



**Expert evaluation network
delivering policy analysis on the
performance of Cohesion policy 2007-2013
Year 2 – 2012**

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

Czech Republic

Version: Final

Jiří Blažek

Charles University in Prague

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

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List of abbreviations

- AIR Annual Implementation Report
- CSF Community Support Framework
- EC European Commission
- IB Implementation Bodies
- IOP Integrated Operational Programme
- NCA National Coordination Authority
- NSRF National Strategic Reference Framework
- OP Operational Programme
- OP RDI Operational Programme Research and Development for Innovations
- R&D&I Research, Development and Innovation
- ROP Regional Operational Programme

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.
- The shifts in the allocations of resources which took place in 2011 were much more significant than in 2010, these were mostly due to additional allocation based on Inter-institutional Agreement and to reallocation of EUR 52.9 million from Operational Programme (OP) Technical Assistance to several OPs (OP Enterprise and Innovation, and all ROPs). Nevertheless, neither the priorities of regional development policy nor the relative importance attached to them has been significantly modified since the beginning of the programming period.
- Surprisingly, no significant impacts of the crisis on implementation of EU Cohesion policy support have been so far recorded (with the obvious exception of 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 12 OPs committed more than 75% of overall allocation by end of June, the Managing Authority (MA) of OP Environment has so far only committed 29.9%. In case of remaining 4 OPs the rate of commitments ranges between 68% and 74%. Likewise, the share of certified expenditure varies greatly – from nearly 49.1% in the Regional OP (ROP) South East to a mere 2.2% in case of OP Research and Development for Innovations (OP RDI).
- 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 competitiveness, climate and demographic change.
- Nevertheless, tangible progress has been achieved in several important spheres such as significant upgrading of business infrastructure or 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).
- Due to significant efforts exerted during 2010 and 2011, the system of monitoring indicators can be now considered as consolidated from physical as well as technical point of view.
- The evaluation activity increased in 2011, however, most of the studies 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 2011, working group on evaluations can be considered as operational.

- Despite the progress in implementation, the persistence or even deepening of several problems (esp. too close relation between managing authorities and the respective audit bodies, improper implementation of public procurement rules and a high fluctuation of staff of management and implementation system) led to suspension of certification of expenditure by the European Commission (EC) in January 2012. On the basis of progress in implementation of the Czech Action Plan, the certification procedure was partially reopened at the end of July.

1. THE SOCIO-ECONOMIC CONTEXT

Main points from previous country report:

- Despite the dramatic 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.
- However, the crisis revealed fully the lack of sustainability of the Czech public finance without radical reform on both revenue and expenditure side of public budgets. Therefore, a set of austerity measures across all budgetary areas was adopted.
- 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 and 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.
- 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 2010 was only about CZK 300 million (EUR 11 million). Therefore, one cannot expect any discernible impacts of the official regional policy.

The main changes of the socio-economic situation which have occurred in the year 2011:

According to the latest regional analyses available (e.g. Blažek, Netrdová, forthcoming) there are no significant changes in regional pattern of unemployment on regional level. However, a trend of growing fragmentation of spatial pattern on local/municipal level has been identified. Namely, growing differences in the rate of unemployment among neighbouring municipalities were recorded over the period of the last ten years. In addition, a surprising level of volatility of this pattern during the course of the year(s) has been identified. 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.

Nevertheless, so far there is no clear evidence that the crisis would be affecting regions differentially. However, some of the austerity measures employed within the Czech fiscal policy are likely to lead to a distinctive regional impacts. For example, economizing measures within the public sector are likely to affect mostly (relatively well-performing) large cities with sizeable public sector. On the contrary, cuts in social benefits are likely to affect especially the poorest regions and deprived neighbourhoods in cities. It should be stressed that social polarisation and spatial segregation seems to be advancing over the last years.

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

Finally, a new trend concerns 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 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.

The national regional policy remains in principle unchanged but continues to be marginalized in its financial allocation (mere EUR 13.6 million in 2011 and EUR 11.8 million for 2012). However, within the Czech fiscal policy, there are much more vigorous equalising mechanisms, especially the system of local and regional government financing. At a regional level this system operates according to a highly redistributive formula (equal sharing of revenues of four taxes). In addition, recently, the Act on local government financing has been amended in order to narrow the gap between per capita allocations which currently exists between large cities and small municipalities. The new system should enter into force in January 2013. This adjustment is one of few examples when the national policy is fine-tuned according to regional or even local needs as otherwise the economic growth and (un)employment challenges are considered as of national responsibility.

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
United States	1.9	-0.3	-3.5	3.0	1.7
EU 27	3.2	0.3	-4.3	2.0	1.5
EU12	2.9	0.3	-4.2	1.9	1.5
Czech Republic	5.7	3.1	-4.7	2.7	1.7

Source: Ministry of Finance of the Czech Republic (July 2012, 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 previous country report:

The overall strategy of using Cohesion policy funds for regional development can be summarised in the following bullet-points:

- In the Czech Republic, the main priorities of regional development policies over the period 2007-2013 are transport infrastructure (in Convergence 1 approx. equal 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 Republic – 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.

Changes that have occurred since the 2011:

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 in 2011. Adequacy of the cohesion strategy in the Czech Republic has been endorsed in spring 2011 also by the Mid-term evaluation performed for the Ministry of Regional Development by KPMG.

Nevertheless, in contrast to year 2010, where only 3 reallocations among priority axes within 3 OPs have been approved, in 2011 16 changes of OPs were approved. The majority of these reallocations have 2 common denominators. First, on the basis of Inter-institutional Agreement the Czech Republic obtained additional financial resources in the amount of EUR 237 million. Second, at the same time, the government decided to reallocate EUR 52.9 million from OP Technical Assistance to several OPs (to OP Enterprise and Innovation, and to all ROPs). All ROPs decided to strengthen the allocation to priority axis 1 (transport infrastructure), but differed in their selection of the second priority to be strengthened according to local conditions. In case of OP Enterprise and Innovation the following priority axes have been strengthened: 1) creation of new firms, 2) development of firms, 3) energy efficiency, 4) technical assistance. In addition to these, the following changes have been approved:

1. ROP Central Bohemia – reallocation from priority axis 1 and 2 (transport and tourism) to priority axis 3 (integrated development of the territory, esp. support to hospitals) due to low absorption capacity and due to shift of regional priorities.
2. ROP North East – reallocation in favour of priority axis 2 (development of urban and rural areas) from all other priority axes.

In the context of the current global economic crisis, it should be stressed that the EU support via Cohesion policy is 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 even greater.

There has not been any specific shift in ERDF priorities that would aim at mitigating the problems of youth unemployment in the Czech Republic. On the other hand, 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 was growing steadily during 2011, while the share of classified loans dropped slightly (from 8.8% in Q1 to 8.2 in Q4 2011). Consequently, according to the series of tests performed by the Czech National Bank, Czech banking sector is quite stable.

POLICY IMPLEMENTATION²

Main points from previous country report:

- A significant acceleration in implementation achieved during year 2010 as well as throughout the first half of year 2011. Consequently, implementation of most OPs was at the end of 2010 in line with implementation plans or even more advanced.
- Nevertheless, profound differences were identified among particular OPs. The situation of the OP RDI was particularly worrying because a fundamental step forward took place only in the first half of 2011 when the first set of large-scale projects of Centres of European Excellence has been approved by the EC.
- Another OP of a significant concern was ROP South West where the progress in implementation has been disrupted by numerous irregularities, such as non-transparent process of project selection leading to suspension of implementation of this OP. Unfortunately, several other OPs (both thematic and regional) were facing similar problems.
- Therefore, the available data suggested that both applicants and staff of various IBs are capable of managing the whole project cycle but, at the same time, a large number of OPs suffers from a high number of (sometimes even fundamental) irregularities suggesting too close links between the various business and political circles and the personnel of implementation system.

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

The latest available data (relating to the end of June 2012) on commitments confirm that implementation of most of OPs is well advanced. 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%. However, in sharp contrast with these figures is the level of commitments in case of OP Environment which is just below 30%. There are three main reasons for such underperformance of this OP: i) large allocation was planned for the large-scale projects into water treatment plants. However, due to long-term contracts between municipalities and private operators of these facilities, public support proved to be (after lengthy negotiations) unacceptable for the EC authorities; ii) significant doubt about transparency and about respect of public procurement rules; iii) high fluctuation of staff.

In addition to above mentioned trinity of “transversal” problems, practically all priority axes are having its specific constraints. Namely, the worst situation has been identified in case of priority axis 2 (air pollution) where at the end of June 2012, only 3.8% of overall allocation has been committed to particular projects. In this case, numerous other factors hindered the implementation. First, economic crisis in conjunction with application of limits on public support limited the demand from large pollutants/firms. Second, the calls were designed in a relatively narrow way, were insufficiently promoted and were not continuous.

² The indicators used in this section come from the AIR for 2011, which relate to the situation up to the end of 2011. A more up-to-date view of the aggregate position (though not of the situation in the different policy areas) is presented in the Synthesis Report for 2012 of the Expert evaluation network delivering policy analysis on the performance of Cohesion policy 2007-2013 which is based on data for payments from the ERDF and Cohesion Fund up to the end of 2012, i.e. after the present report was completed.

Table 2 - Progress in implementation of ERDF/CF OPs between December 2009 and June 2012 (in % of total allocation)

Convergence Objective	Commitments				Reimbursed from the state budget				Submitted for certification to the EC			
	Dec. 2009	Dec. 2010	June 2011	June 2012 ³	Dec. 2009	Dec. 2010	June 2011	June 2012	Dec 2009	Dec. 2010	June 2011	June 2012
OP Enterprise and Innovation	26.4	49.3	65.9	77.4	8.2	16.1	22.0	35.5	5.3	9.7	11.7	19.3
OP RDI	3.7	27.3	59.1	89.6	0.6	3.2	10.1	26.1	0.0	0.1	0.3	2.2
OP Environment	n.a.	16.3	22.2	29.9	4.5	12.7	16.4	25.2	1.6	7.4	7.7	7.3
OP Transport	32.6	96.8	100.8	96.0	17.3	55.0	61.1	71.0	5.9	16.7	17.1	15.3
Integrated OP (IOP)	23.4	53.1	64.0	72.0	1.5	9.3	14.0	22.8	0.3	5.6	7.9	11.1
OP Technical Assistance			59.8	68.4			14.4	25.3			12.4	20.2
ROP Central Bohemia	29.4	57.7	71.5	86.3	11.5	27.6	33.6	46.8	4.2	13.3	24.5	32.1
ROP SouthWest	36.4	52.8	74.8	84.8	11.8	29.9	33.7	44.7	3.4	3.6	3.7	31.1
ROP North West	44.8	68.4	79.2	80.5	5.6	33.0	39.7	51.2	1.6	15.5	25.5	24.1
ROP North East	50.9	69.9	88.1	87.2	16.9	45.4	50.9	64.3	3.6	30.9	40.3	46.7
ROP South East	54.3	71.7	82.5	91.9	14.8	45.1	52.4	58.0	3.3	33.8	44.9	49.1
ROP Central Moravia	40.3	47.3	54.7	65.4	18.8	42.0	44.5	52.8	6.4	32.6	42.2	42.9
ROP Moravia Silesia	20.7	44.1	61.1	73.8	7.7	23.1	27.9	41.6	3.8	17.3	22.7	29.0
Regional Competitiveness and Employment Objective												
OP Prague – Competitiveness	47.9	82.9	89.4	83.9	13.9	36.8	54.1	54.3	7.4	14.4	14.3	14.7
European Territorial Co-Operation Objective.												
OP Czech Republic - Poland 2007 – 2013	70.7	90.5	93.2	97.1	2.6	27.0	37.9	52.6	0.0	23.8	35.8	50.0
OP Interregional cooperation INTERREG IVC	64.6	67.9	67.9	101.8	-	-	-	-	1.5	7.1	12.5	24.0
OP Transnational cooperation Central Europe	27.2	56.5	85.0	97.5	-	-	-	-	0.5	4.0	15.0	25.7

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

To remedy this situation several measures were taken during the 2011, including the agreement with the EC authorities that in three Czech districts with the highest air pollution (Ostrava, Karviná, Frýdek-Místek) the level of public support will be increased significantly. Needless to say, that extreme scale of air pollution in these districts not only regularly disrupts the economic life (multiple exceeding of hygienic limits leads to regulation of individual car transport and to forced interruption of most polluting industrial processes) but is having also negative impact on the health of population, not talking about reinforcing the negative image of

³ 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.

these districts both among population and investors thus undermining development prospects of these affected districts in the future.

In contrast, the highest commitments within this OP have been recorded in case of priority axis 3 (Sustainable use of energy). However, even within this priority axis a huge discrepancy between the two supported spheres of intervention exist. In particular, while the commitments for sphere 3.1 - (re)construction of renewable sources of energy - reached only 9.4, in case of sphere 3.2 (energy saving and use of waste heat) 60.7% of overall allocation has been committed. These sharp differences reflect the negative impacts of instable overall policy framework upon implementation of Cohesion policy programmes as after extremely buoyant public support to renewables provided to installations completed until the end of 2010, the support has been cut radically in order to limit the excessive costs to public budgets as well as excessive energy costs for households and business.

Therefore, in October 2011, a new MA director has been nominated in order to respond to these problems and to speed-up the implementation. Moreover, so called "strengthened management" toward this OP is applied by the National Coordination Authority (NCA) to assist with findings solution and to monitor regularly the progress achieved. Unsurprisingly, the EC interrupted certification of expenditures for this OP in January 2012 and this measure has not been lifted so far. This is unfortunate situation, as the Czech Republic is one of the European countries where the environment is highly polluted or even devastated in places, so the real needs in the sphere of environment are tremendous.

In case of several OPs a decline in committed values was recorded (see Table 2 above). This is due to a change of methodology applied since February 2012 to obtain a more accurate picture about the real performance of individual OPs. Therefore, unfinished or cancelled projects are not included in committed expenditures any more. The drop of committed expenditures is one of the indicators signalling problems with implementation of particular OPs.

A completely different picture is 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 case of OP RDI (mere 2.2%) and OP Environment (7.3%). While the key problems hindering implementation of OP Environment have been mentioned above, the main reason for extremely low rate of certification in OP RDI is a large allocation for large-scale centres of research excellence whose implementation in most cases just started. However, there has been a noticeable progress in implementation during the year 2011 recorded in this priority axis (European centres of research excellence) as commitment exceeded 85% of total allocation. 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.

An important challenge is to design a functional system of commercialisation of research results and to obtain a sufficient amount of contract research to guarantee sustainability of these centres. Finding renowned directors for these institutions and heads of research teams is also very important. The directors were searched for on the international level with a generally positive response to the call. However, the actual process of contracting with these top

personalities was often cumbersome, and management of some of these centres failed to recruit them so far.

Relatively advanced is also the implementation of priority axis 2 (regional centres of excellence) where the rate of commitments exceeded 90%, and also the level of reimbursed and even of certified expenditure is highest of all priority axes within this OP. Relatively advanced is also implementation of priority axis 4 (R&D infrastructure at universities).

In contrast, the priority axis 3 (Commercialisation and popularisation of R&D) is less advanced. This is especially due to complicated nature, especially of projects focused on commercialization. Therefore, preparation and selection of these projects is cumbersome, esp. given the fact that there is only limited experience with preparation and implementation of such projects in the Czech Republic.

Low rate of certification in most of OPs can generally be attributed to a persistence or even to a deepening of several problems (esp. too close relation between managing authorities 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. However, certification of expenditure of the largest OPs such as Transport or Environment is still interrupted causing not only serious risks that the requirements stemming from N+2/3 rule will not be met in case of several OPs at the end of 2012 or later but even questioning the overall level of efficiency and effectiveness of using Structural Funds and Cohesion Fund in the Czech Republic.

Therefore, in early 2012, an Action Plan has been agreed between the Czech Republic and the EC authorities to eliminate above mentioned problems, to speed-up implementation and to re-establish trust to the Czech Audit bodies.

One of the worst performing OPs - at least according to the level of reimbursed expenditure - is the IOP. Despite the fact that some progress in implementation of this OP has been recorded over the last year, the implementation continues to be hindered especially by a high fragmentation of support and high fluctuation of staff particularly in case of some Intermediary Bodies (IB) such as the Ministry of Interior, Ministry of Labour and Social Affairs, but also the MA of this OP and IB Centre for Regional Development. Moreover, a variety of types of irregularities have been discovered by various audit and control bodies ranging from poor design of projects, inadequate selection criteria (e.g. low weight is being given to efficiency of projects submitted), missing standard unit costs, missing system for establishing fare price for medical instrument purchased via sphere of intervention 3.2. to non-compliance with the Act on public tendering.

Therefore, the MA in cooperation with the NCA employed a crisis management model over the most problematic spheres of interventions (esp. 3.1. services in the sphere of social integration). However, due to the nature of the problems mentioned in the previous paragraph oppressing implementation of this OP these are unlikely to bring-in a quick improvement.

In case of ROPs, the progress in implementation can be summarized into the following points:

1. 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.
2. 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.
3. 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. For example, at the end of July 2012, the EC announced sizeable corrections upon the ROP North-West.

ACHIEVEMENTS OF THE PROGRAMMES SO FAR

Objective Convergence

Policy area: Enterprise support and RTDI

The sphere of Enterprise support and RTDI is supported via two OPs: OP Enterprise and Innovation and OP RDI. Unfortunately mutual synergies in achievements between projects supported by these two OPs are rather exceptional. This is mainly due to the following factors: i) the implementation of key part of OP RDI (European centres for excellence) is delayed due to complex nature of these flagship projects, ii) insufficient attention has been paid to building suitable interfaces 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 firms able to commercialize research outputs from these centres is limited.

OP Enterprise and Innovation

Main points from previous country report:

- During 2010, several measures were implemented in order to speed up implementation (for example: setting of obligatory time-schedule for opening the calls, introduction of electronic exchange of documents, creation of integrated database of external evaluators).
- In July 2010, the EC accepted the request of MA to revise the OP. The revision was mostly induced by changes in socioeconomic conditions. The most important approved change is the reallocation of financial allocations among the priority axes (allocation for (sub)-programmes Innovation, Eco-energy and Development were strengthened) and application of financial instruments of the initiative JEREMIE.
- A significant progress has been achieved in several key monitoring indicators as well as significant acceleration of implementation in comparison with previous year (2009).
- 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).

The current state of implementation of this OP is provided in Table 3.

Table 3 - Values of selected monitoring indicators for OP Enterprise and Innovation at the end of 2009 and in June 2012.

Indicator	Value achieved December 2009	Value achieved December 2010	Value achieved December 2011	Value achieved June 2012	Target value
No. of new jobs created	4,684	6,955	11,404	13,758	40,000
- of which no. of jobs created in the sphere of R&D	282	598 ⁴	863	1,127	1,000
Share of innovated products on turnover of supported firms (%)	23.5	19.3	20.1	22.6	25.0
New capacities of renewable sources of energy (MW)	4.5	12.5	29.8	54.9	180.0
Reconstructed production premises (ths. sq.m.)	n.a.	196.6	504.5	763.0	2,000.0
No. of supported projects of start-up grants	0	0	0	0 (48 commitments in approved projects)	25
No. of new CTT and of Science and Technology Parks	5	23	36	43	40
No. of new business incubators	5	16	18	23	40

Source: AIR OP Enterprise and Innovation 2009, 2010, 2011. Monitoring Report June, 2012, Ministry for Regional Development, July 2012, Prague.

It should be stressed that the management of OP Enterprise and Innovation is one of most stable among all Czech OP. Moreover, one has to acknowledge that 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 can be raised against this OP is (at least according to my opinion) 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, etc. The second major challenge is 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. Finally, 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.

⁴ This figure relates to the end of June 2011 and has been excerpted from Monthly Monitoring Report June, 2011, Ministry for Regional Development, July 2011, Prague.

Target values of two key monitoring indicators have been already achieved (Number of new jobs in R&D and number of CTT and of Science and Technology Parks). On the other hand, target value for new jobs created is unlikely to be achieved in 2015 due to tremendous impact of the global economic crisis on Czech economy.

OP RDI

Main points from previous country report:

- This OP was clearly the worst-performing of all Czech OPs as the share of certified expenditure was only 0.3% by the end of June 2011.
- The sluggish pace of implementation was attributable mainly to the following factors. Firstly, the novel type of OP for the Czech Republic gave rise to delays in preparation, negotiations and approval of this OP. Secondly, the staff responsible for the preparation and launching of this OP designed a system of project selection and later of project management that would guarantee the achievement of the expected output, results and impacts. Thirdly, after parliamentary elections in 2010, the implementation of this OP was disrupted by a political earthquake resulting in a massive turnover even of professional staff responsible for the management of this OP.
- In 2010, significant progress was achieved in implementation of Priority Regional Centres of Excellence and of Priority Research Infrastructure for Universities. For example, in Priority Regional Centres of Excellence 24 new decisions were issued in 2010 (in comparison to 6 decisions, issued until the end of 2009). In contrast, no decision was issued during 2010 in priority 3 (commercialization and popularization of R&D).

Table 4 - Values of selected monitoring indicators for OP RDI (in June 2012)

Indicator	Value December 2010	Value December 2011	Value June 2012	Commitments from approved projects June 2012	Target value
Reconstructed and new capacities for R&D and Innovation (sq. m.)	0	627	4,040	546,083	190,000
No. of newly created R&D jobs	33.2	444.6	1,351.01	4,684.5	2,500.0
No. of clients using services for commercialization of R&D	0	0	0	650	500

Source: Monthly Monitoring Report June, 2012, Ministry for Regional Development, July 2012, Prague.

Given the current 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 provided in the above Table 4 might be 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. Nevertheless, 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.

Policy area: Transport

OP Transport

Main points from previous country report:

- A significant progress in achieving target values of monitoring indicators has been acknowledged.
- However, both indicators related to the reconstruction of rail tracks were below the expected values. Nevertheless, according to AIR 2011, the target values will be met.
- On the other hand, indicators related to road transport were likely to be fulfilled or even exceeded.
- Therefore, despite a mismatch between the target and committed values in case of some monitoring indicators, this OP is contributing towards its strategic goal.
- Unfortunately, common limitation that applies also to this OP is the fact that no systematic attention is being paid to unit costs. Even though these might vary significantly due to nature of the particular projects given specific circumstances, the unit costs should provide at least a basic benchmark and if the project proposal deviates significantly from the usual value this should be properly justified. This might be one of vehicles for improving the effectiveness and efficiency of the EU Cohesion Policy.

Table 5 - The values of selected monitoring indicators for OP Transport in June 2012.

Indicator	Value achieved December 2009	Value achieved in December 2010	Value achieved in December 2011	Value achieved June 2012	Target value
Reconstructed rail tracks on TEN-T network (km)	9.6	137.7	141.3	143.3 (285.7 commitments)	348.0
New roads on TEN-T network (km)	0	0	0	0 (132.9 commitments)	120
Reconstructed rail tracks outside the TEN-T network (km)	4.7	39.2	39.2	40.4 (67.5 commitments)	105.2

Source: AIR OP Transport 2011, Monthly Monitoring Report June, 2012, Ministry for Regional Development, July 2012, Prague.

Given, the very high rate of commitments achieved already in June 2011 (which even slightly exceeded the volume of overall allocation – 100.8%), no significant changes in the level of commitments occurred since then. Therefore, also the data in Table 5 show only a modest change in the values of monitoring indicators derived from commitments in contracts since the last report. Unfortunately, also the physical progress actually achieved was limited as suggested by modest increase of actual values of monitoring indicators. Moreover, the drop of both committed values and of certified expenditure (see Table 2) indicate that this OP is struggling with prudence and efficiency of its interventions. Therefore, not surprisingly, this OP is one of those whose certification of expenditures has been stopped in January 2012.

Nevertheless, like in the previous report, it should be stressed that unlike in other OPs, transport achievements are supported by hard data; this is true at least in the case of the most important projects financed by OP Transport. New segments of motorways or rail tracts completed with Cohesion policy support are clearly alleviating traffic congestion and speeding-up transport.

Policy area: Environment

OP Environment

Main points from previous country report:

- Nearly all monitoring indicators exhibited wide differences between achieved and target values due to: i) dubious quality of quantification during the programming phase, ii) consolidation and redefinition of the system of monitoring indicators performed in 2010 (see below), iii) changes in policy context external to the OP, esp. the changes in the national support system to producers of energy from renewable sources.
- The overall progress of implementation of this OP was sluggish, mainly due to: i) large allocation was planned for the large-scale projects consisting of water treatment plants. However, due to long-term contracts between municipalities and private operators of these facilities, public support proved to be (after-lengthy negotiations) unacceptable for the EC authorities, ii) significant doubt about transparency and about respect of public procurement rules, iii) high fluctuation of staff.

Table 6 - The values of selected monitoring indicators for OP Environment in June 2012

Indicator	Value December 2009	Value December 2010	Value December 2011	Value June 2012	Target value
Decrease of weight of CHSK (cr) pollution (in tons/year)	7,276	8,820	11,185	n.a.	18,000
Length of new or reconstructed sewerage systems (km)	66.2	639.6	1,039.3	1,230.0 (committed value 1,722.1)	120
No. of inhabitants connected to the sewerage system (million)	8.5	8.6	n.a.	n.a.	n.a.
No. of inhabitants connected to the waterline system (million)	9.7	9.8	9.8	n.a.	n.a.
Decrease of energy consumption (Gj/year)	134,068.8	154,961.3	192,548.9	193,990.7	1,550,000.0
Increase of capacity from renewable sources of energy (MW)	0.94	3.8	8.4	8.8	130.0
Area of liquidated old ecological burdens (sq. m.)	101,595	584,452	656,586	656,586	1,000,000
Area of revitalized areas (ha)	739.0	1,589.4	2,435.5	2,712.6	1,000.0

Source: AIR OP Environment 2009, 2010, 2011; Monthly Monitoring Report June, 2012, Ministry for Regional Development, July 2012, Prague

According to AIR, based on committed values, even in case of two indicators where only extremely 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 will be reached by 2015.

Policy area: Territorial development

IOP

Main points from previous country report:

- The IOP covers a relatively broad range of interventions which is also reflected by the fact that five ministries are cooperating in the management of this OP. In addition, the projects frequently tend to be rather small as illustrated by the fact that until the end of June 2011, 5,311 projects had been financially completed.
- The decisive share of financial resources is concentrated in the following 3 priorities: Modernisation of public administration (21.1%), Improvement of quality and accessibility of public services (34.4%) and National support to territorial development (26.6%).
- Despite an acceleration of implementation during the first half of 2011, this is one of those OPs with a rather sluggish pace of implementation. There are several reasons for this such as insufficient administration capacity and/or fluctuation of staff, especially in those IBs that were newly involved in the implementation of the EU Cohesion policy.
- In response to these problems MA implemented several measures such as the continuation of training programmes for staff of Intermediary Bodies, the analysis of absorption capacity and of other barriers in particular spheres of interventions were performed.

Table 7 - Values of selected monitoring indicators for IOP in June 2012

Indicator	Value December 2009	Value December 2010	Value December 2011	Value June 2012	Target value
No. of contact points for public administration (CzechPoint)	4,470 ⁵	6,557	6,557	6,557	6,244
No. of modernised or new Front offices connected to Integrated Emergency System.	76	242	269	275	369
Area of municipalities with a new master plan (sq. km.)	774.1	3,344.0	7,180.1	7,560.0	140.0
No. of regenerated flats	0	10,126	24,809	29,450	24,500
Area of revitalized territory (sq. m.)	0.0	381,848.4	1,094,066.6	1,163,218.2	4,108,000.0

Source: AIR of IOP 2010 and 2011. Monitoring Report June, 2012, Ministry for Regional Development, July 2012, Prague.

Despite the problems with implementation described in previous section, the data in Table 7 suggest, important progress has been achieved in several important spheres. 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, it can be summarized that despite numerous problems, IOPs delivers important results but sometimes without sufficient attention to efficiency.

⁵ The baseline value for this indicator was 1,300.

ROP

Main points from previous country report:

- The ROPs were considered as generally well-performing in terms of both financial flows (with the exception of the ROP South West where possible irregularities were investigated by police) as well as in terms of achieving the target values of monitoring indicators.
- Therefore, the real danger in the case of ROPs rests in micro-efficiency problems, i.e. in prudence of project selection and in reaching good relation between costs, benefits and durability of the particular approved projects. Finally, the rationale of supporting some of the “flagship” regional projects might be questioned.
- Despite significant amount of money allocated to ROPs there were no data available that would prove that these investment projects have produced desirable impacts such as contribution to balanced development, boosting tourism, improving links within and between regions, and so on.
- Even if these data were available, due to the multitude of factors influencing regional development, it would be really difficult to estimate the particular contribution of any specific type of funding in absence of specific evaluations.
- 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.

Current progress in implementation is captured by values of selected monitoring indicators provided in Table 8.

Table 8 - Selected monitoring indicators of ROPs in June 2012

Indicator	Unit	Value achieved December 2010	Value achieved December 2011	Value achieved June 2012	Target value
New and reconstructed roads of II. and III. Class	km	857.68	915.9	988.0	1,630.0
Area of revitalized urban and village space	ha	180.5	395.8	438.7	484.0
No. of new ecological vehicles for public transport	No.	56	152	257	475

Source: Monthly Monitoring Report June, 2012, Ministry For Regional Development, July 2012, Prague.

Overall, from the information available the following (partially conflicting) major conclusions about the performance of ROPs can be drawn:

1. Detailed analyses showed that in several regions a sort of “blackspots” exists, i.e. there are localities or micro-regions where no project from Cohesion policy has been supported so far. This is partly due to passivity of local actors, partly due to the fact that applications forwarded by actors from these micro-regions were not granted the support from Structural Funds. 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.

2. The rationale of supporting some of the luxurious projects such as the top quality wellness centre or 4 star hotel might be questioned despite the fact that the rationale for support was to upgrade the tourist destination in question onto a higher level.
3. 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.).

Objective Competitiveness

Main points from previous country report:

- This OP has been considered as one with a relative swift pace of implementation despite the fact that 3 relatively distinctive spheres are being supported by this programme (transport & ICT, environment, innovations, plus technical assistance). In June 2011, more than 80% of total allocation had been committed in all 4 priorities.
- During 2010, a significant excess of demand was recorded in all calls.
- According to available knowledge this OP has not been disrupted by any major hindrances or irregularities.

Table 9 - Values of selected monitoring indicators for OP Prague - Competitiveness

Indicator	Value achieved December 2009	Value achieved December 2010	Value achieved December 2011	Value achieved June 2012	Target value
Reconstructed and new capacities for R&D&I (sq.m.)	624.7	1,352.7	3,802.1	5,1730.1	2,500.0
No. of newly created R&D jobs	0	1	2	14	85
Area of regenerated or revitalised territory	6.8	32.4	60.9	73.4	50.0
length of reconstructed or new tramway lines (km)	0.74	2.2	9.3	13.0	9.0
The length of new cyclopaths	1.1	4.3	4.3	4.3	2.5

Source: AIR Prague Competitiveness 2011, Prague.

Monitoring indicators in Table 9 show wide variation in achieved values. 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. The only exception is the indicator “number of fully digitally converted public agendas” where value currently achieved is mere 8, while envisaged target value is 15.

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). Similarly, also in case of priority 3 (innovations and enterprise) majority of indicator are likely to be fulfilled with the exception of number of projects of mutual cooperation between academic institutions and private firms (Currently 3

projects, target value 15). Reasons for this remain the same as those which were in detail explained in the last report.

The only major problem identified during 2011 has been a set of problems concerning sphere of intervention 3.3 (support to SMEs) such as changes in the rate of co-financing, inadequate assessment of some of selection criteria, missing annexes to applications, etc. Consequently, a subsequent control was prepared which confirmed that all these imperfections have been addressed.

Consequently, with the exception of sphere of intervention 3.3 this OP can be considered as well performing both in terms of procedural management and in terms of achieving physical outcomes.

Objective Territorial Cooperation - OP Czech Republic-Poland

Main points from previous country report:

The Czech authorities act as MA only in relation to the OP Czech Republic-Poland.

This OP had been considered well advanced in its financial progress. On the other hand, monitoring indicators have been designed inadequately, most often only as the number of supported projects of a certain type. In addition, the result indicators of results relate to approved and not to completed projects. Therefore, under these conditions, physical progress could not be evaluated. Nevertheless, implementation of this OP has not been disrupted by any major problems or irregularities.

Table 10 - Values of selected monitoring indicators for OP Czech Republic-Poland

Indicator	Value achieved December 2011	Target value
No. of participants of workshops/seminars/environmental exhibitions	1,050	1,000
No. of new or reconstructed tourism facilities	75	250
No. of cooperating training institutions	6	65
Length of reconstructed or new roads (km)	0	25
No. of participants of cultural/sport/ social events	190,542	50,000

During 2011, a new system aiming at unification of process of project selection on both sides of the borders has been implemented. Namely, submitted projects are evaluated by joint expert panels consisting of two experts from both the Czech Republic and Poland.

The values of monitoring indicators in Table 10 show a wide difference between values achieved and the target values. This due to the fact that many projects are not completed yet, but also due to the fact that quantification of target values have not been a rigorous exercise during the programme preparation as has been indicated in previous country reports. The MA is aware of this situation and therefore, a special evaluation of the impacts of the programme interventions has been planned, but according to information available such an evaluation has not been completed, yet. Nevertheless, AIR states that all projects supported under priority axis 1 (Attractive environment, i.e. support to projects of environmental and transport infrastructure) have contributed to the strategic goal of the programme. Within priority axis 2, 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.

Therefore, current data do not allow a rigorous evaluation of outputs and results of supported operations achieved so far. On the other hand, in financial terms, the programme is well advanced as data on financial absorption suggests (97.1% of total allocation has been committed by the end of June, already).

(During 2011, no reallocations concerning OP Czech Republic – Poland have been performed).

Table of main physical indicators and achievements:

On the basis of data shown in Tables 11 and 12, it can be summarized that physical progress has been achieved in most of relevant spheres, 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.

Table 11 - Main physical indicators and achievements under Convergence Objective by June 2012

Policy area	Main indicators	Outcomes and results 2010 (physical outcomes plus brief note on what has been achieved)	Outcomes and results December 2011/June 2012
Enterprise support and RTDI	Reconstructed and new capacities for R&D&I (sq.m.) No. of new firms	247 sq.m.* (negligible effect) 177 (local effects)	5,173.1 (sq.m.)
Human Resources (ERDF only)	No. of newly created R&D jobs No. of newly created jobs (total)	389.4* (potential local effects) 6,955 (significant local effects)	1,351 12,568
Transport and telecommunications	The length of reconstructed, resp. new roads (km) Reconstructed rail tracks on TEN-T network	875.4 km (+ 58.7 km of the 1. class roads) (significant local or regional effects) 137.7 km (significant regional effects)	83.6 km motorways or first class roads (TEN-T + outside TEN-T) + 988 km roads of II. and III. Class 141.3 km
Environment and energy	No. of inhabitants newly connected to the sewerage system No. of inhabitants newly connected to the waterline system Area of revitalized areas	30 ths. (significant local and even regional effects) 70 ths. (significant local and even regional effects) 14,229.6 hectares (significant local effects)	2,712,6 ha
Territorial development (urban areas, tourism, rural development, cultural heritage, health, public security, local development)	Area of regenerated or revitalized urban and village space No. of reconstructed flats	89.9 ha (significant local effects) 23,370 (significant local effects)	43.7 ha - of which in rural areas 188.9 ha 29,450

Note: *data relates to June 2011, instead of December 2010.

Table 12 - Main physical indicators and achievements under Competitiveness Objective by June 2012.

Policy area	Main indicators	Outcomes and results 2010 (physical outcomes plus brief note on what has been achieved)	Outcomes and results December 2011/June 2012	Target value
Enterprise support and RTDI	Reconstructed and new capacities for R&D&I (sq.m.)	2,784.8 (several laboratories in various academic institutions have been modernized, with likely significant effect for the respective teams within the recipient institutions)	5,173.1 sq.m.	15,000.0
Human Resources (ERDF only)	No. of newly created R&D jobs	1 job created, 70 commitment, target value 110, (negligible effect so far)	14 created (commitment 77)	85
Transport and telecommunications	Length of reconstructed, resp. new tramway lines (km)	9.2 (out of 150.2 km of total length; significant local effects, in some cases positive effects upon larger territory such as upon several city neighbourhoods)	13.0	9.0
Environment and energy	Renewables – new installations (MW)	0.24 (negligible effect)	0.49	n.a.
Territorial development (urban areas, tourism, rural development, cultural heritage, health, public security, local development)	Area of revitalized territory	60.9 ha (important local effects)	73.0 ha	50 ha
	Reconstructions of historical monuments	-4 (negligible effect)	9 objects	

3. EFFECTS OF INTERVENTION

Main points from previous country report:

- The Report concluded that 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 due to: i) limited number of projects completed so far, ii) 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, iii) multi-faceted nature of regional development.
- 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.
- While these interventions do contribute to improving the quality of life of population in the regions concerned, such interventions do not directly contribute to enhancing the capacities of regions to sustain economic development, but rather help to enhance the preconditions for future development.

- In addition, it was endorsed that the support from ERDF and Cohesion Fund helped significantly to combat the effects of the global economic crisis by maintaining public investment levels.

While all the above identified conclusions remain valid also for the year 2011, it should be stressed that the financial strain in public budgets (both state budget and regional budgets) have recently (i.e. first half of 2012) achieved such a level that even the securing of financial resources for co-financing of EU programmes might be jeopardised in case of some OPs. Such a situation indicates that effects of global economic crisis are stronger than the effects of thousands of EU projects supported so far.

4. EVALUATIONS AND GOOD PRACTICE IN EVALUATION

Main points from previous country report:

- A decisive 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 the fact 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.
- Another significant shortcoming of evaluation culture within the Czech Republic is the fact that evaluation studies are considered mostly as an internal document of a given MA (or of NCA) and, therefore, are not made available to general public.

Key events showing the strengthening of evaluation culture in the Czech Republic in 2011:

The evaluation strategy (plan) is being mostly followed, but the plans do not envisage any evaluation of a strategic nature.

The situation is partially being changed (improved) during the year 2011, where relatively high number of evaluation studies has been commissioned.

The fact that during year 2011 an extensive ex-post evaluation of 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.

Altogether, during the year 2011, 67 various evaluation studies have been completed.

However, higher number of evaluations should not be necessarily interpreted as a sign of commitment of particular MA to evaluations. For example, large number of evaluations was focused on partial aspects such as upon evaluation of communication activities or on analysis of a regional distribution of supported projects. The number of fully-fledged mid-term evaluation

covering also strategic issues and impacts was limited (best example of this type is mid-term evaluation of ROP South East).

Altogether, out of 65 evaluations studies, 9 were focused at least partially upon effects or even impacts of interventions of EU Cohesion policy (see Table 13). However, the most frequent topics of evaluation studies were analysis of monitoring indicators and of progress in their fulfilment, evaluation of implementation systems, analyses of absorption capacity and preparatory studies for the next programming period.

The overall evaluation strategy has not been altered; however, each MA elaborates its own annual plan (approved by respective Monitoring Committee) which reflects the perceived evaluation needs. Currently (autumn 2012), for example, numerous evaluation studies are being elaborated as a component of preparatory process for the next programming period. The working group for evaluations also remains active.

Table 13 - Overview of the evaluations of Cohesion policy effects and impacts (evaluations completed in 2011).

Title and date of completion	Policy area and scope (*)	Main objective and focus (*)	Method used (*)	Main findings	Full reference or link to publication
Impacts of Cohesion policy in V4 countries upon EU15, January 2011	9	3	3		n.a.
Analysis of physical progress in implementation, January 2011	9	2	3 + 4	Wide variation in the rate of achieving of the target values not only among OPs but also among priority axes within particular OPs. However, most frequently, the values contracted are exceeding target values significantly.	http://www.strukturalni-fondy.cz/Narodni-organ-pro-koordinaci/Dokumenty/Materialy-do-vlady/Analyza-vecneho-pokroku-operacnich-programu-v-ram
Background studies for preparation of the next programming period, June 2011	9	Not applicable	3 + 4		n.a.
Ex-post evaluation of CSF 2004-6	9	1+2+3	3 + 4	Indicators established in programming documents are often misleading because indicator values were also affected by aspects other than CSF and OP interventions; those effects often exceeded the influence of interventions ² . We can thus assess the attainment of indicators but the impacts of various interventions cannot be reliably identified.	http://www.strukturalni-fondy.cz/Narodni-organ-pro-koordinaci/Evaluacni-cinnost-2/Ex-post-evaluace-Ramce-podpory-Spolecenstvi-a-jedn
Regional analysis of Cohesion policy support, February 2011	3	2+3	3 + 4		
Background study for possible reallocation of resources among OPs, May 2011	9	2	3 + 4	Identification of underperforming spheres of interventions with risk of non-compliance with N+3.	
Study on corruption risk within the implementation systems of Cohesion Policy, June 2011	9	1	4	confidential	confidential
Overview of new aspects of regional dimension of Cohesion policy, May 2011	9	1+2	3+4		
Public survey: awareness of EU funds, June 2011	9	publicity	3		http://www.strukturalni-fondy.cz/Narodni-organ-pro-koordinaci/Publicita/Dotaznikove-setreni-Infomovanost-o-EU-fondech

Title and date of completion	Policy area and scope (*)	Main objective and focus (*)	Method used (*)	Main findings	Full reference or link to publication
Analysis of potential and barriers for application of integrated approaches in development of towns and municipalities, July 2011	9	1	4		
Evaluation of publicity activities of NSRF ⁶ , June 2011	9	1	4		
Evaluation of legal instruments for implementation of Cohesion Policy in period 2007-2013, September 2011	9	1	4		
Creation of a database of strategic documents relevant for Cohesion Policy, December 2011	9	other	not applicable		
Elaboration of analytical materials for on-going evaluation of physical progress and impact of Cohesion Policy on Czech regions, December 2011	9	1	3 + 4		
Evaluation of suitability of monitoring indicators, May 2011	4	2	3+4		
Evaluation of communication plan of OP Transport, April 2011	4	1	3+4		
Evaluation of efficiency of absorption, quality of management and procedural rules OP Enterprise and Innovation, March 2011	1+2	1	4	Set of recommendations for improvement of both performance and management of this OP.	

⁶ National Strategic Reference Framework

Title and date of completion	Policy area and scope (*)	Main objective and focus (*)	Method used (*)	Main findings	Full reference or link to publication
Evaluation of management processes in the sphere of technical assistance OP Enterprise and Innovation, April 2011	n.a.	1	3+4		http://www.mpo.cz/cz/podpora-podnikani/oppi/
Evaluation of economic effects and suitability of a strategic focus of calls in case of sub-programmes Innovations, Potential, Cooperation, April 2011	1+2	2+3	1+4	Sub-programmes contributed to diversification of production, extended production capacity and to safeguarding jobs during economic crisis.	http://www.mpo.cz/cz/podpora-podnikani/oppi/
Evaluation of economic effects and suitability of a strategic focus of calls in case of sub-programmes Real estate and Development, April 2011	2	2+3	1+4	Sub-programmes support significantly improvement of quality of production process (and storage), punctuality, precision and stability and contributed to new jobs creation.	http://www.mpo.cz/cz/podpora-podnikani/oppi/
Evaluation of economic effects and suitability of a strategic focus of calls in case of sub-programmes ICT and Strategic Services, April 2011	2	2+3		Sub-programmes sufficiently support new ICT solutions and diversification of production. However, about 32% of support was used for a mere upgrade of existing products.	http://www.mpo.cz/cz/podpora-podnikani/oppi/
Analysis of possible extension of priority axis 2 for support of activities aiming at moderation of dust emission, April 2011	5	1	4		
Evaluation of communication strategy and of publicity, OP Research and Development for Innovation, April 2011	1	1	4		http://www.msmt.cz/strukturalni-fondy/evaluace-zpracovavane-pro-ridici-organ-op-vavpi
Evaluation of communication strategy and of publicity, IOP, April 2011	7	1	4		http://www.strukturalni-fondy.cz/Programy-2007-2013/Tematicke-operacni-programy/Integrovaný-operacni-program/Dokumenty/Dalsi-dokumenty/Evaluacni-aktivita-RO
Evaluation of progress in	7	2	4		http://www.strukturalni-

Title and date of completion	Policy area and scope (*)	Main objective and focus (*)	Method used (*)	Main findings	Full reference or link to publication
implementation of priority axis 4 (tourism) with regard to achievement of strategic goals, April 2011					fondy.cz/Programy-2007-2013/Tematicke-operacni-programy/Integrovani-operacni-program/Dokumenty/Dalsi-dokumenty/Evaluacni-aktivita-RO
Evaluation of possibilities of reallocation of resources within the IOP, April 2011	7	1	4		http://www.strukturalni-fondy.cz/Programy-2007-2013/Tematicke-operacni-programy/Integrovani-operacni-program/Dokumenty/Dalsi-dokumenty/Evaluacni-aktivita-RO
Evaluation of impacts of changes of IOP, May 2011	7	1	2+3+4		http://www.strukturalni-fondy.cz/Programy-2007-2013/Tematicke-operacni-programy/Integrovani-operacni-program/Dokumenty/Dalsi-dokumenty/Evaluacni-aktivita-ZS
On going evaluation of communication needs of the Ministry of Interior in the sphere of the EU Structural Funds, June 2011.	n.a.	1	4		http://www.strukturalni-fondy.cz/Programy-2007-2013/Tematicke-operacni-programy/Integrovani-operacni-program/Dokumenty/Dalsi-dokumenty/Evaluacni-aktivita-ZS
Analysis of administrative capacities and of outsourcing of Intermediate Bodies of IOP, September 2011	8	1	4		http://www.strukturalni-fondy.cz/Programy-2007-2013/Tematicke-operacni-programy/Integrovani-operacni-program/Dokumenty/Dalsi-dokumenty/Evaluacni-aktivita-RO
Evaluation of ROP South West in the middle of programming period 2007-13, December 2011	7	1+2+3	4		http://www.rr-jihozapad.cz/?menu=rop-jihozapad&art=prubeh-realizace
Regional aspects of implementation of ROP South West, May 2011	7		4		http://www.rr-jihozapad.cz/?menu=rop-jihozapad&art=prubeh-realizace
Regional aspects of implementation of ROP South West, November 2011	7		4		http://www.rr-jihozapad.cz/?menu=rop-jihozapad&art=prubeh-realizace
Analysis of absorption capacity of ROP South West, May 2011	7	1	4		http://www.rr-jihozapad.cz/?menu=rop-jihozapad&art=prubeh-realizace

Title and date of completion	Policy area and scope (*)	Main objective and focus (*)	Method used (*)	Main findings	Full reference or link to publication
Evaluation of communication and publicity activities of ROP South West, May 2011	7	1	4		http://www.rr-jihozapad.cz/?menu=rop-jihozapad&art=prubeh-realizace
Evaluation of implementation of integrated plan for regional development NUTS II South West and 17. call, December 2011	7	1+2+3	4		
Territorially targeted evaluation of ROP North West, February 2011	7	2	3+4		http://www.nuts2severozapad.cz/wp-content/uploads/2012/01/Uzemne_zamere_na_evaluace_ROPSZ_shrnuti.pdf
Evaluation of Integrated Plan for Development of Towns ROP North West, March 2011	7	1	3+4		http://www.nuts2severozapad.cz/wp-content/uploads/2012/01/IPRM_ROPSZ_shrnuti.pdf
Mid-term evaluation of implementation of ROP South East, July 2011	7	2+3	3+4	One of the best performing Czech OP in terms of both financial and real terms. Nevertheless, frequently, really achieved values depart significantly from the target values.	http://www.jihovychod.cz/prozadatele/dokumenty-ke-stazeni/analyzy
Analysis of ROP North West for possible adjustment of this OP, February 2011	7	1+2+3	3+4	Proposals for adjustments of target values of physical monitoring indicators.	http://www.nuts2severozapad.cz/wp-content/uploads/2012/01/Analiza_pro_revizu_ROPSZ_shrnuti.pdf
Evaluation of absorption capacity for evaluation, December 2011	9	1	4		http://www.nuts2severozapad.cz/wp-content/uploads/2012/01/Absorpcni_kapacita_pro_evaluace_shrnuti.pdf
Evaluation of the process of irregularities within ROP North West, December 2011	10	1	4		http://www.nuts2severozapad.cz/wp-content/uploads/2012/01/Nesrovnalosti_shrnuti.pdf
Analysis of the need of the region on the basis of impacts of implemented projects ROP North East, January 2011	7	3	4		http://www.rada-severovychod.cz/evaluacni-projekty-realizovane-v-roce-2011
Evaluation of experience with absorption of grants from ROP North East	7	1+2	4		http://www.rada-severovychod.cz/evaluacni-projekty-realizovane-v-roce-2011

Title and date of completion	Policy area and scope (*)	Main objective and focus (*)	Method used (*)	Main findings	Full reference or link to publication
Evaluation of Integrated Plan for Development of Towns ROP North East, October 2011	7	1	3+4		http://www.rada-severovycho.cz/evaluacni-projekty-realizovane-v-roce-2011
Evaluation study "Implementing JESSICA in the Central Moravia Cohesion Region, Czech Republic", February 2012	7	1	4		http://www.rr-strednimorava.cz/folder/518/
Evaluation of suitability of indicator "time saved in road transport in EUR", ROP Central Moravia, June 2011	4, 7	1	4		http://www.rr-strednimorava.cz/folder/518/
Evaluation of suitability of indicator "number of enterprises established in revitalised city area", ROP Central Moravia, June 2011	7	1	4		http://www.rr-strednimorava.cz/folder/518/
Evaluation of impact of economic crisis upon tourism in Central Moravia, June 2011	7	2	4		http://www.rr-strednimorava.cz/folder/518/
Evaluation of achievement of monitoring indicators in ROP Central Moravia, March 2011	7	1	4		http://www.rr-strednimorava.cz/folder/518/
Evaluation of absorption in ROP Central Moravia according to districts and spheres of interventions. March 2011	7	1	4		http://www.rr-strednimorava.cz/folder/518/
Evaluation of achievement of monitoring indicators as a background for a change no. 2 of ROP Central Moravia, July 2011	7	1	4		http://www.rr-strednimorava.cz/folder/518/
Evaluation of achievement of monitoring indicator	7	1	4		http://www.rr-strednimorava.cz/folder/518/

Title and date of completion	Policy area and scope (*)	Main objective and focus (*)	Method used (*)	Main findings	Full reference or link to publication
Number of created marketing or propagation products in ROP Central Moravia, July 2011					
Evaluation of horizontal criteria in ROP Central Moravia and their impact upon SEA indicators of this OP, July 2011	7, 10	1	4		http://www.rstrednimorava.cz/folder/518/
Analysis of progress in implementation of ROP Central Bohemia, February 2011	7	1 + 2	4		http://www.ropstrednicechy.cz/documents.php?mid=030441f2-1036-11e1-a696-5254003d369a
Analysis of communication plan of ROP Central Bohemia, April 2011	7	1	4		http://www.ropstrednicechy.cz/documents.php?mid=030441f2-1036-11e1-a696-5254003d369a
Mid –term implementation of ROP Central Bohemia, November 2011	7	1+2+3	3+4		http://www.ropstrednicechy.cz/documents.php?mid=030441f2-1036-11e1-a696-5254003d369a
Evaluation of implementation of information and communication measures of ROP Moravskoslezsko, February 2011	7	1	3+4		
Analysis of possibilities to distribute regional products via touristic and information centres in Moravia Silesia, February 2011	7	n.a.	4		
Evaluation of implementation system in ROP Moravia Silesia, March 2011	7	1	4	Identification of 3 internal processes and working groups and action plans have been established.	
Analysis of integrated plans for territorial development NUTS II South West, November 2011	7	1+2	3+4		

Title and date of completion	Policy area and scope (*)	Main objective and focus (*)	Method used (*)	Main findings	Full reference or link to publication
Evaluation of communication and PR activities of OP Prague – competitiveness, June 2011	9	1	3+4		http://www.prahafondy.eu/cz/oppk/dokumenty.html
Evaluation of communication plan, May 2011	9	1	3+4		
Evaluation of mid-term progress in OP Technical assistance, March 2011	9	1+2	3+4		http://www.strukturalni-fondy.cz/getdoc/8e5710b0-0e44-47cb-82d6-92ec45303819/Evaluace
Evaluation of system of monitoring indicators of OP Technical assistance, March 2011	9	1	3+4		http://www.strukturalni-fondy.cz/getdoc/8e5710b0-0e44-47cb-82d6-92ec45303819/Evaluace
Evaluation of publicity of OP Technical assistance, April 2011	9	1	4		http://www.strukturalni-fondy.cz/getdoc/8e5710b0-0e44-47cb-82d6-92ec45303819/Evaluace

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. Source: internal database of Evaluation unit of the Ministry for Regional Development

Therefore, on the basis of information available (see Table 13 above) it can be concluded, that MAs are starting to perform also evaluations of effects and of impacts of “their” OPs. Moreover, currently, several other evaluations of effects and impacts are proceeding (for example, MA ROP North East commissioned an evaluation study focused directly on evaluation of efficiency of supported interventions).

However, it should be stressed that in case of three very important OPs (OP Transport, OP Environment and OP RDI) no impact evaluation has been performed so far. Nevertheless, at least in case of OP RDI such an evaluation is just under preparation (a comprehensive mid-term evaluation), but the relevance of the first evaluation outputs will be limited by the fact that the key parts of this OP are lagging behind significantly in their implementation (i.e. the construction of the centres of European research excellence).

Due to the fact that most of the evaluation studies were oriented on procedural and similar issues, the recommendations from evaluation studies are often implemented in practice. The issue of implementation of findings and recommendations from various evaluation studies will be explicitly addressed during the preparation of Strategic Report 2012. The fact that various MAs are trying to get a sound recommendation for the next programming period in terms of both strategic focus and of administrative procedures can be also assessed positively.

Finally, after several years of effort of NCA, the system of monitoring indicators is functional in both physical and technical terms. Nevertheless, the system remains overloaded by an excessive number of monitoring indicators.

5. FURTHER REMARKS - NEW CHALLENGES FOR POLICY

Main points from 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.
- One possible solution might be for example decreasing the rate of EU co-financing. Lowering the EU support would: i) require greater involvement of the resources of final beneficiaries which might stimulate efficiency of projects, ii) would enhance the transparency of the provision of EU support as demand of a higher number of applicants could be satisfied with the same amount of EU money, limiting the space for corruption, iii) limit the distortion of the market by provision of public support.
- 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.
- Likewise, the current system when 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. National Coordination Authority in cooperation with the respective MAs to guarantee the “ownership” of the particular evaluation study.
- Finally, a bigger effort should be exerted to fight with the negative image of Structural Funds interventions among wide public resulting from several corruption scandals which contrasts with the fact that number of highly desirable and effective projects have been successfully implemented.

These points remain valid.

In addition to these, the following persisting challenges should be addressed:

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 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 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 next programming period, a lower number of goal oriented (in contrast to 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).

REFERENCES

In addition to the Evaluations of specific aspects of OPs mentioned in Table 13, other references include:

- Macroeconomic prediction of the Czech Republic (Ministry of Finance, July, 2012). Other relevant research studies and impact assessments carried out in the Member State
- Blažek, J., Netrdová, P. (2012): Contemporary tendencies of the development of spatial pattern on the local level in Czechia: towards higher fragmentation of the spatial pattern? *Geografie*, 117, No. 3, pp. 266–288.

INTERVIEWS

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Mgr. Jana Chladná, Ministry for Regional Development, evaluation unit, Prague

Ing. Karla Šlechtová, Ministry for Regional Development, National Coordination Authority

RNDr. Miroslav Daněk, Ministry for Regional Development, National Coordination Authority

Mgr. Jan Radoš, Ministry of Education, head of unit.

Ing. Veronika Czesaná, Ministry of Education.

Stanislav Jirouch, technical director of EGE company, České Budějovice

Mgr. David Sventek, Director of MA of ROP Moravia Silesia, Ostrava

Mgr. Pavel Csank, Chief analyst of JIC (South Moravian Innovation Centre)

Dr. David Uhlíř, Deputy director of JIC, Brno

Mgr. Petr Chládek, manager of JIC responsible for implementation of regional innovation strategy of South Moravia, Brno.

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Ing. Ondřej Ptáček (Ministry of Trade and Industry)

RNDr. Martin Bunčeka, deputy director of the Technology Agency of the Czech Republic

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ANNEX 1 - EVALUATION GRID FOR EXAMPLES OF GOOD PRACTICE IN EVALUATION

Evaluation Grid A - Evaluation of economic effects and suitability of a strategic focus of calls in case of sub-programmes Innovations, Potential, Cooperation.

BASIC INFORMATION	
Country: Czech Republic	
Policy area: RTDI	
Title of evaluation and full reference: Evaluation of economic effects and suitability of a strategic focus of calls in case of sub-programmes Innovations, Potential, Cooperation.	
Intervention period covered 2007-2013	
Timing of the evaluation: completed in April 2011	
Budget: n.a.	
Evaluator: External evaluator (DHV)	
Method: Counterfactual analysis based on both quantitative and qualitative data (questionnaires, interviews)	
Main objectives and main findings: To evaluate economic effects and suitability of a strategic focus of calls in case of sub-programmes: Innovations, Potential, Cooperation. The sub-programmes contributed to diversification of production, extended production capacity and to safeguarding jobs during the economic crisis.	
Appraisal: This is one of the very first attempts to analyze the real impacts and results instead of a "traditional" focus of Czech evaluation studies on procedural or financial issues. In addition, both qualitative and quantitative data and analyses have been employed, including counterfactual analysis.	
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?	2
Are the findings and recommendations clearly supported by the analysis?	1
Are the methods used suitable given the objectives of the valuation and have they been well applied?	2
Are the quantitative and qualitative data used reliable and suitable for the purpose of the evaluation?	2
Are the potential effects of other factors (e.g. the economic situation) on the outcome fully taken into account?	2
Is a serious attempt made to distinguish the effects of the intervention from these other factors?	1

ANNEX 2 - TABLES

See Excel Tables 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-2011)

Excel Table 4cbc - Commitments by main policy area (by end-2011) – cross border cooperation

Annex Table A - 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
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 ...

Policy area		Code	Priority themes
	Labour market policies	73	Measures to increase participation in education and training throughout the life-cycle ...
		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)
		18	Mobile rail assets
		19	Mobile rail assets (TEN-T)
	Road	20	Motorways
		21	Motorways (TEN-T)
		22	National roads
		23	Regional/local roads
	Other transport	24	Cycle tracks
		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	

Policy area		Code	Priority themes
		48	Integrated prevention and pollution control
		49	Mitigation and adaptation 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
		58	Protection and preservation of the cultural heritage
		59	Development of cultural infrastructure
	Planning and rehabilitation	60	Other assistance to improve cultural services
		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