



**Expert evaluation network
delivering policy analysis on the
performance of Cohesion policy 2007-2013
Year 3 – 2013**

**Task 2: Country Report on Achievements of
Cohesion policy**

Czech Republic

Version: Final

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**A report to the European Commission
Directorate-General Regional Policy**

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List of abbreviations

- AIR Annual Implementation Report
- CSF Community Support Framework
- CTT Centre for Technology Transfer
- EC European Commission
- JASMINE Joint Action to Support Micro-finance Institutions in Europe
- JEREMIE Joint European Resources for Micro to medium Enterprises
- JESSICA Joint European Support for Sustainable Investment in City Areas
- MA Managing Authority
- NCA National Coordination Authority
- NSRF National Strategic Reference Framework
- EEN Expert Evaluation Network
- FEI Financial Engineering Instrument
- OP Operational Programme
- ROP Regional Operational Programme
- SF Structural Fund
- TEN-T Trans-European Transport Networks

Executive summary

The main priorities of regional development policies are the following: transport; environmental infrastructure; and business support.

The selection of key priorities can be justified given the enormous needs both in terms of transport and environmental infrastructures inherited from the period of communism.

Surprisingly, no significant impacts of the crisis on implementation of EU Cohesion policy support have been so far recorded (with the obvious exception of the Operational Programme (OP) Enterprise and Innovation).

A reasonable progress in implementation of a decisive majority of OPs has been recorded. However, progress in implementation varies widely. While 10 OPs committed more than 90% of overall allocation by end of June, the Managing Authority (MA) of OP Environment has so far only committed 43.1. Likewise, the share of certified expenditure varies greatly – from 64.2% in case of OP Czech Republic-Poland to mere 14.2% in case of OP R&D for Innovation.

Despite the progress in implementation, the persistence or even deepening of several problems (esp. too close relation between MAs and the respective audit bodies, - solved only in spring 2013 by a shift of all audit bodies into the Ministry of Finance), improper implementation of public procurement rules and a high fluctuation of staff of management and implementation system) led to a temporary suspension of certification of expenditure by the European Commission (EC) in 2012. On the basis of progress in implementation of the Czech Action Plan, the certification procedure was gradually reopened according to a progress in operational practices of individual OPs.

Due to significant efforts exerted during 2010 and 2011, the system of monitoring indicators can be now considered as consolidated from a physical as well as technical point of view. However, the quantification of target values - at least in case of some OPs - can be considered either as over-cautious (namely OP Prague - Competitiveness) or unreliable (some Regional OPs (ROPs)).

EU support is helping significantly to combat the after-effects of the economic recession by maintaining public investment levels.

The available data does not allow identifying a contribution of the EU support under Cohesion policy to major long-term challenges of the Czech Republic in the spheres such as energy security, climate and demographic change. However, the EU funding has undoubtedly contributed to ability of Czech firms to sustain the pressures stemming from globalisation.

Tangible progress has been achieved in several important spheres such as significant upgrading of R&D infrastructure and the improvement of the quality of the road and rail networks.

Moreover, in a number of other spheres of interventions positive effects on local or regional level have been identified (e.g. in case of environmental projects).

In case of research and development infrastructure for innovation, a major progress has been achieved especially in case of European centres of excellence as all these centres were already completed or at least under construction.

Within the policy area environment, a significant effects have been already achieved in case of water-related infrastructures (460,000 inhabitants newly connected to sewerage system and 320,000 connected to waterline system) and in case of rehabilitation of areas of old ecological burdens (692,429 sq. m.).

The evaluation activities continue to focus on various procedural issues, while the evaluation of effects of interventions is still in its infancy. A significant number of evaluations is related to preparations for the new programming period.

Evaluation capacity seemed to be stable as no organisational disruptions were recorded in case of public sector units responsible for evaluation of Cohesion policy in 2012, working group on evaluations can be considered as operational. On the other hand, this stability means that a desirable shift to evaluation of effects and impacts is unlikely.

The role of evaluation studies might be enhanced fundamentally in case the EC would insist that if a given country wants to continue support a sphere of intervention, which has been already supported by the EU in the past, a methodologically sound impact evaluation study should be carried out to prove that the intervention was effective and efficient. This approach would be particularly pressing in case of spheres like business support, support to R&D&I and human resources.

Evaluation of effects and efficiency of the future Cohesion Policy operations should be facilitated by a strict requirement that in case of all monitoring indicators the baseline figure should be given.

Financial Engineering Instruments (FEIs) have been applied in case of several sub-programmes aiming at the business support. However, in 2011, use of financial engineering instruments came to a standstill due to a dispute about legal issues over the selection of Bank, which is running these FEIs. Consequently, no FEIs are being used in the Czech Republic currently.

Effort to limit the space for corruption should be enhanced, for example, all contracts and final reports related to each project including the detailed budget should be made public.

1. The socio-economic context

Main points from the previous country report:

- Despite the scale of the global economic crisis in most European countries, the Czech Republic ranks among those countries which suffered relatively moderately, mostly thanks to its industrial tradition and its strong links with the German economy.
- Nevertheless, the crisis revealed fully the lack of sustainability of the Czech public finance unless a radical reform on both revenue and expenditure side of public budgets is implemented. Unsurprisingly, a set of austerity measures across all budgetary areas was adopted instead of a more fundamental reform.
- Surprisingly, the crisis led to a distinct decline in inter-regional disparities in unemployment rate due to general increase of its level. This trend was confirmed at all of the scale levels studied (i.e. municipal and regional) and is in accordance with all three utilized measures of variability (coefficient of variation, Gini coefficient, Theil index; in all cases weighted by the number of economically active persons¹). A deep crisis, which rapidly expands into all significant sectors of the economy, leads to a general quelling of the economy and, thus, to regionally relatively little-differentiated impacts.
- A significant trend of regional development that intensified considerably during the global crisis was a discernible increase of variability in unemployment rate on local (municipal) level. High volatility as well as high fragmentation of spatial pattern on local level can be attributed to a combination of hard (e.g. economic structure) and soft (entrepreneurial activity, level of social capital etc.) factors of regional development.
- Needless to say, that the official regional policy as pursued by the Czech Ministry for Regional Development has been marginalized as allocation for this policy for year 2011 was only about CZK 300 million (EUR 11 million). Therefore, one cannot expect any discernible impacts of the official regional policy.
- Finally, a new trend has been identified in 2012 report concerning fresh university graduates who are struggling more and more to find a job. This applies to all major Czech cities, and recently even to graduates searching a job in the capital city of Prague. This is a result of both economic crisis and of mismatch between structure of graduates and the requirements of the labour market demanding especially technical professions while young people prefer rather humanities.

Developments since the 2012 report

The current socio-economic situation remains uneasy. On the one hand, the situation on the labour market has partially eased during 2012 (and continues to do so also in 2013 as the latest figures show a "mere" 7.5% average rate of unemployed - August 2013). On the other hand, the latest data for GDP suggest further contraction of the economy during the 2012 (-1.3%), which contrasts with situation in majority of other European countries. Nevertheless, one thing is clear: Czechia has remained affected by the global crisis also in 2012.

¹ For more information, see, Blažek, Netrdová, 2012.

A new trend, which manifested fully during 2012, is a discernible contraction of economic activity in Prague, with – among other things - significant impact upon the soaring number of unoccupied office spaces and overall plunge of real-estate prices. The worsening of the overall socioeconomic situation in Prague has been confirmed also by the unemployment rate, which is for the first time since the beginning of the transition relatively close to the national average (5% in Prague versus 7.5% national average in August 2013).

Consequently, one can say that Prague was able to resist to the global economic crisis for the period of 5 years, but not any longer. While no fundamental changes in the ranking of Czech regions according to basic socioeconomic indicators have been recorded, the differentiation continues to proceed strongly on the local/municipal level. Consequently, the differences are growing even among neighbouring municipalities mostly in reflection of combination of hard and soft factors of local/regional development.

The national regional policy has continued to be marginalized in 2012 (mere EUR 11.8 million for 2012) and, moreover, has been cut significantly in 2013 to a mere EUR 4 million. However, within the Czech fiscal policy, there are much more vigorous equalising mechanisms, especially the system of local and regional government financing, which has become even stronger since January 1st 2013 as the gap between per capita allocations between large cities and small municipalities has been narrowed. While a majority of Czech municipalities welcomed this reform, large cities, especially Prague opposed it. Prague has been badly affected by this new fiscal formula resulting in large cuts not only in investment projects but even in pure maintenance activities).

The fiscal consolidation measures induced by the crisis are significantly reducing funds available for the support of regional development. In 2012, the then minister of finance even admitted that cuts in public spending could even endanger the co-financing of the EU Cohesion policy programmes. Nevertheless, looking back over the year 2012, the co-financing of the EU programmes has been secured as this was considered as a priority. Secondly, the crisis led to a shift away from policy concern with regional disparities to a more general concern with economic decline and high unemployment at national level. Nevertheless, one has to stress that regional disparities were never a major issue for a public discourse in the Czech Republic.

Table 1 - Growth rates of real GDP in US, EU27 and in the Czech Republic (annual percentage change)

| Country / Country Group | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|-------------------------|------|------|------|------|------|------|
| United States | 1.9 | -0.3 | -3.5 | 3.0 | 1.7 | 2.2 |
| EU 27 | 3.2 | 0.3 | -4.3 | 2.0 | 1.5 | -0.3 |
| EU12 | 2.9 | 0.3 | -4.2 | 1.9 | 1.5 | -0.6 |
| Czech Republic | 5.7 | 3.1 | -4.7 | 2.7 | 1.7 | -1.3 |

Source: Ministry of Finance of the Czech Republic (April 2013, Macroeconomic prediction).

2. The regional development policy pursued, the EU contribution to this and policy achievements over the period

The regional development policy pursued

Main points from the previous country report:

- In the Czech Republic, the main priorities of regional development policies over the period 2007-2013 are transport infrastructure (in Convergence 1 approx. equal to support to rail and road infrastructure), followed by the environmental infrastructure. The third main priority is enterprise environment.
- In Convergence 1 the largest amount of resources has been allocated to transport, in Regional Competitiveness and Employment 2 the largest allocation goes to business support, while in Territorial Cooperation 3 (OP Czech Rep. – Poland) relatively balanced support to transport, human resources and territorial development (esp. tourism) is being provided.
- The selection of priorities can be considered as justified given the enormous deficit inherited from the period of communism both in terms of transport and environmental infrastructure. Moreover, in the case of transport, the urgency of these infrastructure investments is justified by the geographic position of the Czech Republic and the consequent huge transit across the Czech territory in both West-East and North-South directions.

Developments since the 2012 report

In 2012, no shift of priorities of Cohesion policy has been recorded in the Czech Republic. Despite global economic crisis afflicting the Czech economy as well as society, the overall strategy of using Cohesion policy support has not been altered significantly. Adequacy of the Cohesion strategy in the Czech Republic has been endorsed in Spring 2012 also by the Mid-term evaluation of National Strategic Reference Framework performed for the Ministry of Regional Development by KPMG.

However, due to underperformance of some OPs, a partial reallocation among the OPs was introduced (namely, from ROP North West to several well performing ROPs and from the OP Environment to OP Transport). This reallocation was approved by the Government only in Spring 2013. The main reason for this reallocation was the delay in absorption in affected OPs and consequent fear of non-compliance with N+2/3 rule.

In the Czech Republic, the rate of the EU co-financing remained unaltered in 2012.

It should be stressed that in the context of the current global economic crisis the EU support via Cohesion policy is – like in previous years - helping significantly to combat the impacts of the economic recession by stabilising public investment levels as the volume of these funds has remained fixed over the whole programming period. Moreover, co-financing of the EU funded projects is considered an absolute priority by the Czech decision-makers at all levels of public administration. Consequently, the EU Cohesion policy does not only provide a stable source for predominately capital investments, but helps also to stabilize national investment funds due to

a need to co-finance the ERDF and Cohesion Fund projects. Therefore, without the EU Cohesion Policy the drop of national capital expenditure would be greater.

In case of the Czech Republic, one can hardly speak about the credit crunch affecting SMEs. On the contrary, the volume of loans to businesses continued to grow also in 2012, while the average interest rate for new loans to businesses dropped below 3% in 2012.

Policy implementation

Main points from the previous country report:

- The available data (relating to the end of June 2012) on commitments confirmed that implementation of most of OPs is well advancing. Specifically, in case of 13 out of 18 OPs, the commitments exceeded 75% of total allocation and in case of 17 out of 18 OPs commitments exceeded 65%. Only the level of commitments of the OP Environment is very low: just below 30%.
- A completely different picture was obtained when looking at certified expenditures. With exception of 3 ROPs, all the other OPs are characterised by having the rate of certified expenditure well below 40%. Not surprisingly, the worst situation has been recorded in the case of the OP R&D for Innovation (a mere 2.2%) and OP Environment (7.3%). However, a noticeable progress has been recorded in implementation during the year 2011 as the key priority axis (European centres of research excellence) achieved a level of commitment that exceeded 85% of total allocation.
- Low rate of certification in most of OPs was attributed to a persistence or even to a deepening of several problems (esp. too close relation between MAs and the respective audit bodies, improper implementation of public procurement rules and a high fluctuation of staff of management and implementation system).
- Consequently, these problems led to suspension of certification of expenditure in January 2012 by the EC authorities. On the basis of progress in implementation of the Czech Action Plan, the certification procedure was partially reopened at the end of July.
- One of the worst performing OPs - at least according to the level of reimbursed expenditure - was the Integrated OP. Therefore, the MA in cooperation with the National Coordination Authority (NCA) employed a crisis management model over the most problematic spheres of interventions (esp. 3.1. services in the sphere of social integration).
- In the case of ROPs, the progress in implementation was summarized in the following points: i) a significant progress in implementation of ROPs has been achieved by June 2012. The values of monitoring indicators suggest that in most cases the target values will be reached or even exceeded by the end of programming period. ii) The level of sophistication of management and of implementation varies significantly among the ROPs; ROP Moravia Silesia or ROP South East can be considered positive examples. iii) Unfortunately, in case of several ROPs, severe irregularities have been discovered by both Czech and EU authorities putting the prudence of the whole implementation system of ROPs into question.

Developments since the 2012 report

The following Table 2 provides the basic data on the progress achieved by individual OPs by June 2012.

Table 2 - Progress in implementation of ERDF/Cohesion Fund OPs between June 2011 and June 2013 (in % of total allocation)

| CONVERGENCE OBJECTIVE | Commitments | | | | Reimbursed from the state budget | | | | Submitted for certification to the EC | | | |
|--|-------------|------------------------|-----------|-----------|----------------------------------|-----------|-----------|-----------|---------------------------------------|-----------|-----------|-----------|
| | June 2011 | June 2012 ² | Dec. 2012 | June 2013 | June 2011 | June 2012 | Dec. 2012 | June 2013 | June 2011 | June 2012 | Dec. 2012 | June 2013 |
| OP Enterprise and Innovation | 65.9 | 77.4 | 87.8 | 94.2 | 22.0 | 35.5 | 44.4 | 49.9 | 11.7 | 19.3 | 32.1 | 31.6 |
| OP R&D for Innovation | 59.1 | 89.6 | 92.0 | 91.2 | 10.1 | 26.1 | 38.6 | 43.6 | 0.3 | 2.2 | 10.4 | 14.2 |
| OP Environment | 22.2 | 29.9 | 40.1 | 43.1 | 16.4 | 25.2 | 33.1 | 34.9 | 7.7 | 7.3 | 25.0 | 24.5 |
| OP Transport | 100.8 | 96.0 | 102.2 | 107.0 | 61.1 | 71.0 | 78.2 | 78.6 | 17.1 | 15.3 | 29.8 | 39.9 |
| Integrated OP | 64.0 | 72.0 | 81.2 | | 14.0 | 22.8 | 30.3 | 34.6 | 7.9 | 11.1 | 25.3 | 24.8 |
| ROP Central Bohemia | 71.5 | 86.3 | 92.5 | 98.2 | 33.6 | 46.8 | 61.2 | 67.2 | 24.5 | 32.1 | 32.3 | 31.9 |
| ROP South West | 74.8 | 84.8 | 92.9 | 98.7 | 33.7 | 44.7 | 56.4 | 59.7 | 3.7 | 31.1 | 44.6 | 44.0 |
| ROP North West | 79.2 | 80.5 | 81.6 | 79.2 | 39.7 | 51.2 | 52.4 | 51.9 | 25.5 | 24.1 | 24.4 | 23.8 |
| ROP North East | 88.1 | 87.2 | 98.5 | 103.6 | 50.9 | 64.3 | 71.3 | 76.3 | 40.3 | 46.7 | 47.1 | 46.7 |
| ROP South East | 82.5 | 91.9 | 92.2 | 98.6 | 52.4 | 58.0 | 64.8 | 68.4 | 44.9 | 49.1 | 58.5 | 57.8 |
| ROP Central Moravia | 54.7 | 65.4 | 71.7 | 75.4 | 44.5 | 52.8 | 58.8 | 61.9 | 42.2 | 42.9 | 52.9 | 52.2 |
| ROP Moravia Silesia | 61.1 | 73.8 | 83.2 | 87.8 | 27.9 | 41.6 | 53.5 | 58.0 | 22.7 | 29.0 | 41.9 | 41.3 |
| <i>Regional Competitiveness and Employment Objective</i> | | | | | | | | | | | | |
| OP Prague - Competitiveness | 89.4 | 83.9 | 87.9 | 87.7 | 54.1 | 54.3 | 65.9 | 68.0 | 14.3 | 14.7 | 32.9 | 30.8 |
| <i>European Territorial Cooperation Objective.</i> | | | | | | | | | | | | |
| OP Czech Republic - Poland 2007 - 2013 | 93.2 | 97.1 | 96.8 | 102.3 | 37.9 | 52.6 | 62.4 | 66.5 | 35.8 | 50.0 | 60.2 | 64.2 |

Sources: Monthly monitoring Report for December 2009, January 2010, December, 2010, June, 2011, June 2012, December 2012, June 2013, Prague, AIR (Annual Implementation Report) OP CR-PR, Prague, June 2010, July 2011, July 2012, July 2013.

The data in Table 2 above illustrate well that large differences exist in the pace of implementation among particular OPs. The differences concern both the achieved values and the progress during 2012. For example, despite a significant advancement of commitments in case of OP Environment achieved in 2012, this OP remains clearly the most lagging among all OPs. On the contrary, in the case of the ROP North West there was practically no progress in commitments in 2012 (for reasons, see below), but still the cumulative value of commitments is relatively high. Nevertheless, the data available suggest that N+2/3 rule will be satisfied by most of the OPs. Failures to comply with this rule can be expected in the case of the OP Environment and other OPs where the certification procedure has been stopped during 2012 either by the Czech or the EC authorities (esp. ROP North West, ROP Central Bohemia). Therefore, a reallocation from these OPs has been proposed in 2012 by the Czech Government and approved by the EC in 2013.

² Decline of commitments in case of several OPs is due to a change of methodology since February 2012, namely, unfinished or cancelled projects are not any more included in committed expenditures. The decline of certified expenditures (OP Transport, OP Environment, OP North West) is due to withdrawal of payment requests by respective MAs signalling serious problems in these OPs.

One of the most successful OPs according to all three basic financial indicators is the OP Poland-Czech Republic, which is the only OP under the Objective Cooperation which is managed by the Czech authorities. This is an interesting development as it contrasts with an early development during this programming period when the start of this OP was rather sluggish.

In 2012, the EC authorities have serious doubts about the reliability of management and audit bodies which led to suspension of certification of expenditure of all ERDF/Cohesion Fund funded OPs (in March 2012), as reports of national audit bodies used to indicate much lower rate of error than that discovered by the EU control mechanisms. The major reason for this was that the audit bodies were operating too close to MAs even though they were formally independent, but still they were part of the same Ministry that was responsible for Management of particular OP. Consequently, on the basis of agreement with EC authorities, all audit bodies have been exempted from the line Ministries and were transferred to the Ministry of Finance which fulfils the function of the Paying and Certifying Authority. In response, in about 6 weeks, (i.e. late April 2012), the certification of expenditure has resumed in case of all OPs with the exception of OP Transport and OP Environment. In case of these two OPs the certification has been reopened only in October 2012 as the Czech authorities had to clarify public tendering procedures related to projects supported via these OPs. Moreover, in case of a majority of OPs, the Czech authorities withdrew some of the earlier submitted doubtful requests for certification to avoid any corrections from the EC.

Consequently, in case of a majority of OPs a decline of expenditure between December 2012 and June 2013 has been recorded.

However, fundamental problems affected implementation of two ROPs during 2012. The first of these two ROP is ROP North West. Already in March 2011, a special police unit started its examination of possible corruption against a network of people including the director of the Office of Regional Council who was arrested for corruption charges (and in July 2012 convicted for 7.5 years). In response, certification of expenditures of ROP North West has been ceased by Paying and Certification Authority immediately (in March 2011). Due to severe problems mostly connected with the process of public tendering which resulted in overpricing the project costs or with ineligibility of expenditure, the EC authorities demanded a correction from this OP. Due to systemic problems with prudence of operation of this ROP discovered by various police and audit bodies during subsequent investigations, in June 2012, the operation of the Office of Regional Council has been stopped. Currently (July 2013), it is unclear whether this ROP will be reopened or not as there is a fundamental disagreement between the two relevant regional assemblies of which this NUTS 2 cohesion region consists and the Ministry of Finance over the question who should pay the financial correction demanded by the EC.

The second OP where certification of expenditures has not resumed so far is the ROP Central Bohemia. In this case, the Governor (hejtman) of Central Bohemia region himself has been arrested with his close collaborators by a special police unit and charged with corruption related to bribing and overpricing of the projects supported via this ROP, mostly in the sphere of health care (i.e. overpriced equipment bought to hospitals in Central Bohemia etc.).

Reallocations

In 2012, no reallocations have been performed among the OPs. However, - as already indicated above - a reallocation from under-performing OPs has been proposed and submitted for approval to the EC authorities.

Nevertheless, in case of several OPs reallocations among the priority axes within the OP have been performed.

In case of OP Enterprise and Innovations the following partial reallocation has been proposed in 2012 on the basis of implementation of the OP so far (reallocation has been approved by the EC in January 2013). The major change has been the shift in favour of a direct support to businesses instead of indirect forms of support such as business environment for innovations (i.e. support to business incubators for SMEs, to various cooperation schemes such as clusters, technology platforms, etc.) or services for enterprises - see Table 3.

Table 3 - Partial reallocation among priority axes within the OP Enterprise and Innovations

| Priority axis | Original allocation (EU contribution in EUR million) | After reallocation (EU contribution in EUR million) |
|--------------------------------------|---|--|
| New firms | 40.4 | 4.4 |
| Growth of firms | 799.0 | 812.7 |
| Effective energy | 388.1 | 419.0 |
| Innovations | 783.7 | 852.3 |
| Business environment for innovations | 918.7 | 827.8 |
| Services for enterprises | 99.4 | 77.1 |
| Technical assistance | 91.4 | 91.4 |

Source: AIR for OP Enterprise and Innovations 2012, Prague June 2013.

In case of OP Environment and OP Transport, reallocation have been performed among the priorities (spheres of interventions) within the given priority axis. For example, in case of OP Environment, EUR 150 million has been reallocated from priority 1.2 "Improvement of the quality of drinking water" to a priority 1.3. "Anti-flood measures" to reflect the demand of final beneficiaries.

In response to slow implementation of several OPs, the NCA elaborated an analysis identifying "risky OPs" and proposing measures for speeding up the implementation. The following OPs were identified as risky: OP Transport, OP Environment, OP R&D for Innovation, Integrated OP and ROP North West. On the basis of this document, the Czech Government on July 4th 2012 adopted a resolution requiring implementation of proposed measures. The measures suggested can be divided into two groups: i) measures aiming at improvement of the overall management and administration of relevant OPs (for example, improvement of education and motivation of staff of MAs), ii) specific measures for underperforming individual spheres of interventions (for example, to prepare a specific call and to provide a target support to potential applicants). However, when looking at the latest data on the pace of implementation, it seems that these measures were not particularly effective, as they were not able to induce a fundamental change into the overall rigid system of implementation.

Despite noticeable progress in implementation of several priority axes achieved over 2012, the most complicated seems to be implementation of OP Environment. Therefore, a numerous

measures have been taken, such as reorganisation of the MA, establishment of the Anti-crisis task force, etc. Nevertheless, according to AIR of OP Environment, the failure to meet N+2/3 rule in 2013 is likely (the estimated loss is CZK 6,000 million/EUR 240 million in 2013).

Achievements of the programmes so far

Enterprise support and RTDI

Objective Convergence

The sphere of Enterprise support and RTDI is supported via two OPs: OP Enterprise and Innovation and OP R&D for Innovation. Unfortunately mutual synergies in achievements between projects supported by these two OPs are so far rather exceptional. This is mainly due to the following factors: i) the implementation of key part of OP R&D for Innovation (European centres for excellence) is delayed due to complex nature of these flagship projects, ii) insufficient attention has been paid to building suitable interfaces for technology transfer between these Centres and private firms, iii) mismatch between focus of some of these Centres and the structure of the Czech economy. For example, excellent research and vigorous support to research in life-sciences (e.g. CEITECH, BIOCEV) or laser technology (ELI), while the number of Czech firms able to commercialize research outputs of these centres is limited.

Main points from the previous country report:

- It was stressed that the management of OP Enterprise and Innovation is one of most stable among all Czech OP. Moreover, this OP exhibits both a reasonable stability in structure of supported sub-programmes since the start of the previous programming period but also a distinctive effort to develop new mechanisms of support (e.g. currently in the sphere of enhancement of the venture capital market). Also the level of sophistication and thoroughness of preparation of these new supportive mechanisms seems to be very good. The other side of the coin is a relatively sluggish pace of preparation of these new mechanisms.
- The second criticism which was raised against this OP is rather excessive support provided to purchase of new technology units which are then used for production of relatively simple components as required by large foreign investors operating in the Czech Republic or elsewhere.
- Consequently, one of the major challenges standing in front of the Czech economy is to support all four sorts of upgrading (i.e. process, product, functional and inter-sectoral) in case of firms integrated within the global value chains/global production networks. These firms are likely to represent the bulk of Czech industries such as automotive, machinery, textile, electronics etc.
- As a second major challenge was identified a provision of tailor-made support to R&D in those (not numerous) Czech firms that are disposing by a complex know-how, i.e. which are able to develop, produce and sell relatively sophisticated products on the international markets.
- Of a tremendous challenge is building of a proper interface between the various public R&D institutes and the private sector to facilitate not only mutual cooperation, but also commercialisation of new discoveries. An important component of such interface should

be a provision of stimuli for such cooperation to both academic institutions and the private firms.

- The OP Enterprise and Innovation paid systematic attention to the regional dimension of support. The regional dimension (allocation) is being analysed for all priorities and (sub)programmes and some (sub)programmes were targeted exclusively on assisted regions (programme Development).
- In contrast, the OP R&D for Innovation was clearly among the worst-performing Czech OPs. The sluggish pace of implementation was attributable mainly to the novel type of this OP for the Czech Republic which gave rise to delays in preparation, negotiations and approval of this OP.
- Given the state of implementation of this OP, when the key R&D infrastructure facilities are under construction or their construction have even not yet started, the relevance of monitoring indicators has been questioned as achieved values and committed values differ sharply.
- Despite differing progress in building centres of excellence it is clear that when these facilities are completed, the overall map of R&D in the Czech Republic will be changed/enhanced significantly. However, even after the physical completion of these centres of excellence, it will take a time before the research teams will come up with the first-class results.
- Despite clear acceleration in implementation of this OP during 2011, real impacts of this OP in the sphere of innovations can be expected only in the years to come, in cases of many projects even in the next programming period.

Developments since the 2012 report

In case of policy area enterprise support and RTDI one of key indicators is the number of jobs created. In case of this indicator, a significant progress has been achieved during 2012. Nevertheless, the figure for December 2012 is still far below the target value. As the Czech Republic has not been able to recover from the global economic crisis so far, it is unlikely that the number of new jobs created will increase fundamentally in years to come. Therefore, achieving of this target is likely to be endangered. The global crisis is also likely to be the main factor behind the drop of share of innovative products on total turnover of supported firms. On the other hand, the business infrastructure such as number of new Centre for Technology Transfer (CTT) and of Science and Technology Parks or number of business parks is developing according to expectations or even better. Nevertheless, it should be stressed that the available experience shows that it is not the construction of these infrastructures what matters, but rather if these institutions are able to provide envisaged high-quality services. Evaluation of real effects of these new institutions is urgently needed. Surprisingly, in contrast to some best performing Czech regions, which were over the last years able to develop their own set of state-of-the-art pro-innovative support schemes such as innovation vouchers, support to spin-offs, 120' for innovations etc., the Ministry of Industry and Trade lacks internal dynamism in designing new effective mechanisms. Moreover, due to administrative and legal obstacles, the venture capital fund (which should have been a flagship of new support instruments) has not been set into operation during the 2012 (and is unlikely to be operational before end of 2013 due to legal dispute with applicant for the role of manager of the Fund, which was not successful in public tendering process. Given the limited tradition with this sort of financial instrument in

Czechia, the state own fund should provide an important impetus for development of this progressive type of capital market segment that would offer not only external finance especially for innovative SMEs but also a quality know-how.

In case of R&D infrastructure for innovation, the year 2012 can be considered as a year, when a major progress has been achieved especially in case of European centres of excellence as all these centres but one was already under construction. The construction of the last European centre of excellence – the life-science centre BIOCEV - has started only in October 2013. The same level of achievements has been reached also in case of regional centres of excellence. In contrast, the sphere of commercialisation and popularisation is lagging significantly in terms of both financial and real progress. This is to a large extent a corollary of the delays in implementation of the previous two spheres, however, it also reveals complexity of these key activities in the reality. Clearly, the commercialisation of R&D results is a complex issue, requiring not only sophisticated know-how, but also a stable commitment of both academic and business spheres. In contrasts, due to traditional strict separation of the basic and applied research under the communism (when the former type of research was being performed by the academic institutions, while the latter by the firms) and due to sharp differences in value systems between the academia and business, there is a real challenge. Some authors are even talking even about the “Berlin Wall” between the academic and business sphere in Czechia (Blažek et al, 2013). Nevertheless, 9 Centres for technology transfer have been already supported as well as 5 projects aiming at construction of quality scientific libraries.

FEIs have been applied in case of several sub-programmes aiming at the business support. However, in 2011, use of FEIs came to a standstill due to a dispute about legal issues over the selection of the Bank, which is operating these FEIs. According to Czech authorities, the bank should have been (and was) selected according to Czech Small Business Support Act, while the EC authorities argue that the bank should have been selected in public tendering procedure. Consequently, the relevant sub-programmes (START, GUARANTEE) are not opening new calls for applications. Therefore, no FEIs are being used in the Czech Republic currently.

Objective Competitiveness

The year 2012, was the first year when a noticeable number of new R&D jobs has been created (25 jobs). However, first, this number still falls short of the target value (85 jobs) and, second, is negligible in absolute terms. Likewise, the number of newly completed research facilities increased from 2 to 7, the number of licences, patents and other forms of know-how protection increased from 7 to 17 and number of projects aimed at cooperation between academia and businesses doubled from 3 to 6. Again, while the relative increase is impressive, the absolute figures remain low. Consequently, the overall impact on the sphere of business and RTDI is modest.

Transport

Objective Convergence

Main points from the previous country report:

- Given, the very high rate of commitments achieved by OP Transport, which is a major source for funding of transport projects already in 2011 (which even slightly exceeded

the volume of overall allocation – 100.8%), no significant changes in the level of commitments occurred in 2012.

- Therefore, also the monitoring data shown only a modest progress in values achieved. Unfortunately, also the physical progress actually achieved in 2012 was limited.
- Moreover, the drop of both committed values and of certified expenditure indicated that this OP was struggling with prudence and efficiency of its interventions. Therefore, this OP was one of those whose certification of expenditures has been interrupted between August 2011 and October 2012.
- Nevertheless, the achievements of this OPs rank among the most visible - new segments of motorways or rail tracts completed with Cohesion policy support are clearly alleviating traffic congestion, enhancing safety and speeding-up transport.

Developments since the 2012 report

Projects supported within this policy area rank among the most visible to the public and several important projects have been completed such as segments of Prague ring road or upgrading of key railway corridors. Nevertheless, the implementation of OP Transport has been (and still is) hindered by three major obstacles: i) difficulties in management of public tendering process, ii) difficulties with preparation of individual constructions from legal point of view (i.e. obtaining building permissions), iii) frequent changes of the project's documentation during the construction. Consequently, when evaluating the outputs achieved so far, one would arrive at rather critical conclusion. Namely, when considering that this OP disposed with the largest allocation of Czech National Strategic Reference Framework (NSRF) (21.9% of the total allocation), which is in real terms nearly 175,000 million CZK (approx. EUR 7,000 million), the results achieved so far are really modest. Moreover, the high levels of commitments and disbursement do not give a chance that a significant progress in outputs will be achieved over the rest of programming period. Clearly, the unit costs were too high and the overall management of this OP rather weak. In case of motorway D8, which should link Prague with North Bohemia and Dresden, the MA had even to resign upon using the EU funding due to impossibility to meet adequate time-schedule. In addition, soft measures, such as various telematics facilities enhancing safety and comfort of transport are also significantly behind the expectations.

A significant amount of resources has been allocated to reconstructions and upgrading of regional and local roads via ROPs. Undoubtedly, these investments are needed given the huge internal debt accumulated during the period of communism; nevertheless, these investments per se cannot enhance the socioeconomic level of the regions concerned. On the other hand, investment projects in the sphere of transport rank among the most visible to the public and often highly desirable by the respective local or regional communities.

Objective Competitiveness

Main point from the previous country report:

- In case of transport infrastructure, the target values of all key monitoring indicators have been already exceeded or the values are close to the target values.

Developments since the 2012 report

According to AIR 2012 for OP Prague Competitiveness, all target values of monitoring indicators in the sphere of transport are likely to be achieved. However, a more general question emerges. Namely, it seems that the target values have been set rather over cautiously. For example, a target value 1 km of new tram line or 2.5 km of path for cyclist does not seem to be an ambitious goal for 7 years programming period. Clearly, the target values of key monitoring indicators should be put under much more careful scrutiny during the negotiation process. Nevertheless, the major activity in the sphere of transport is the construction of an extension of “A” line of Prague’s metro by one segment (4.5 km) in the direction of the Prague’s airport. However, the construction of this line is still proceeding hence no output values can be given.

Environment

Main points from the previous country report:

- Nearly all monitoring indicators exhibited wide differences between achieved and target values especially due to dubious quality of quantification during the programming phase.
- The overall progress of implementation of OP Environment continued to be sluggish also in 2011, mainly due to: i) large allocation was planned for the large-scale water treatment plants projects, which support proved to be unacceptable for the EC authorities due to public support rules, ii) difficulties with transparency and respect of public procurement rules, iii) high fluctuation of staff.

Developments since the 2012 report

Wide dispersion between achieved and target values of monitoring indicators persisted also in 2012. In case of sewerage systems, the real needs of municipalities were underestimated. Moreover, construction of sewerage systems proved to be much easier than construction of water treatment plants, which are much more complex facilities, moreover regulated by evolving legislation concerning the parameters of discharged water. According to the AIR, based on committed values, even in case of two indicators where only very low values were so far achieved (i.e. a decrease of energy consumption and an increase of capacity from renewable sources of energy), the target values should be reached by 2015. Likewise, according to AIR, the committed values of the indicator “area of liquidated old ecological burdens” suggest that the target value will be met. To sum-up, available evidence suggest that despite a sluggish pace of implementation of interventions within the policy area environment, a significant effects have been already achieved in case of water-related infrastructures and in case of rehabilitation of areas of old ecological burdens.

Objective Competitiveness

Main point from the previous country report:

- Likewise, also in case of priority 2 (environment) a significant progress has been achieved in case of revitalised areas (target exceeded significantly), but also in case of number of reconstructed historical monuments (6 completed, target value 14) and in case of anti-flood measures (target exceeded slightly).

Developments since the 2012 report

During 2012, a noticeable progress has been achieved especially in the sphere of intervention “area of revitalised territory” (more than 20 hectares have been regenerated). Secondly, the capacity for electricity production from renewables has nearly doubled since 2011. However, the increase is remarkable only in relative terms as in absolute terms only 0.35 MW has been added.

Territorial development

Objective Convergence

Main points from the previous country report:

- The ROPs were considered as generally well-performing in terms of financial absorption.
- Detailed analyses showed that in several regions a sort of “black spots” exists, i.e. there are localities or micro-regions where no project from Cohesion policy has been supported so far. This contrasts with the fact that there are highly successful municipalities, which repeatedly obtained support for various projects. Effort of MAs of ROPs to remedy this situation has so far not been very successful.
- Despite the problems with implementation of Integrated OP, which also intervenes into spheres linked to territorial development, an important progress has been achieved in several important spheres in 2011. Firstly, the whole network of multipurpose contact points (CzechPoint) providing citizens a range of services via official access to various state databases has been completed. Another sphere where a distinctive progress has been achieved is revitalisation of buildings in areas endangered by social deprivation.
- Consequently, important results have been achieved, but often without sufficient attention to efficiency and sometimes even facing problems with the rules on public procurement.

Developments since the 2012 report

The major achievement reported in AIRs 2012 in the sphere of territorial development is the fact that “Basic registers of public administration” were set into operation. These registers should form a backbone of eGovernment system in the Czech Republic. The number of regenerated flats has already exceeded the target value in 2011 nevertheless additional more than 10,000 flats in socially deprived areas have been reconstructed during 2012 reflecting high demand for this form of support. Interest of municipalities for support to the costs connected with elaboration of a new master plan continued as well far exceeding the target value. Area of revitalised territory is so far just over 50% of target value, however, this is mostly due to rather complex character of these projects.

Despite significant amount of money allocated to ROPs, there is no data available that would allow rigorous measuring of impacts or contribution to overall objectives such as balanced development, boosting tourism, improving links within and between regions, etc. Nevertheless, the projects supported by the ROPs have generally helped to enhance the environment (in the broadest term, i.e. including the social environment) in localities/regions where these projects have been implemented (reconstruction of schools, roads, public space, upgrading of museums

etc.). Finally, the values of monitoring indicators suggested that in most cases the target values would be reached or even exceeded by the end of programming period.

One should be rather cautious when interpreting the data achieved so far by the ROPs. In particular, comparison of the data in two official reports published by the Ministry of Regional Development (Publication “Věcný pokrok vybraných indikátorů NSRR”) reveals that all target values have been changed between December 2011 and 2012. This reflects the fact that quantification of targets performed within the preparatory works for this programming period has not been based upon a sound analysis. Consequently, comparison of achieved and target values has limited relevance only. Nevertheless, given that this policy area covers 7 ROPs, it is unlikely that the targets set about 7 years ago might be achieved by all OPs without alteration. A way forward would be to use where ever possible the unit costs, however, these are not being reported at all.

Objective Territorial Cooperation - OP Czech Republic-Poland

Main points from the previous country report:

- The Czech authorities act as MA only in relation to the OP Czech Republic-Poland.
- The values of monitoring indicators showed a wide difference between values achieved and the target values. This is mainly due to the fact that quantification of target values has not been a rigorous exercise during the programme preparation.
- The highest demand was for support of tourism related projects. In case of Priority axis 3 (Open and cohesive society) available indicators suggest that while the number of official cooperation (among municipalities or training institutions) is behind expected values, the number of participants of seminars and cultural events is much higher than foreseen.

Developments since the 2012 report

According to AIR, all target values of monitoring indicators should be achieved by the end of programming period with the exception of Priority 2.1 (support to business environment). This is mostly due to the fact that via this OP only intermediary organisations such as chambers of commerce are eligible applicants, while individual entrepreneurs should apply via the “mainstream” OP Enterprise and Innovation. On the other hand, high number of participants in various types of events (several times exceeding the target value) suggests that the main strategic goal of this OP (i.e. enhancement of mutual understanding among people on both side of the Czech-Polish border) is being followed.

Overall physical progress has been achieved in most of relevant spheres, reflecting well policy priorities. However, the scale of progress recorded so far is not such as to have an impact on the overall socioeconomic development of the Czech Republic. Nevertheless, in a majority of indicators significant effects on local or regional level can be identified. Perhaps the major exception when the interventions achieved positive effects on the national level is the upgrading of several segments of railway lines on TENs-T³ to a speed of 160 km/h. Second important

³ TEN-T: Trans-European Transport Networks

exception is liquidation of old ecological burdens (quite a frequent problem inherited from the period of communism) as nearly 700 thousands sq. m. of these areas have been re-cultivated.

Table 4 - Main physical indicators and achievements under Convergence Objective by December 2012

| Policy area | Main indicators | Outcomes and results at December 2011 | Outcomes and results December 2012 | Target values |
|--|--|---|---|------------------|
| Enterprise support and RTDI | - Reconstructed and new capacities for R&D&I (sq. m.) | 627 sq. m.* (negligible effect) | 6,045 (sq. m.) (moderate effect) | 120,000 |
| | - No. of new firms | 177 (local effects) | 182 (local effects) | 450 |
| Human Resources (ERDF only) | - No. of newly created R&D jobs | 445 (potential local effects) | 1,480.1 (Moderate effect) | 2,500 |
| | - No. of newly created jobs (total) | 11,403 (significant local effects) | 17,757 (significant local effects) | 40,000 |
| Transport and telecommunications | -The length of new roads (km) | 81 km (significant local or regional effects) | 184.3 km (TEN-T + outside TEN-T) | 172 km |
| | - Reconstructed rail tracks on TEN-T network | 141.3 km (significant regional effects) | 197.5 km (significant national effects) | 348 km |
| Environment and energy | - No. of inhabitants newly connected to the sewerage system | 460 thousands (significant local and regional effects) | 460 thousands (significant local and regional effects) | 740 thousands |
| | - No. of inhabitants newly connected to the waterline system | 320 thousands (significant local and even regional effects) | 320 thousands (significant local and even regional effects) | 50 thousands |
| | - Area of liquidated old ecological burdens (sq. m.) | 656,586 (significant local and national effects) | 692,429 (significant local and national effects) | 1,000,000 sq. m. |
| Territorial development (urban areas, tourism, rural development, cultural heritage, health, public security, local development) | - Area of regenerated or revitalized urban and village space | 395.8 hectares (significant local effects) | 507.1 (significant local effects) | 412.5 |
| | - No. of regenerated flats | 24,809 (significant local effects) | 35,888 | 24,500 |

Source: AIR for all OP of Objective Convergence 2011 and 2012.

Table 5 - Main physical indicators and achievements under Competitiveness Objective by June 2012

| Policy area | Main indicators | Outcomes and results in December 2011 (physical outcomes plus brief note on what has been achieved) | Outcomes and results in December 2012 | Target value |
|--|---|--|---------------------------------------|--------------|
| Enterprise support and RTDI | Reconstructed and new capacities for R&D&I (sq. m.) | 11,851.6 (several laboratories in various academic institutions have been modernized, with likely significant effect for the respective teams within the recipient institutions) | 17,616.5 | 15,000 |
| Human Resources (ERDF only) | No. of newly created R&D jobs | 3 jobs created, (negligible effect) | 27 created (negligible effect) | 85 |
| Transport and telecommunications | The length of new tramway lines (km) | 0.74 (out of 150.22 km of total length; negligible effect) | 1.29 (negligible effect) | 1 |
| Environment and energy | - Renewables – new installations (MW) | 0.49 (negligible effect) | 0.84 | 0.6 |
| Territorial development (urban areas, tourism, rural development, cultural heritage, health, public security, local development) | - Area of revitalized territory (hectares) | 60.9 (important local effects) | 83.9 (important local effects) | 50 |
| | - Reconstructions of historical monuments | 6 (negligible effect) | 9 objects (local effects) | 14 |

The outcomes given in Tables 4 and 5 are in line with stated policy objectives and reflect the specific targets set in good relation to indicators. However, in some spheres the target values were set over-cautiously, for example to create 85 R&D jobs in Prague or to construct 1 km of new tramline (Objective Competitiveness). Unfortunately, an important measure expected to play an important leverage role in the sphere of start-up promotion, i.e. establishing of a venture capital fund has not been successful so far due to overall complexity of such a financial instrument and due to unsuccessful process of selection of a venture fund's manager via public tendering procedure. Generally speaking, more could have been achieved provided a strict public tendering process would have been endorsed (esp. in case transport infrastructure) and provided the areas of interventions would have been focused on a smaller number of carefully selected priorities.

Finally, a higher level of coherence in the structure and content of AIRs have been recorded between 2011 and 2012.

3. Effects of intervention

Main points from the previous country report:

- The evidence that the EU support under Cohesion policy is helping Czech regions to respond to key objectives of Cohesion policy is, so far, limited or, more precisely, the available data does not allow identifying such a contribution. This was mainly due to: i) the fact the support from EU Cohesion policy is spread among large number of priorities and spheres of interventions while there is little synergy among projects, ii) multi-faceted nature of regional development including the effects of the global economic crisis, iii) generally slow pace of implementation of Cohesion policy in the country.
- Nevertheless, tangible progress has been achieved in several important spheres such as significant upgrading of environmental infrastructure (esp. the municipal one) or improved quality of the road and rail networks.
- These interventions do contribute to improving the quality of life of population in the regions concerned and help to enhance the preconditions for future development.

Developments since the 2012 report

While these conclusions remain valid also for the year 2012, several points should be added:

First, a significant progress in enhancement R&D&I infrastructure has been achieved during 2012 (20 regional centres completed) and when all projects, which are currently running are completed, the R&D map of the Czech Republic will be altered significantly. Key challenge for the future will be not only to guarantee the sustainability of these new centres, but especially to design a suitable interface to the business sphere to enhance mutual cooperation and thus to achieve the ultimate aim of these investments.

Second, despite a very high level of absorption in the policy area of transport, the values of achieved outputs are rather modest and contrast with a sizeable financial allocation into this sphere. Consequently, a fundamental improvement of transport infrastructure has not been achieved so far and is not likely to be achieved before the end of this programming period, which contrasts with huge needs within this sphere that are induced by huge intensity of transit born by the geographic position of the country. Consequently, due to inefficient procedures, needed motorway network is still far from being completed and people in many villages and towns are still exposed to serious negative effects of an intensive transport running upon local or inadequate roads. Clearly, a radical reform of the whole process of planning and construction of large transport infrastructures is needed to motivate thriftiness and rationality.

Third, available data do not suggest that EU Cohesion Policy contributed to reducing regional disparities within the Czech Republic, but definitely contributed to growth and later (after the arrival of the global economic crisis into the country) to moderation of a decline of Czech GDP. In this context, a newly designed interactive map of supported projects should be appreciated (available at: www.mapaprojektu.cz).

Finally, there is no evidence that the EU funding would help the Czech regions to respond to major long-term challenges such as the demographic trends, climate change and energy

security. In contrast, the EU funding has definitely contributed to ability of the Czech economy to sustain pressure stemming from the increased competition resulting from globalisation.

4. Evaluations and good practice in evaluation

Main points from the previous country report:

- A majority of evaluations was related to procedural and implementation issues, instead of evaluating the outcomes and effects of the interventions co-financed by the ERDF and Cohesion Fund.
- The major positive aspect of this state of affairs is that due to the nature of evaluations performed so far, their key results and recommendations were often implemented in practice by decision-making bodies.
- A positive role in building evaluation capacity among various bodies of implementation system is played by the Working Group for Evaluation established by the NCA to share the knowledge and coordinate the evaluation activities.
- A significant shortcoming of evaluation culture within the Czech Republic is that evaluations are considered mostly as an internal document of a given MA (or of NCA) and, therefore, are not made available to the general public.
- The original evaluation strategy (plan) is being mostly followed, but the plans do not envisage any strategic evaluations.
- The situation has been partially changed (improved) during the year 2011, where a relatively high number of evaluations and studies have been commissioned.
- The fact that during the 2011 an extensive ex-post evaluation of the Community Support Framework (CSF) 2004-2006 has been launched should be also assessed positively.
- In 2011, also the mid-term evaluation of the overall progress in implementation of the EU Cohesion policy has been launched by NCA, though the results were presented only in Spring 2012.

Developments since the 2012 report

According to our knowledge, there has been no major change since the 2012 report in the strategy for evaluating the effects of interventions. This concerns all three key aspects of evaluations, i.e. i) the focus of evaluation activities (see below); ii) the resources available; iii) the capacity for undertaking the evaluations concerned⁴. However, in contrast to what said in the previous report, a majority of externally commissioned evaluations have been made public.

As in the previous years, in the Czech Republic, there continues to be a systematic lack of strategic evaluations, i.e. there are practically no evaluations of outcomes, impacts and evaluations focused upon the cost-effectiveness, not talking about strategic evaluations aiming at assessing what are the most effective measures for promoting competitiveness (such as various forms of upgrading within the global production networks/global value chains) or those for promoting collaboration between academic and private sectors (see Csank, Blažek, 2013). In

⁴ However, the director of Department of the National Coordination Activity which was responsible for monitoring and evaluation has seized to work for the Ministry during the first half of 2013 and moved to another Ministry where he continues his work in the sphere of the Structural Funds (SFs).

the best case, (such as the overall mid-term evaluation of either OPs or of the whole NSRF), the evaluations also deal with monitoring indicators, i.e. whether the planned values of monitoring indicators are being achieved or not and what are the possible remedies. In fact, while during 2011 several evaluations have been explicitly focused upon the results and impacts induced by the SFs operations in the sphere of business support, no such specific activity has been recorded during 2012. This was only partially stipulated by cross-cutting mid-term evaluations of several OPs as well as of the NSRF performed in 2012. However, in these evaluations, the focus was rather on procedural and implementation issues than upon the efficiency and effectiveness of supported interventions. Nevertheless, despite these differences, the evaluation culture has not been altered significantly in the Czech Republic, either in positive or in negative sense, during the 2012.

The number of evaluations and studies that have been carried out in the country to assess Cohesion Policy performance since the 2012 report was prepared remains rather modest - see Table 6. On the other hand, numerous evaluations have been performed on three other spheres: i) analyses of absorption capacity and other mostly technical, administrative or procedural issues, ii) analyses of publicity, and iii) preparatory studies for the next programming period (which - strictly speaking - are often not actual evaluations). Altogether, 25 externally commissioned evaluations, whose results are publicly available, have been completed in 2012 (Table 6).

Table 6 - Overview of evaluations focused on performance of Cohesion Policy in 2012.

| Title and date of completion | Policy area and scope (*) | Main objectives and focus (*) | Main findings | Method used (*) | Full reference or link to publication |
|--|---------------------------|-------------------------------|---|--|---|
| 1. Mid-term evaluation of National Strategic Reference Framework, April 2012 | 9 | 3 | Despite global economic crisis, no need for a change of the overall strategy has been identified. Likewise, reallocations among the OPs have not been recommended. The overall progress in implementation has been evaluated positively, only partial imperfections have been identified. | 3,4 Comparative analysis, Simple Process Overview Tool, interviews, desk research | http://www.strukturalni-fondy.cz/Narodni-organ-pro-koordinaci/Evaluacni-cinnost-2/Strednedobe-hodnoceni-vecne-a-financni-realizace-N |
| 2. Mid-term evaluation of OP Enterprise and Innovation, April 2012 | 9 | 3 | OP Enterprise and Innovation is a decisive contributor to a strategic goal competitiveness, esp. to new job creation, which are, moreover, to a large extent been created in delineated assisted areas. | 3, 4 Qualitative and quantitative approach, interviews, desk research, SWOT analysis, expert panel, focus groups, | http://www.mpo.cz/cz/podpora-podnikani/oppi/ |
| 3. Mid-term evaluation of OP Environment, November 2012 | 9 | 3 | Non-transparent and non consistent data for OP Environment. There is a discrepancy between data provided in the Monthly Monitoring Report and data within information system of the Ministry of Environment. No sufficient explanation of this state of affairs have been obtained from the MA. | 4 Interviews, desk research, questionnaire. | http://www.opzp.cz/ke-stazeni/393/14369/detail/opzp-strednedoba-evaluace---predane-a-akceptovane-vystupy/ |
| 4. On-going evaluation of OP R&D for Innovation. Start: Autumn 2012, planned end: December 2015. | 9 | 3 | n.a. | 4 interviews, desk research, questionnaire, focus groups. | http://www.msmt.cz/strukturalni-fondy/prubezna-evaluace-op-vavpi |
| 5. Analysis of progress of implementation of OP ROP Central Bohemia, January 2013 | 9 | 3 | Implementation of ROP Central Bohemia proceeds in line with rules and milestones and there are no unexpected or unsolvable problems. | 4 Analysis of documents and of results achieved | http://www.ropstrednicehy.cz/documents.php?mid=030441f2-1036-11e1-a696-5254003d369a |
| 6. Evaluation of implementation of OP Prague-Competitiveness, October 2012 | 9 | 3 | In case of majority of monitoring indicators the target values are likely to be achieved or even exceeded. | 3, 4 Qualitative and quantitative approach, interviews, desk research, | http://www.prahafondy.eu/userfiles/File/OPPK-Dokumenty/Evaluace/luace_vecneho_a_financni_ho_pokroku_v_realizaci_OPPK_- |

| Title and date of completion | Policy area and scope (*) | Main objectives and focus (*) | Main findings | Method used (*) | Full reference or link to publication |
|--|---------------------------|-------------------------------|--|---|---|
| | | | | case study, concept theory of change. | _vyhodnoceni pokroku v realizaci intervenci na plnovani monitorovacich indikatoru a plneni cil u OPPK.pdf |
| 7. Evaluation of effectiveness of interventions/analysis of progress in ROP North East. October 2012. | 9 | 3 | This is the only evaluation in 2012 which tried explicitly to address the question of effectiveness and of impact of supported intervention. As the most effective were considered transport infrastructure projects, while as the least effective various communication activities to the public. | 4 Desk research, interviews, expert panel | http://www.rada-severovychod.cz/evaluacni-projekty-realizovane-v-roce-2012 |
| 8. Recommendation for simplification of administrative burden for project applicants in period 2014-2020. February 2012. | 9 | 1 | | 4 Desk research, questionnaires | http://www.strukturalni-fondy.cz/Narodni-organ-pro-koordinaci/Novinky/Zjednoduseni-procesu-pri-cerpani-evropskych-prostr |
| 9. Analysis of readiness of towns and possibilities of their involvement in the Joint European Support for Sustainable Investment in City Areas (JESSICA) initiative, June 2012. | 7 | 1 | | 4 Desk research, interviews, method of mystery shopping, quantitative analysis. Expert panel, comparative analysis | http://www.strukturalni-fondy.cz/Narodni-organ-pro-koordinaci/Dokumenty/Zpravy-2/Tematicky-zamerene-studie/Analyza-pripravenosti-mest-a-moznosti-jejich-zapoj |
| 10. Evaluation of involvement of NGOs in implementation of SFs programmes, October 2012. | 9 | 1 | | 4 Desk research, SWOT analysis, interviews, questionnaires, expert panel. | http://www.s-f.cz/cs/Fondy-EU/Narodni-organ-pro-koordinaci/Evaluace/Evaluacni-cinnost-2/Evaluacni-studie-zapojeni-nestatniho-neziskoveho-s |
| 11. Analysis of possibilities of provision of micro-loans in Czechia, June 2012 | | | Analysis of implementation of financial instrument Joint Action to Support Micro-finance Institutions in Europe (JASMINE) via provision of microloans. | 3 Data analysis | http://www.strukturalni-fondy.cz/Narodni-organ-pro-koordinaci/Dokumenty/Zpravy-2/Tematicky-zamerene-studie/Analyza-moznosti-poskytovani-mikropujcek-v-CR |
| 12. Strategic Report 2012, December 2012. | 9 | 2 | | 3, 4 Benchmarking, interviews, data analysis, analysis of regional | http://www.s-f.cz/cs/Fondy-EU/Narodni-organ-pro-koordinaci/Evaluace/Evaluacni-cinnost-2/II-Strategicka-zprava-Ceske-republiky-prosinec-201 |

| Title and date of completion | Policy area and scope (*) | Main objectives and focus (*) | Main findings | Method used (*) | Full reference or link to publication |
|---|---------------------------|-------------------------------|---|--|---|
| | | | | competitiveness. | |
| 13. Evaluation of mechanism of using allocation for publicity by OP Environment, May 2012. | 5 | 1 | | 4 Desk research, interviews | http://www.opzp.cz/ke-stazeni/393/13870/detail/zaverecna-zprava---zhodnoceni-mechanismu-vyuzivani-prostredku-na-publicitu-operacniho-programu-zivotni-prostredi/ |
| 14. Analysis of support of the system of public lightening via OP Environment (2007-13). June 2012. | 5 | 1 | | 4 Desk research | http://www.opzp.cz/ke-stazeni/393/14208/detail/analyza-mozne-podpory-verejneho-osvetleni-v-ramci-opzp-2007-2013/ |
| 15. Analysis of possibilities to support alternative modes of transport via OP Environment, June 2012. | 4,5 | 1 | | 4 Desk research | http://www.opzp.cz/ke-stazeni/393/14209/detail/analyza-moznosti-podpory-alternativni-dopravy-z-dotacnich-prostredku-eu/ |
| 16. Application of BAT of all facilities specified in Annex 1 of the Act on Integrated prevention. December 2012 | 5 | 1 | The study indentified specific firms which are not complying with the Act. These firms represent potential applicants for support under priority axis 5 OP Environment which should enhance an effective use of the allocation. | 4 Desk research, questionnaires | http://www.opzp.cz/ke-stazeni/393/14582/detail/evaluacni-studie-bat/ |
| 17. Evaluation of systemic, administrative and external factors influencing implementation of OP R&D for Innovation | 1 | 1 | | 4 Focus, group, interviews, panel of experts, | http://www.msmt.cz/strukturalni-fondy/evaluace-zpracovane-pro-ridici-organ-op-vavpi |
| 18. Research of awareness of population about the ROP South East. April 2012 | 7 | 1 | | 4 Omnibus research of public opinion | http://www.jihovychod.cz/vysledky-rop/evaluace |
| 19. Evaluation of the process of evaluation, ROP South East. June 2012 | 7 | 1 | | 4 Desk research | http://www.jihovychod.cz/vysledky-rop/evaluace |
| 20. Evaluation of eligibility of expenditure of ROP SE in comparison with other OPs. June 2012 | 7 | 1 | | 4 Desk research | http://www.jihovychod.cz/vysledky-rop/evaluace |
| 21. Evaluation of the public | 7 | 1 | | 4 | http://www.nuts2severozapad.cz/wp- |

| Title and date of completion | Policy area and scope (*) | Main objectives and focus (*) | Main findings | Method used (*) | Full reference or link to publication |
|---|---------------------------|-------------------------------|---|--|---|
| tendering control process. June 2012. | | | | Desk research, process analysis, comparative analysis, interviews. | content/uploads/2012/08/Evaluace-kontroly-VZ_shrnuti.pdf |
| 22. Analysis of absorption capacity for JESSICA in Central Moravia region. March 2012. | 7 | 1 | | 4 Desk research, interviews, focus groups. | http://www.rr-strednimorava.cz/folder/518/ |
| 23. Analysis of interest and readiness for construction of bicycle-paths on backbone connections in Moravia Silesia Region, March 2012. | 7 | 1 | | 4 Workshop, interviews, desk research. | http://www.rr-moravskoslezsko.cz/folder/684/ |
| 24. Evaluation of support of tourism destinations from ROP Moravia Silesia in period 2010-2012. September 2012. | 7 | 1 | New system of allocation of support among particular tourism destinations for call in October 2012. | 4 Desk research, interviews, in site visits, | http://www.rr-moravskoslezsko.cz/file/3189/ |
| 25. Study of implementation of financial instrument JESSICA and Joint European Resources for Micro to medium Enterprises (JEREMIE) in Prague region | 7 | 1 | | 4 Socioeconomic analysis, risks analysis, comparative analysis, legal analysis. | http://www.prahafondy.eu/userfiles/File/OPPK = Dokumenty/Evaluace publicity/Studie implemtace financniho nastroje essicaleremie v regionu Praha.pdf |

Note: (*) Legend:

Policy area and scope: 1. RTDI; 2. Enterprise support and ICT; 3. Human Resources (ERDF only); 4. Transport; 5. Environment; 6. Energy; 7. Territorial development (urban areas, tourism, rural development, cultural heritage, health, public security, local development); 8. Capacity and institution building; 9. Multi-area (e.g. evaluations of programmes, mid-term evaluations); 10. Transversal aspects (e.g. gender or equal opportunities, sustainable development, employment)

Main objective and focus: 1. assess the arrangements and procedures for managing or administering programmes; 2. support monitoring, or check the progress made in implementing programmes, such as many mid-term evaluations; 3. assess the outcome or effects of programmes in terms of the results achieved and their contribution to attaining socio-economic policy objectives

Method used: 1. Counterfactual; 2. Cost-benefit analysis; 3. Other quantitative; 4. Qualitative

Most of these evaluations focus on problem solving and on partial, sometimes very detailed, issues such as “Analysis of possibilities to support public lighting via OP Environment” or “Analysis of interest and readiness for construction of bicycle paths on backbone connections in Moravia Silesia Region”. Methodologically, most of the evaluations are based on a combination of quantitative methods (i.e. basic statistical analysis of existing databases generated by Monitoring System) and qualitative techniques, usually interviews and questionnaires, which were in few cases accompanied by expert panels and focus groups.

Given the above mentioned fact, i.e. that in 2012 no evaluation focused on the results or impacts of Cohesion policy interventions, specific lessons could have been derived neither in the sphere of policy learning nor in the sphere of evaluation of the results and the effects of supported interventions on targeted policy objectives.

As was already indicated in the previous reports, given the mostly technical and problem oriented focus of the majority of Czech evaluations, the positive side is that their results are generally welcomed by MAs and relevant and realistic proposals for moderation of existing imperfections are discussed and/or accepted. However, one can be much more sceptical about the real use/merit of evaluations focused upon assessment of the communication plans of individual OPs.

According to the information provided by the NCA, up to July 2013 there are 32 evaluations under preparation or already in progress (including 11 ESF-related studies, i.e. the ERDF-related evaluations are 21). These are mostly ex ante evaluations of a new generation of OPs (including SEA studies) or studies aimed at supporting the preparation of new strategic/policy documents upon which the new OPs could be based. However, some of these evaluations are again focused upon assessment of the public awareness and opinion about a given OP (ROP North West).

Currently, the MAs do not seem to have any specific plan for performing ex-post evaluation as this is mostly considered as i) premature, given the general state of OPs implementation, and, ii) a primary responsibility of the EC; nevertheless, the MAs are ready to cooperate with the EC services during such evaluation.

To sum-up, in the Czech Republic, there is general lack of evaluations of real effects and impacts induced by the EU-supported interventions. Instead, evaluation studies slipped into a sort of technical assistance to MAs as evaluations are frequently used as a mere trouble-shooting mechanism in various procedural issues. However, according to my opinion, the EC authorities could easily induce a fundamental shift in the evaluation practice of Member States by the following approach. If the given country wants the EU to support in the future programming period the same sphere of intervention as during the previous programming period, the country would have to prove - by a sound evaluation study of impacts - that the interventions in question delivered the expected effects and were efficient. This approach would be particularly pressing in case of relatively complicated spheres like business support, support to R&D&I and support to various human development programmes.

Unfortunately, in the Czech Republic, there are no examples of evaluations assessing the results and effects of ERDF-supported interventions which would have been completed since the 2012 report and which would exemplify good practice.

Two remarks of a more general nature should be added:

- a) The current system in which the evaluations are being commissioned by the same authority that is responsible for implementing the OPs - runs the risk that a significant pressure will be exerted upon evaluation teams by the MA eager to obtain a more positive evaluation report. This too close relationship between MAs that are being evaluated and the evaluation teams might be restrained for example by a rule that all evaluations should be commissioned by a central body, e.g. NCA in cooperation with the respective MAs. This would guarantee more independence of the particular evaluation study. To indicate how pressing this issue might be in the Czech Republic, the following personal observation should be stated. Despite the generally unfavourable state of SFs' administration and implementation in the Czech Republic (cfr. for example the rankings of countries according to various performance indicators in the previous synthetic reports of Expert Evaluation Network (EEN)), so far, all evaluations were mostly positive, pointing just to "partial" problems or at "variation in the results among different parts or priorities of the OP in question". According to the knowledge available, the first openly critical evaluation report has been completed only in 2012 (in case of OP Environment - see evaluation No. 3 in Table 6 above). Such a prevailing "friendly" approach of evaluation teams towards the MAs (i.e. contractors) questions the very relevance of evaluation activities in Czechia (with the obvious exception of evaluations focused on problem-solving, which are not strictly speaking evaluations, but rather a sort of technical assistance).
- b) Moreover, (not only) in case of evaluations, the pressure to achieve more transparency in public tendering for various evaluation services lead to an excessive weight put upon the offered price during the tendering process. Consequently, the space for assessment the quality and experience of competing firms within the tendering process is limited as its evaluation is considered as subjective or at least as more subjective than the price offered. Thus, the current system favours low cost instead of the quality. The situation even worsened during the 2012 as more and more often the firms compete basically on the price by offering prices that are a fraction of the expected value of the contract.

5. Further Remarks - New challenges for policy

Main points from the previous country report:

- The excessive attention of MAs to procedural and implementation issues in both day-to-day management and in evaluation activities indicates that a fundamental reform in this sphere is necessary. These problems of administrative nature clearly squeeze out much more important questions connected with the implementation of EU support which is efficiency, effectiveness and even the strategic focus.
- Effort to limit the space for corruption should be significantly enhanced (for example, a maximal openness of the whole procedure should be considered including the option that all contracts and final reports related to each project including the detailed budget should be made public).
- The method of unit costs should be applied widely to assess the value for money offered by submitted projects.

- Legal provision preventing disruption of implementation of OPs by a massive fluctuation of staff induced by political influences should be adopted.
- Likewise, support should be dominantly focused on provision of missing or inadequate public goods and direct support to private firms (with the exception of R&D) should be avoided (even the direct support to SMEs might distort the competition in a given locality).
- Paradoxically, (not only) in case of evaluation studies, the pressure to achieve a more transparency in public tendering for various evaluation services lead to an excessive weight put upon the offered price during the tendering process. On the other hand, the space for assessment of the quality and experience of competing firms within the tendering process is limited. Thus, the current system favours low cost instead of the quality.
- The current system in which the evaluation studies are being commissioned by the same authority that is responsible for implementation of the OP in question is running a risk that a significant pressure will be exerted upon evaluation team by the MA eager to obtain a more positive evaluation report. This too close relationship between MAs that is being evaluated and the evaluation team might be restrained for example by a rule that all evaluation studies should be commissioned by a central body, e.g. NCA in cooperation with the respective MAs to guarantee the “ownership” of the particular evaluation study.
- A bigger effort should be exerted to fight with the negative image of SFs interventions among wide public resulting from several corruption scandals which contrasts with the fact that a number of highly desirable and effective projects have been successfully implemented.
- The role of NCA should be enhanced in two ways. First, the NCA should set up a sort of strategic steering group consisting of renowned figures working outside the state apparatus (e.g. in the private sector or in academia). The members of steering group should be able to serve as a professional counterpart to respective MAs in their sphere of competence (for example: transport, business support, education etc.). Second, and related to this, the NCA should gain a clear power over the MAs of individual OPs in the sense that any call for proposals would require an approval by NCA to guarantee that the call in question is in line with the overall strategy of Cohesion policy in the Czech Republic.
- Moreover, in the forthcoming programming period, a lower number of goal oriented (in contrast to current process oriented) priorities should be designed. This would allow submitting of a larger variety of tailor-made projects than in current period when calls are often too prescriptive (e.g. requiring setting of a minimum number of partners of the project).
- The lower number of priorities and of related calls should also result in a system that all calls would be opened steadily (ideally, over the whole programming period).

In addition to these observations, the following comments and suggestions might be added:

1. There is a tendency of several MAs to prepare the new OP as a sort of better or improved version of the existing one. Instead, the new OPs should be fundamentally different offering simple but radical support focused on those activities which are needed for a change of

unfavourable state of socioeconomic situation in general and of competitiveness in particular. Unfortunately, this is unlikely to happen as the partnership principle as it is practised in the Czech Republic is leading rather to keeping status quo. Moreover, given the volume of support at stake, the new OPs are being prepared by a surprisingly limited number of officials, many of them are (in spite of enthusiasm of some of them) lacking sound knowledge about the current international debate on innovations, competitiveness and on regional development. Instead, they are preoccupied by issues of procedural and technical nature that were even multiplied by newly introduced ex ante conditionalities. Moreover, they are working under permanently unstable institutional environment (the demise of the Government in June 2013, nomination of a new “presidential” Government in July, early elections in October 2013). It is questionable whether under such conditions any sort of a truly strategic discussion can be held, i.e. what kind of measures and innovation support schemes are needed for moving the Czech economy higher in the value added ladder. In other words, there are both macro and micro factors in operation in the Czech society, which work against more ambitious/fundamental change of the current unfavourable status quo. Consequently, the most likely result is that new OPs will in fact represent only slightly polished version of existing OPs.

2. A potentially powerful tool, which has surprisingly not been used so far by the EC authorities, is their insistence that if a given country wants to continue support to the sphere of intervention, which has been already supported by the EU in the previous programming period, the member state has to prove by a methodologically sound impact evaluation study that the intervention proved to be effective and efficient. This would move evaluation studies from the periphery to the centre of the debates about the strategic focus of the future programming documents and would help to design better, i.e. more effective strategies and programmes. This approach would be particularly pressing in case of spheres like business support, support to R&D&I and support to various human development programmes.

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Interviews

The author would like to thank the following people for their insights; however, opinions in this Report remain the sole responsibility of the author:

- Ing. Martina Honců, Ministry for Regional Development, evaluation unit, Prague
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- Mgr. Jan Radoš, Ministry of Education, director of the Department of Management of OP R&D for Innovation
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- Mgr. Pavel Csank, Chief analyst of JIC (South Moravian Innovation Centre), Brno
- Dr. David Uhlíř, Deputy director of JIC, Brno
- Mgr. Petr Chládek, manager responsible for implementation of regional innovation strategy of South Moravia, project manager JIC, Brno
- Ing. Petr Tůma, Ministry of Trade and Industry, Prague.
- Doc. MUDr. Bohuslav Svoboda, Lord Mayor of Prague
- Mgr. Lucie Jungwirthová, SPF Group, Most

Annex 1 - Evaluation grid for examples of good practice in evaluation

There are no examples of good practice in evaluation.

| BASIC INFORMATION | |
|---|--|
| Country: | |
| Policy area: (Enterprise support, RTDI, Transport, etc.) | |
| Title of evaluation and full reference: | |
| Intervention period covered (2000-2006; 2007-2013; specific years): | |
| Timing of the evaluation (when it was carried out): | |
| Budget (if known): EUR | |
| Evaluator: (External evaluator, internal evaluator, EC) | |
| Method: (counterfactual analysis, process analysis, case study, econometric model, etc. indicate if a mix of methods) | |
| Main objectives and main findings:(very short description - 3-4 lines) | |
| Appraisal: (Why you consider the evaluation an example of good practice: - 3-4 lines) | |
| CHECK LIST | |
| Score each item listed below from 0 to 2 as follows: 0: No; 1: Yes, but not fully; 2: Yes | |
| Report | |
| Are the objectives, methods and findings of the evaluation clearly set out? | |
| Are the findings and recommendations clearly supported by the analysis? | |
| Are the methods used suitable given the objectives of the valuation and have they been well applied? | |
| Are the quantitative and qualitative data used reliable and suitable for the purpose of the evaluation? | |
| Are the potential effects of other factors (e.g. the economic situation) on the outcome fully taken into account? | |
| Is a serious attempt made to distinguish the effects of the intervention from these other factors? | |

Annex 2 - Tables

See Excel Table 1-4:

Excel Table 1 – Regional disparities and trends

Excel Table 2 – Macro-economic developments

Excel Table 3 - Financial allocation by main policy area

Excel Table 3cbc - Financial allocation by main policy area – cross border cooperation

Excel Table 4 - Commitments by main policy area (by end-2012)

Excel Table 4cbc - Commitments by main policy area (by end-2012) – cross border cooperation

Annex Table A - Values of selected monitoring indicators for OP Enterprise and Innovation in December 2011 and 2012.

| Indicator | Value achieved December 2011 | Value achieved December 2012 | Target value |
|--|------------------------------|------------------------------|--------------|
| No. of new jobs created | 11,403 | 17,757 | 40,000 |
| No. of R&D employees per 1000 employees | 11.4 | n.a. | 10.8 |
| Share of innovated products on turnover of supported firms (%) | 20.64 | 17.10 | 25.0 |
| No. of newly established firms | 177 | 182 | 450 |
| No. of firms supported by venture capital fund | 0 | 0 | 20 |
| No. of new CTT and of Science and Technology Parks | 36 | 53 | 45 |
| No. of new business incubators | 18 | 29 | 40 |

Source: AIR OP Enterprise and Innovation 2011, 2012.

Annex Table B - Values of selected monitoring indicators for OP R&D for Innovation in December 2011 and 2012

| Indicator | Value December 2011 | Value December 2012 | Target value |
|--|---------------------|---------------------|--------------|
| Reconstructed and new capacities for R&D&I (sq. m.) | 627 | 6,045 | 120,000 |
| No. of newly created R&D jobs | 445 | 1,481 | 2,500 |
| No. of completed regional R&D Centers | 0 | 20 | 20 |
| No. of clients using services for commercialization of R&D | 0 | 0 | 500 |

Source: AIR OP R&D for Innovation, Prague, 2012 and 2013.

Annex Table C - The values of selected monitoring indicators for OP Transport in December 2011 and 2012.

| Indicator | Value achieved December 2011 | Value achieved December 2012 | Target value |
|---|---------------------------------|---------------------------------|--------------|
| Reconstructed rail tracks on TEN-T network (km) | 141.3 | 197.5 | 348 |
| New roads within the TEN (km) | 0 | 70.6 | 120 |
| New roads outside the TEN (km) | 81.0 | 113.7 | 52 |
| Reconstructed rail tracks outside the TEN-T network (km) | 39.2 | 42.8 | 105.2 |
| No. of financially competed projects (all expenditures certified) | 29 | 70 | n.a. |

Source: AIR OP Transport 2011, 2012.

Annex Table D - The values of selected monitoring indicators for OP Environment in December 2011 and 2012

| Indicator | Value December 2011 | Value December 2012 | Target value |
|--|------------------------|---------------------------|--------------|
| Decrease of weight of CHSK(cr) pollution (in tons/year) | 1,757 | 3,136 | 5,000 |
| Length of new or reconstructed sewerage systems (km) | 1,039 | 1,685 | 120 |
| No. of inhabitants connected to the sewerage system (thousands) | 460 | 460 | 740 |
| No. of inhabitants newly connected to the waterline system (thousands) | 320 | 320 | 50 |
| Decrease of energy consumption (Gj/year) | 192,548,94 | 257,051,32 | 1,550,000.0 |
| Increase of capacity from renewable sources of energy (MW) | 8.35 | 10.52 | 130 |
| Area of liquidated old ecological burdens (sq. m.) | 656,586 | 692,429.90 | 1,000,000 |

Source: AIR OP Environment 2011, 2012.

Annex Table E - Values of selected monitoring indicators for Integrated OP in December 2011 and 2012

| Indicator | Value December 2011 | Value December 2012 | Target value |
|--|------------------------|------------------------|--------------|
| No. of contact points for public administration (CzechPoint) | 6,557 | 6,557 | 6,244 |
| No. of modernised or new Front offices connected to Integrated Emergency System. | 269 | 311 | 369 |
| Area of municipalities with a new master plan (in sq. km.) | 6,776.67 | 8,360.75 | 140.0 |
| No. of regenerated flats | 24,809 | 35,888 | 24,500 |
| Area of revitalized territory (sq. m.) | 1,094,066.6 | 2,182,515.9 | 4,108,000 |

Source: AIR of Integrated OP 2011 and 2012.

Annex Table F - Selected monitoring indicators of ROPs in December 2011 and 2012

| Indicator | Unit | Value achieved in December 2011 | Value achieved in December 2012 | Target value in December 2012 | Target value in December 2011 |
|---|----------|---------------------------------|---------------------------------|-------------------------------|-------------------------------|
| New and reconstructed roads of II and III class | km | 915.9 | 1,285.2 | 1,641 | 1,454.5 |
| - of which new roads | km | 19.9 | 26.7 | 57 | 73.5 |
| Area of revitalized and regenerated space | Hectares | 395.8 | 507.1 | 412.5 | 484 |
| Area of revitalized urban and village buildings | sq. m. | 324,842.6 | 382,656.0 | 199,700 | 169,000.0 |
| No. of new ecological vehicles for public transport | No. | 152 | 373 | 475 | 250 |

Source: AIR 2012, Monthly Monitoring Report December, 2012, Ministry For Regional Development, January 2012 and 2013 Prague.

Annex Table G - Values of selected monitoring indicators for OP Prague - Competitiveness in December 2011 and 2012

| Indicator | Value achieved in December 2011 | Value achieved in December 2012 | Target value |
|---|---------------------------------|---------------------------------|--------------|
| Reconstructed and new capacities for R&D&I (sq. m.) | 118,51.6 | 17,616.5 | 15,000 |
| No. of newly created R&D jobs | 2.5 | 27.15 | 85 |
| Area of regenerated or revitalised territory (ha) | 32.4 | 60.88 | 50 |
| The length of new tramway lines (km) | 0.74 | 1.29 | 1 |
| No. of fully digitally converted public agendas | 8 | 8 | 15 |
| The length of new paths for cyclists | 4.29 | 7.75 | 2.5 |

Source: AIR Prague Competitiveness 2011 and 2012, Prague.

Annex Table H - Values of selected monitoring indicators for OP Czech Republic-Poland in December 2011 and 2012

| Indicator | Value achieved December 2011 | Value achieved December 2012 | Target value |
|---|------------------------------|------------------------------|--------------|
| No. of participants of workshops/seminars/environmental exhibitions | 1,050 | 2,270 | 1,000 |
| No. of new or reconstructed tourism facilities | 75 | 126 | 250 |
| No. of cooperating training institutions | 6 | 24 | 65 |
| The length of reconstructed or new roads (km) | 0 | 16 | 25 |
| No. of participants of cultural/sport/ social events | 190,542 | 291,403 | 50,000 |

Source: AIRs for OP Czech Republic-Poland 2011 and 2012.

Annex Table J - Broad policy areas and correspondence with fields of intervention (FOI)

| Policy area | | Code | Priority themes | |
|---------------------------|-----------------------------|------------------------|--|--|
| 1. Enterprise environment | RTDI and linked activities | 01 | R&TD activities in research centres | |
| | | 02 | R&TD infrastructure and centres of competence in a specific technology | |
| | | 05 | Advanced support services for firms and groups of firms | |
| | | 07 | Investment in firms directly linked to research and innovation (...) | |
| | | 74 | Developing human potential in the field of research and innovation, in particular through post-graduate studies ... | |
| | Innovation support for SMEs | 03 | Technology transfer and improvement of cooperation networks ... | |
| | | 04 | Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres) | |
| | | 06 | Assistance to SMEs for the promotion of environmentally-friendly products and production processes (...) | |
| | | 09 | Other measures to stimulate research and innovation and entrepreneurship in SMEs | |
| | | 14 | Services and applications for SMEs (e-commerce, education and training, networking, etc.) | |
| | | 15 | Other measures for improving access to and efficient use of ICT by SMEs | |
| | ICT and related services | 11 | Information and communication technologies (...) | |
| | | 12 | Information and communication technologies (TEN-ICT) | |
| | | 13 | Services and applications for citizens (e-health, e-government, e-learning, e-inclusion, etc.) | |
| | Other investment in firms | 08 | Other investment in firms | |
| | 2. Human resources | Education and training | 62 | Development of life-long learning systems and strategies in firms; training and services for employees ... |
| | | | 63 | Design and dissemination of innovative and more productive ways of organising work |
| 64 | | | Development of special services for employment, training and support in connection with restructuring of sectors ... | |
| 72 | | | Design, introduction and implementing of reforms in education and training systems ... | |
| 73 | | | Measures to increase participation in education and training throughout the life-cycle ... | |
| Labour market policies | | 65 | Modernisation and strengthening labour market institutions | |
| | | 66 | Implementing active and preventive measures on the labour market | |
| | | 67 | Measures encouraging active ageing and prolonging working lives | |
| | | 68 | Support for self-employment and business start-up | |
| | | 69 | Measures to improve access to employment and increase sustainable participation and progress of women ... | |
| | | 70 | Specific action to increase migrants' participation in employment ... | |
| | | 71 | Pathways to integration and re-entry into employment for disadvantaged people ... | |
| | | 80 | Promoting the partnerships, pacts and initiatives through the networking of relevant stakeholders | |
| 3. Transport | Rail | 16 | Railways | |
| | | 17 | Railways (TEN-T) | |

| Policy area | | Code | Priority themes |
|----------------------------|---------------------------------|--------------------------|---|
| | | 18 | Mobile rail assets |
| | | 19 | Mobile rail assets (TEN-T) |
| | Road | 20 | Motorways |
| | | 21 | Motorways (TEN-T) |
| | | 22 | National roads |
| | | 23 | Regional/local roads |
| | | 24 | Cycle tracks |
| | Other transport | 25 | Urban transport |
| | | 26 | Multimodal transport |
| | | 27 | Multimodal transport (TEN-T) |
| | | 28 | Intelligent transport systems |
| | | 29 | Airports |
| | | 30 | Ports |
| | | 31 | Inland waterways (regional and local) |
| 32 | | Inland waterways (TEN-T) | |
| 4. Environment and energy | Energy infrastructure | 33 | Electricity |
| | | 34 | Electricity (TEN-E) |
| | | 35 | Natural gas |
| | | 36 | Natural gas (TEN-E) |
| | | 37 | Petroleum products |
| | | 38 | Petroleum products (TEN-E) |
| | | 39 | Renewable energy: wind |
| | | 40 | Renewable energy: solar |
| | | 41 | Renewable energy: biomass |
| | | 42 | Renewable energy: hydroelectric, geothermal and other |
| | | 43 | Energy efficiency, co-generation, energy management |
| | Environment and risk prevention | 44 | Management of household and industrial waste |
| | | 45 | Management and distribution of water (drink water) |
| | | 46 | Water treatment (waste water) |
| | | 47 | Air quality |
| | | 48 | Integrated prevention and pollution control |
| | | 49 | Mitigation and adaption to climate change |
| | | 50 | Rehabilitation of industrial sites and contaminated land |
| | | 51 | Promotion of biodiversity and nature protection (including Natura 2000) |
| | | 52 | Promotion of clean urban transport |
| | | 53 | Risk prevention (...) |
| | | 54 | Other measures to preserve the environment and prevent risks |
| 5. Territorial development | Social Infrastructure | 10 | Telephone infrastructure (including broadband networks) |
| | | 75 | Education infrastructure |
| | | 76 | Health infrastructure |
| | | 77 | Childcare infrastructure |
| | | 78 | Housing infrastructure |
| | | 79 | Other social infrastructure |
| | Tourism and culture | 55 | Promotion of natural assets |
| | | 56 | Protection and development of natural heritage |
| | | 57 | Other assistance to improve tourist services |

| Policy area | | Code | Priority themes |
|-------------------------|-----------------------------|------|---|
| | | 58 | Protection and preservation of the cultural heritage |
| | | 59 | Development of cultural infrastructure |
| | | 60 | Other assistance to improve cultural services |
| | Planning and rehabilitation | 61 | Integrated projects for urban and rural regeneration |
| | Other | 82 | Compensation of any additional costs due to accessibility deficit and territorial fragmentation |
| | | 83 | Specific action addressed to compensate additional costs due to size market factors |
| 6. Technical assistance | | 84 | Support to compensate additional costs due to climate conditions and relief difficulties |
| | | 81 | Mechanisms for improving good policy and programme design, monitoring and evaluation ... |
| | | 85 | Preparation, implementation, monitoring and inspection |
| | | 86 | Evaluation and studies; information and communication |