a system specifically dedicated to monitoring of entire SF assistance to the CR.**

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.

3.3 Results

1) **Results relating to CSF Managing Authority tasks**

   - **general tasks:**

     Inter-ministerial co-ordination and communication ensured through establishment and activities of CSF Steering Committee, its working groups and other relevant bodies like e.g. the Management and Co-ordination Committee (MCC) as a precursor of the CSF Monitoring Committee (in which the social partners fully participate), clear guidelines based on simple and efficient procedures prepared for inter-ministerial co-ordination and agreed by actors involved, mechanisms established for active involvement of NGOs in processes to strengthen partnership across the entire administrative system for SF in the CR, MAs fully staffed and the staff members meet the qualification requirements, systems and mechanisms developed tested on Phare 2001 and 2003 investment projects, all recommendations of the audit arranged by the MoF including any potential amendments to CSF procedures fulfilled and key staff able to carry out the amended procedures;
tasks indicated in Regulation 1260/1999, Article 34:

(a) System established for gathering reliable financial and statistical information on implementation:
Successful verification of the system, MAs staff able to govern the process of monitoring of respective programmes and provide professional support to independent evaluators, MA CSF staff able to produce monitoring reports on CSF and trained in procedures for producing the respective annual/final implementing reports (based in part on already agreed templates and EC guidance, but will also depend on the quality of input from MAs for different OPs and SPDs) including actions necessary if EC deems the AR unsatisfactorily;

(b) Adjustment of the programme complement:
Not applicable for the CSF MA.

(c) Drawing up annual implementation report:
see result a) and b)

(h) Obligations concerning info and publicity complied with: (separate service contract)
Potential Final Beneficiaries and the general public made aware of the permanent channels for finding out information and the possibilities available under the Structural and Cohesion funds through Info and publicity seminars on SF assistance held in each NUTS II region, staff responsible for info and publicity on CSF able to carry on all tasks including responding to FAQs and respecting other feedback from final beneficiaries and the general public, NDP web-site transformed into SF web-site, information and publicity material on SF assistance (CSF) designed and printed;

(Note: Tasks d), e), f) and g) are either not relevant or will be completed either under other component of this project or under different projects)

• tasks indicated in Regulation 1260/1999, Article 17: procedures in place for possible fast redesign of the NDP parts needing CSF MC approval/decisions in tight deadlines, CSF modified based on the requirements arising from the negotiation process

2) Results relating to [JROP Managing Authority] tasks
• general tasks
Clear co-ordination mechanism developed between the MA for JROP in the MRD and the regions at NUTS II level through establishment and activities of JROP Steering Committee, systems and mechanisms developed for JROP implementation tested on Phare 2001 and 2003 investment projects, all recommendations of the audit arranged by the MoF including any potential amendments to JROP procedures fulfilled and MA JROP key staff able to carry out amended procedures

• tasks indicated in Regulation 1260/1999, Article 34:

(a) System established for gathering reliable financial and statistical information on implementation including:
Monitoring system (MSSF and system of reporting) tuned to include specific JROP requirements, MA JROP + its IB staff able to produce monitoring reports on JROP, respective annual/final implementing reports including actions necessary if EC deems the AR unsatisfactorily and to carry out regular update of PC to JROP;

(b) Capacity to adjust programme complements developed:
MA JROP + its IB staff able carry out regular update of PC to JROP (see task (a) above), rules of procedure for MC JROP agreed with MA JROP;

(c) Capacity to draw up annual implementation reports developed:
see tasks a) and b)

(f) Correctness of operations under assistance ensured, including internal controls:
JROP procedures manual on assessment of applications incl. standard application forms, application and selection procedures, selection and priority criteria, payments, checks and control developed and responsible staff of MA JROP and its IBs able to carry out necessary support in selection process, to prepare payment claims, to carry out all types of checks and controls (physical and financial checks, checks on eligibility of expenditures, on compliance with EU policies and with requirements for info and publicity etc.).
(g) Ensuring compliance with Community policies:
see task f) above

(h) Obligations concerning info and publicity complied with: (bulk of work to be achieved through a separate
service contract, though twinning inputs need to be coordinated/compatible, etc)
Adjustment of a publicity and promotion plan developed according to Reg. 1159/2000. Info and publicity
seminars on ERDF assistance held in each NUTS II region, staff responsible for info and publicity able to carry
on all tasks including responding to FAQs and respecting other feedback from final beneficiaries and the
general public and permanent info channels established, JROP part of SF web-site developed, information and
publicity material designed and printed
(Note: tasks d) and e) are either not relevant or will be completed under different projects)

- tasks indicated in Regulation 1260/1999, Articles 18-19;
  Procedures in place for possible fast redesign of measures needing MC approval/decisions in tight deadlines,
  JROP and the programme complement modified based on the requirements arising from the negotiation
  process

- Recommendations made under the Action Plan of CZ 2002/000-282.10.04 (external audit) are
  implemented.

3.4. Activities

Note: For timing of activities please see section 9. Conditionality and Sequencing

1) Relating to CSF Managing Authority tasks
Activities will focus on achievement of those tasks related to effective management and implementation of entire
Structural Funds assistance as required by relevant EC Regulations (1260/1999, 1159/00, 1685/00, 438/01 and
448/01). These activities are within the responsibility of the Managing Authority for CSF and should set a common
framework and provide general guidance on all issues which are to be approached in unified manner by all MAs.

Activities are:

- Relating to general tasks of the MA:
  - Review of the guaranteed results of the previous twinning project CZ 0010.01 (see Annex) to incorporate as
    part of the inception report for this project.
  - Assistance in finalising inter-ministerial co-ordination mechanism and information channels to be used for
    SF efficient administration among all actors with particular focus on harmonising the activities under all
    Phare 2002 ESC projects,
  - Drafting clear and simple procedures for inter-ministerial co-ordination based on clear definition of
    responsibilities.
  - Review of main existing NGO consultation channels and establishment of mechanism for the ongoing
    involvement of NGOs into the partnership consultation process for the Community Support Framework and
    the Cohesion Fund.
  - Assistance in implementing HRD strategy to achieve full administrative capacity of all MAs
  - Test the developed mechanisms and systems on Phare 2001 and 2003 investment projects
  - Assistance in any potential amendments to procedures (developed under the responsibility of MA CSF)
    based on the outcomes of the audit carried out under MoF Phare 2002 IB project and provision of additional
    training to MA CSF key staff (approx. 25)

- Relating to Reg. 1260/99 Art 34, result (a):
  - Setting up an independent verification of IT system (not twinning, separate service contract)
  - Training to MAs based on general guidance for monitoring under the uniform monitoring system (approx.
    30)
  - Training to develop essential evaluation skills of MAs staff (approx. 15)
• Relating to Reg. 1260/99 Art 34, result (b):
  - Assistance to MAs and their IBs and MCs in building capacity to adjust programme complements
  - Assistance in drawing up the rules of procedure for MCs
  - Providing guidance to MC members on their role and responsibilities, e.g. review of progress in implementation, approval of OPs amendments (which have consequences for the CSF (especially for financial table), preparation of annual/final reports etc.
  (See also task a)

• Relating to Reg. 1260/99 Art 34, result (c):  
  See tasks a) and b)

• Relating to Reg. 1260/99 Art 34, result (b): (not twinning, separate service contract)
  - Assistance in development of promotion and publicity plan according to Reg. 1159/2000
  - Organisation of info and publicity seminars on SF assistance
  - Transformation of NDP website into SF web-site and its enhancement
  - Training of CSF staff (approx. 3) responsible for info and publicity tasks including responding to FAQs and respecting other feedback from final beneficiaries and the general public
  - Drafting, final design, and production of information and publicity materials on SF assistance (CSF) for distribution

• Relating to Reg. 1260/99 Art. 17-19:
  - Introducing procedures for possible fast redesign of NDP parts needing CSF MA approval/decisions in tight deadlines and hands-on assistance in modification of CSF during negotiation process

2) Relating to JROP Managing Authority tasks
Activities will focus on achievement of those tasks related to effective management and implementation of Joint Regional Operational Programme as required by relevant EC Regulations (1260/1999, 1159/00, 1685/00, 438/01 and 448/01). These activities are within the responsibility of the Managing Authority for the JROP and its intermediate bodies and are focused on detailed procedures and specifics of the JROP which have to be respected within the wider common framework.

They are:
• Relating to general tasks of the MA:
  - Assistance in effective management and co-ordination activities between MA (in MRD) and regions at NUTS II level through establishment of JROP Steering Committee.
  - Test the developed mechanisms and systems on Phare 2001 and 2003 investment projects
  - Assistance in any potential amendments to procedures (developed under the responsibility of MA JROP) based on the outcomes of the audit carried out under MoF Phare 2002 IB project and based on that, provision of additional training to MA JROP key staff (approx. 120);

• Relating to Reg. 1260/99 Art 34, result (a):
  - Development of part of procedures manual dealing with monitoring, preparation of annual/final reports (AR/FR) and regular adjustment of programme complement (PC) reports;
  - Training (approx. 50) on detailed monitoring procedures and on update of PC and preparation of AR;
- Assistance in development/fine tuning effective monitoring system for specific JROP requirements.

- **Relating to Reg. 1260/99 Art 34, result (b):**
  (See result (a))

- **Relating to Reg. 1260/99 Art 34, result (c):**
  (See result (a))

- **Relating to Reg. 1260/99 Art 34, result (f) and (g):**
  - Production of the part of procedures manual dealing with assessment of applications and payments, assistance in development of standard application form and gaining feedback from future users (following on from work under previous projects), and selection procedures and in development of coherent set of selection and priority criteria (beneficiary: MA JROP, final recipients: MA JROP + IBs + regions);
  - Training for IBs staff (approx. 45) on the selection process and payment procedures, assistance in development of selection and priority criteria. (beneficiary: MA JROP, final recipients: MA JROP + IBs + regions);
  - Working out procedures manual (by end of 2nd Quarter 2003) on checks and control, prevention of irregularities and making financial corrections (beneficiary: MA JROP, final recipients: MA JROP + IBs + regions)
  - Training (approx. 30) on checks and control procedures (beneficiary: MA JROP, final recipients: MA JROP + IBs + regions)

- **Relating to Reg. 1260/99 Art 34, result (h):**
  - Adjustment of publicity and promotion plan developed according to Reg. 1159/2000 for assistance provided under JROP
  - Organisation of info and publicity seminars on ERDF assistance in NUTS II regions (beneficiary: MA JROP, final recipients: SF beneficiaries, general public)
  - Development of JROP web-site (beneficiary: MA JROP, regions, final recipients: SF beneficiaries, general public)
  - Training of staff (approx. 10) responsible for info and publicity tasks including responding to FAQs and respecting other feedback from final beneficiaries and the general public
    - (beneficiary: MA JROP, final recipients: MA JROP + IBs + regions)
  - Drafting, final design, and production of information and publicity materials for distribution (beneficiary: MA JROP, regions, final recipients: SF beneficiaries, general public).

- **Relating to Reg. 1260/99 Art. 17-19:**
  - Introducing procedures for possible fast redesign of measures needing JROP MC approval/decisions in tight deadlines and hands-on assistance in modification of JROP, and its PCs during negotiation process

- **Implementation of recommendations ensuing from the external audit (CZ2002/000-282.10.04)**
  - Review recommendations (as timing allows) and propose steps for action to implement recommendations speedily

**Means:**

*Estimated input will include:*

**Twinning**

1 PAA - located in the MRD for 14 person/months over 16 months
required expertise:
programming and management of structural funds with focus on MA for CSF + general co-ordination, negotiation experience

1 PAA - located in the MRD for 14 person/months over 16 months
required expertise:
programming and management of structural funds with focus on MA JROP, IBs, FB, negotiation experience, SPD Obj 2 experience welcomed

1 MT EU expert - 5 person/months
required expertise:
Reg. 438/01 and 448/01 - internal control and audit procedures and mechanisms, establishment of sufficient audit trail etc.
1 MT EU expert - 6 person/months experience with training on SF management and implementation

+ 250 person/days of ST experts for specific field of expertise (monitoring, reporting, evaluation, horizontal priorities, info/publicity (not part of service contract), etc.)
+ cost of workshops (translation, equipment, room, materials)

One Services contract (TA) for info and publicity tasks (not twinning)
2 local ST experts
3 person/months each
required expertise: 1x PR specialist, 1x IT specialist – web designer
Overall management of this service contract will be in the responsibility of relevant departments of MRD, in particular-EISF dept. (director - Ms Vrbská) and IT verification -

One Services contract for IT verification (not twinning)
required expertise: EU based company deep knowledge of requirements on monitoring systems for SF
2 experts for 6 weeks: 50,000 EUR
Overall management of this service contract will be in the responsibility of relevant departments of MRD, in particular- Budget dept. (director - Mr Cysař)

Supply contract for publicity materials (not twinning)

CSF component
The CSF MA will organize publicity for NDP and also for CSF afterwards. For the purpose of raising general awareness about NDP and in line with the partnership principle, it is suggested that supporting informative leaflets about the NDP version, which will be submitted by MRD to EC for negotiations, should be published for general public. Then after negotiations between CR and EC regarding the NDP the final version of the NDP and CSF will be printed for the same purpose as above in approximately 5,000-10,000 copies again together with supporting leaflets.
The preliminary costs are estimated 85,000 EUR (including graphical design, supply and distribution / dissemination).

JROP component
The same as above will also apply for the JROP document. The budget is estimated at 45,000 EUR

The two components should be contracted together.

4. Institutional Framework
The Beneficiary of this project will be the Ministry for Regional Development. According to the Government Resolution No. 102/02 the Ministry for Regional Development (MRD) will be the CSF Managing Authority, the Managing Authority for the Joint Regional Operational Programme (JROP), for SPD Prague Objective 2 and for SOP Tourism and Spa Industry. Other key institutions according to this resolution are the Ministry of Labour and Social Affairs as a Managing Authority for SOP HRD and SPD Prague Objective 3, the Ministry of Industry and Trade as a Managing Authority for SOP Industry, the Ministry for Transport and Communications as a Managing Authority for SOP Transport, the Ministry of the Environment as a Managing Authority for SOP Environment and the Ministry of Agriculture as Managing Authority for SOP Rural Development and Multifunctional Agriculture. The Ministry of Finance (the National Fund) will be the only one Paying Authority for all funds (for all Structural Funds and the Cohesion fund as well). These key institutions will delegate some of their tasks to the intermediate
bodies which are currently being identified, and which will be clearly outlined in the Operational Programmes and Programme Complements that will be made available by the end of 2002.

In its role of the CSF MA the MRD will set up a CSF Steering Committee, a co-ordination body for above Phare projects and for CSF management after accession.

5. Detailed Budget in M€

<table>
<thead>
<tr>
<th>Project Components</th>
<th>Investment Support</th>
<th>Institution Building</th>
<th>Total Phare (= I + IB)</th>
<th>National financing*</th>
<th>IFI</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>Twinning</td>
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<td>Services Contract (Info and publicity)</td>
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* for Twinning component Czech side will provide office space and equipment for all experts.

6. Implementation Arrangements

6.1 Implementing Agency
Responsibility for the administration related to the procedural aspects of procurement, contracting and accountancy will rest with the CFCU, PAO: Jan Slavíček. Responsibility for the administration related to the preparation, technical control and implementation is with the overall Beneficiary, the MRD.

To ensure effective inter-ministerial co-ordination and avoid overlapping of activities carried out under all Phare ESC 2002 and 2001 IB projects twinning teams will be co-ordinated by the PAA for the CSF Managing Authority. He will be placed within the Ministry for Regional Development, Department for Integration and SF. In addition, the MRD as the CSF MA will set up a CSF Steering Committee, a co-ordination body for above Phare projects and for CSF management after accession. The CSF Steering Committee will consist of representatives of the CSF MA and the MAs for individual operational programmes and SPDs, a representative of the Ministry of Finance as the Paying Authority and a representative of the Government Office – the latter to ensure sufficient level of NGOs involvement into partnership consultation process.

Contact point for the MRD:
Mrs Drahoříma Vrbská, Director of European Integration and Structural Funds Department, MRD, Staroměstské nám. 6, 110 15 Prague 1, tel.: 420 2 2486 1424, fax: 420 2 2481 2930, e-mail: vrbdra@mmr.cz.

6.2 Non – standard aspects
n.a.

6.3 Phare Contracts
- Twinning covenant  1,08 M€
- Service contract 1  0,04 M€
- Service contract 2  0,05 M€
- Supply contract 0,13 M€
7. Implementation Schedule

Start of tendering: 4Q 2002
Start of project activity: 1Q 2003
Project completion: 3Q 2004

8. Equal Opportunity

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

9. Conditionality and sequencing

- 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 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 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.
- By the beginning of 2003
  Czech co-financing (premises and equipment for twinning) available by the start of this Project.
- By mid-2003
  All common guidelines for MAs and JROP procedures manuals prepared.
- During second half of 2003
  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, 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 in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule by quarter for full duration of programme, including disbursement period
4. Guaranteed results of twinning project CZ 0010.01
<table>
<thead>
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<th>LOGFRAME PLANNING MATRIX FOR</th>
<th>Programme name and number:</th>
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<tbody>
<tr>
<td>Project: Joint Regional Operational Programme and Community Support Framework – Building Implementation Capacity</td>
<td>Contracting period expires: 1Q/2004</td>
</tr>
<tr>
<td></td>
<td>Disbursement period expires: 1Q/2005</td>
</tr>
<tr>
<td></td>
<td>Total Budget: approx. 1,3 M€</td>
</tr>
<tr>
<td></td>
<td>Phare contribution: 1,3 M€</td>
</tr>
<tr>
<td>Overall objective</td>
<td>Objectively verifiable indicators</td>
</tr>
<tr>
<td>• Ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union (third Copenhagen criterion) including effective management of SF</td>
<td>• Acknowledgement by the European Commission</td>
</tr>
<tr>
<td>Project purpose</td>
<td>Objectively verifiable indicators</td>
</tr>
<tr>
<td>• Ensure full compliance with the relevant Structural Funds Regulations by all designated bodies to be involved in the management of EU assistance</td>
<td>• Acknowledgement of readiness of all structures and systems by the EC</td>
</tr>
<tr>
<td>Results</td>
<td>Objectively verifiable indicators</td>
</tr>
<tr>
<td>Relating to full administrative capacity of MA's and their IBs in general:</td>
<td>• At least 4 meetings of CSF Steering Committee and 8 working groups meetings held and the resulting tasks indicated in the minutes from the meetings fulfilled</td>
</tr>
<tr>
<td>1. Inter-ministerial co-ordination and communication ensured through establishment and activities of CSF Steering Committee, its working groups and other relevant bodies like MCC, clear guidelines prepared for inter-ministerial co-ordination;</td>
<td>• Representatives of Government office participate as members in CSF Steering Committee and all MCs</td>
</tr>
<tr>
<td>2. Mechanisms established for active involvement of NGOs in processes to strengthen partnership across the entire system for SF;</td>
<td>• Existence of updated version of procedures manuals (in case any amendments are required by the audit arranged by the MoF)</td>
</tr>
<tr>
<td>3. MAs fully staffed and the staff members meet the qualification requirements;</td>
<td>• Verified IT system (Monitoring system for SF)</td>
</tr>
<tr>
<td>4. Developed systems and mechanisms tested on Phare 2001 and 2003 investment projects;</td>
<td>• All responsible MAs staff familiarised with issues to be approached in unified manner by all OPs</td>
</tr>
<tr>
<td>5. All recommendations of the audit arranged by the MoF including any potential amendments to MA CSF/MA JROP procedures fulfilled and key staff able to carry out the amended procedures</td>
<td>• Existence of agreed rules of procedures for all MCs</td>
</tr>
<tr>
<td>• Relating to following tasks of an MA indicated in Art 34 of Reg. 1260/99: (also to 1159/00, 1685/00, 438/01 and 448/01) (a) System established for gathering reliable financial and statistical information on implementation including: Successful verification of the system, MAs staff able to govern the process of monitoring of respective programmes and provide professional support to independent evaluators, MA CSF and MA JROP + its IB staff able (i.e. trained based</td>
<td>• Existence of detailed operational manual(s) for MA JROP and the intermediate bodies within its structure</td>
</tr>
<tr>
<td></td>
<td>• NEI study on key</td>
</tr>
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<td></td>
<td>• Feedback from potential final beneficiaries and the general public (public surveys etc.)</td>
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<td></td>
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</tbody>
</table>
on the manuals) to produce monitoring reports on CSF/JROP, annual/final implementing reports including actions when EC deems AI rpt unsatisfactorily and carry out regular update of PC to JROP;

(b) Capacity to adjust programme complements developed
Tasks related to MCs role in implementation process fulfilled, MA JROP + its IB staff able carry out regular update of PC to JROP (see task a) above

(c) Drawing up annual implementation report
see task a) and b) above

(f) Correctness of operations under assistance ensured, including internal controls
Procedures manual on assessment of applications, payments, checks and control developed and responsible staff of MA JROP and its IBs able to carry out support during the selection process, to prepare payment claims, to carry out all types of checks and controls (physical and financial checks, checks on eligibility of expenditures, on compliance with EU policies and with requirements for info and publicity etc.), to prevent irregularities and make financial corrections

(h) Ensuring compliance with Community policies
see task f) above

(h) Obligations concerning info and publicity complied with
Info and publicity seminars on SF assistance held in each NUTS II region, staff responsible for info and publicity able to carry on all tasks, NDP web-site transformed into SF web-site and its JROP part developed, information and publicity material designed and printed, also see task f) above

(Note: tasks d) and e) are either not relevant or will be completed under different projects)

- All responsible MA JROP and its IBs staff capable to carry out assessment of applications, monitoring and reporting, audits, checks etc.
- Approx. 1500 subjects familiarised with SF assistance within the information and publicity seminars (i.e. at least 16 seminars held - 2 in each NUTS II region)
- Existence of information and publicity materials for CSF/OP/ERDF: approx. 40000 pcs of a complex brochure, 40000 pcs of and ERDF brochure and 100,000 leaflets
- Key indicators for Candidate Countries to effectively manage SF (NEI study) met
- Progress in CSF/OP/SPD negotiations
- Positive assessment from external audit for all MA CSF and JROP staff

indicators for Candidate Countries to effectively manage SF
- Information from the EC on negotiations of programming documents

- Relating to tasks of an MA indicated in Art. 17-19 of Reg. 1260/99:
Procedures in place for possible fast redesign of measures needing MA approval/decisions in tight deadlines and programming documents modified based on the requirements arising from the negotiation process
<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>General:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Assistance in finalising co-ordination mechanism and information channels to be used for SF efficient administration among all actors with particular focus on harmonising the activities under all Phare 2002 ESC projects</td>
<td>Twinning 1 PAA - located in the MRD 14 person/months over 16 months required expertise: programming and management of structural funds (MA for CSF + general co-ordination), negotiation experience 1 PAA - located in the MRD 14 person/months over 16 months required expertise: programming and management of structural funds – MA JROP, IBs, FB, negotiation experience, SPD Obj 2 experience welcomed</td>
<td>• Accession negotiations successfully completed  • Competent national and regional authorities are aware of importance of meeting the requirements resulting particularly from Reg. 1260/99, 1159, 438, 448/01 and 1685/00 and are committed towards their achievement  • Phare systems shifted closer to SF structures  • Sufficient funds available in respective bodies for reinforcement of highly educated and professional staff for SF administrative structures  • Procedures manual to ensure correct financial flows including procedures for validation and authorisation of payments by MAs worked out by the PA and all responsible staff trained accordingly  • Manual on financial control produced by the MoF control department and all responsible staff trained accordingly  • Project actors build on and updates results of following linked activities (avoiding potential overlaps at the same time):  Phare 2000 Twinning (CZ00-10-01)  • Assistance in getting all programming documents ready for submission to the EC  • Assistance in establishing of implementing structures and clear definition of their role and responsibilities; identification of any gaps/weaknesses of the system  • Assistance in development of HRD strategy for SF implementing structures  • Supervision of works on the monitoring system (agreement with all MAs and definition of users and their roles including...</td>
</tr>
<tr>
<td>2. Establishment of mechanism for ongoing involvement of NGOs into the partnership consultation process</td>
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<tr>
<td>3. Assistance in implementing HRD strategy to achieve full administrative capacity of all MAs (with special focus on MA CSF and MA JROP)</td>
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<td>4. Test the developed mechanisms and systems on Phare 2001 and 2003 investment projects</td>
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<tr>
<td>5. Assistance in any potential amendments to procedures (developed under the responsibility of MA CSF or MA JROP) based on the outcomes of the audit carried out under MoF Phare 2002 IB project and provision of additional training to MA CSF / MA JROP key staff</td>
<td></td>
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<tr>
<td>Specific:</td>
<td></td>
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</tr>
<tr>
<td>• Relating to Reg. 1260/99 Art 34, result (a): 1. Setting up an independent verification of IT system (beneficiary: MA CSF, final recipients: MAs) 2. Training to MAs based on general guidance for monitoring (beneficiary: MA CSF, final recipients: MAs) 3. Training to develop essential evaluation skills of MAs staff (beneficiary: MA CSF, final recipients: MAs) 4. Development of part of procedures manual dealing with monitoring, preparation of annual/final reports and regular adjustment of programme complement reports (beneficiary: MA JROP, final recipients: MA JROP + IBs) 5. Training on detailed monitoring procedures and on update of PC and preparation of AR (beneficiary: MA JROP, final recipients: MA JROP + IBs)</td>
<td>Services contract (TA) for info and publicity tasks: 2 local ST experts 3 person/months each required expertise: 1x PR specialist, 1x IT specialist – web designer 40.000 EUR</td>
<td></td>
</tr>
<tr>
<td>• Relating to Reg. 1260/99 Art 34, result (b): 1. Assistance in drawing up the rules of procedure for MCs (beneficiary: MA CSF, final recipients: MCs) 2. Providing guidance to MC members on their role and responsibilities, review of progress in implementation (beneficiary: MA CSF, final recipients: MCs) (See also task a), points 4 and 5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Relating to Reg. 1260/99 Art 34, result (c): See task a), points 4 and 5) and task b) point 2)</td>
<td>Services contract for IT verification – with an EU based company</td>
<td></td>
</tr>
<tr>
<td>Required expertise: deep knowledge of requirements on monitoring systems for SF</td>
<td></td>
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<tr>
<td>---------------------------------------------------------------</td>
<td></td>
<td></td>
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<tr>
<td>2 experts for 6 weeks: 50,000 EUR</td>
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<tr>
<td>Supply contract for publicity materials</td>
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<tr>
<td>130,000 EUR</td>
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</table>

**Preconditions (to be met by the end of 2002)**
- NDP, OPs and SPDs including Programme complements worked out according to the requirements of Reg. 1260/1999 and submitted to the EC
- Agreement obtained from all intermediate bodies to be involved in measures implementation
- All implementing bodies/units established and staff structures in place
- Development of HRD strategy by the MRD and the government office to achieve full administrative capacity of all MAs
- Core group of NGOs identified to be involved in programming and implementation of SF through the Government Office
- Monitoring system agreed with all MAs and users and their roles defined including procedures with Czech Statistical Office
- Draft guidelines for MAs covering common approach in all fields related to effective administration of SF and CF produced under CZ00-10-01.
**Detailed Implementation Chart for the Project**

**Joint Regional Operational Programme and Community Support Framework – Building Implementation Capacity**

<table>
<thead>
<tr>
<th>Year</th>
<th>2002</th>
<th></th>
<th>2003</th>
<th></th>
<th>2004</th>
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<tbody>
<tr>
<td>Detailed Project Implementation</td>
<td>J</td>
<td>F</td>
<td>M</td>
<td>A</td>
<td>M</td>
<td>J</td>
</tr>
<tr>
<td>Tendering</td>
<td>M</td>
<td>J</td>
<td>A</td>
<td>S</td>
<td>O</td>
<td>N</td>
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<tr>
<td>Contracting</td>
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<td>J</td>
<td>F</td>
<td>M</td>
<td>A</td>
<td>M</td>
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<tr>
<td>Implementation</td>
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<td>J</td>
<td>A</td>
<td>S</td>
<td>O</td>
<td>N</td>
</tr>
<tr>
<td></td>
<td>D</td>
<td>J</td>
<td>F</td>
<td>M</td>
<td>A</td>
<td>M</td>
</tr>
</tbody>
</table>

Legend: 
- X: Implementation in that month

Annex 2
Cumulative Contracting and Disbursement Schedule for the Project (M€)

### Annex 3

#### Cumulative Quarterly Contracting Schedule (M€)

<table>
<thead>
<tr>
<th>Project</th>
<th>4Q/01</th>
<th>1Q/02</th>
<th>2Q/02</th>
<th>3Q/02</th>
<th>4Q/02</th>
<th>1Q/03</th>
<th>2Q/03</th>
<th>3Q/03</th>
<th>4Q/03</th>
<th>1Q/04</th>
<th>2Q/04</th>
<th>Total</th>
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<tbody>
<tr>
<td>Joint Regional Operational Programme and Community Support Framework – Building Implementation Capacity</td>
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<td>1,3</td>
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<td></td>
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<td>1,3</td>
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</table>

#### Cumulative Quarterly Disbursement Schedule (M€)

<table>
<thead>
<tr>
<th>Project</th>
<th>3Q/02</th>
<th>4Q/02</th>
<th>1Q/03</th>
<th>2Q/03</th>
<th>3Q/03</th>
<th>4Q/03</th>
<th>1Q/04</th>
<th>2Q/04</th>
<th>3Q/04</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>Joint Regional Operational Programme and Community Support Framework – Building Implementation Capacity</td>
<td>0,6</td>
<td>0,7</td>
<td>0,9</td>
<td>1,0</td>
<td>1,1</td>
<td>1,2</td>
<td>1,3</td>
<td></td>
<td></td>
<td>1,3</td>
</tr>
</tbody>
</table>
GUARANTEED RESULTS OF THE PHARE PROJECT CZ 2000.10.01 REVISED

To be achieved by the end of the project

Update of the National Development Plan for 2003-06 ready for presentation for the negotiation of CSF

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

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

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).

Clear project pipeline established for bringing forward projects for potential funding. Procedures tested in pilot regions through call for proposals for schemes under Phare 2000-02.

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).

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

Final Beneficiaries identified and aware of their role and responsibilities.

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

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

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

ESF Manual Produced by MoLSA on operation of European Social Fund

Verification Manual (5 per cent on-the-spot checks) Produced by Ministry for Regional Development with other Ministries particularly MoF

Evaluation Guidelines Produced by Ministry for Regional Development

Information and publicity Guidelines Produced by Ministry for Regional Development

Eligible expenditure guidelines Ministry for Regional Development for ERDF and MOLSA for ESF

Draft Operational manual for Monitoring System Ministry for Regional Development
2. FOR FINAL BENEFICIARIES

Application forms set produced by Ministry for Regional Development (agreed with MOLSA for ESF) to match with fields in Monitoring System. Guidelines on completing forms to be completed in 2003

Compliance draft guidelines for Final Beneficiaries (co-ordinated by Ministry for Regional Development)

State Aids produced by MOIT
Procurement produced by MRD
Equal Opportunities Produced by MOLSA
Environmental Impact Produced by Ministry of Environment