



MINISTRY
OF REGIONAL
DEVELOPMENT CZ



European Structural and Investment Funds

2014–2020
at a Glance

National Coordination Authority

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1. Introduction

Almost EUR 24 million is available for the Czech Republic (CR) from the European Structural and Investment Funds (ESI Funds) in the programming period 2014–2020. The EU Funds therefore continue to be an important investment tool in the Czech Republic. The present publication is for all those interested in learning more about the objectives and how these funds will be drawn and provided to beneficiaries and where the aid from the ESI Funds will be directed.

The introductory part of the guide briefly summarises the history of drawing from the EU Funds in the Czech Republic. Subsequently, the guide presents the basic rules for drawing from the European Structural and Investment Funds (ESI Funds) for the programming period 2014–2020 and the umbrella strategic document Partnership Agreement, which is the basis for the substantive focus and objectives of individual programmes; these are summarised in the following part of the publication. This is followed by chapters introducing the key elements such as coordination mechanisms, evaluations, ex ante conditionalities, integrated approaches and territorial dimensions. The final chapters describe the institutional system, the single methodological environment and the schedule of commencement of implementation.

We firmly believe this publication will be a powerful tool for those who want to become familiar with the system of drawing from the ESI Funds in the programming period 2014–2020, want to further expand their expertise, or only want to learn something new and hopefully interesting.

The drawing from the ESI Funds in the programming period 2014–2020 will be completed by the end of 2023. If the CR takes advantage of the opportunity offered by earmarked funds from the ESI Funds, the level of development of Czech regions can reach the European standards.



2. History of Funds drawing in the CR – previous programming periods

Programming period

The European Union (EU) implements the objectives of its regional and structural policies in seven-year cycles. Before a new cycle, each Member State prepares programming documents which set up the current objectives and priorities, and a budget for the upcoming cycle. The first programming period for the CR was between 2000 and 2006 (more precisely 2004–2006 due to the CR's accession to the EU in 2004), followed by the programming period 2007–2013, while the current programming period is 2014–2020.

Programming period 2004–2006

3 objectives were set in the programming period 2004–2006 in the CR: Objective 1 – Helping regions whose development is lagging behind to catch up, Objective 2 – Supporting economic and social conversion in industrial, rural, urban or fisheries dependent areas facing structural difficulties and Objective 3 – Modernising systems of training and promoting employment. 16 programmes aided by EU Funds with a total allocation of approx. EUR 2.43 billion were implemented under the aforementioned objectives of the economic and social cohesion policy.

Programming period 2007–2013

In the ending programming period 2007–2013, the regional policy pursues objectives Convergence (objective 1), Regional Competitiveness and Employment (objective 2) and European Territorial Cooperation (objective 3). Again, these objectives are fulfilled through individual operational programmes. In the programming period 2007–2013, the original allocation of funds for the CR was EUR 26.5 billion (without the Cross-Border Cooperation Programme CR–PL under objective 3, for which EUR 0.2 billion was allocated). Despite all efforts, all the earmarked funds were not fully implemented in 2013 and 2014 and the CR lost EUR 0.4 billion in 2013 and EUR 0.3 billion in 2014. There is again a risk of under-implementation of the allocated funds at the end of the programming period. The efforts of all stakeholders are currently being maximized to reduce the expected loss.

Table 1 – Comparison of programming periods

Period	Objectives	Financial instruments	Total allocation for the CR
2004–2006	Objective 1 – Helping regions whose development is lagging behind to catch up Objective 2 – Supporting economic and social conversion in industrial, rural, urban or fisheries dependent areas facing structural difficulties Objective 3 – Modernising systems of training and promoting employment.	6 financial instruments: CF, ERDF, ESF, FIG, EAGGF (orientation and guarantee section)	EUR 2.43 billion
2007–2013	Objective 1 – Convergence Objective 2 – Regional Competitiveness and Employment Objective 3 – European Territorial Cooperation	3 financial instruments: CF, ERDF, ESF	EUR 26.5 billion
2014–2020	Objective 1 – Investment for Growth and Jobs Objective 2 – European Territorial Cooperation	5 financial instruments: ERDF, ESF, CF, EAFRD, EMFF	EUR 23.96 billion

Source: Partnership Agreement



3. Programming period 2014-2020

3.1. Basic rules for drawing from ESI Funds

3.1.1. What is new in the programming period 2014–2020

A significant part of the programming period 2014–2020 continues to use the same system of implementation of EU Funds. Although, there have been some changes in this period, which concern the EU and the Czech levels. They aim at improving the functioning of the entire system so that the money provided is better and more meaningfully utilised. The main common ground for introducing these upgrades is mostly experience from the past and the resulting efforts to simplify and streamline drawing from EU Funds.

At the European level, the major change concerned the inclusion of previously independently operating funds – the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF) under the single framework of ESI Funds, linking drawing from the ESI Funds with the objectives of the Europe 2020 strategy and introducing an umbrella strategic document Partnership Agreement, which replaces the National Strategic Reference Framework from the period 2007–2013, in all the Member States. This document defines the main priorities and the basic set-up of drawing from the ESI Funds of each Member State, and its structure is fixed at the European level.

Other innovations in the programming period 2014–2020 stemming from the EU level include:

- >>> reducing the number of objectives to 2 (Investment for Growth and Jobs and European Territorial Cooperation),
- >>> definition of 3 categories of regions based on the parameters of their economic performance,
- >>> setting a system of ex ante conditionalities (more information in chapter 3.7),
- >>> emphasis on results and better measurability of benefits of supported operations (emphasis on the fulfilment of the set indicators),
- >>> financial dependence on the speed and quality of drawing (performance framework),
- >>> a higher degree of use of territory-specific approach and use of integrated tools (more information in chapter 3.8),
- >>> a higher degree of use of financial instruments at the expense of subsidies,
- >>> extension and specification of methods of simplified cost reporting,
- >>> simplified and among funds approximated rules for expenditure eligibility,
- >>> stricter rules for payment of advances to Member States and more.

The most significant change at the national level is probably the reduction in the number of programmes. There has been a reduction in the number of thematic operational programmes and establishment of one Integrated Regional Operational Programme instead of the original seven regional operational programmes. The concept of single methodological environment (SMEnv) was introduced in an effort to simplify the implementation system, which is to ensure the same rules throughout the entire system of drawing from the ESI Funds (see chapter 5). Another upgrade is an enhanced functioning of the monitoring system, which will lead to a simplification of administration.

Strategic innovations at the national level include emphasis on the societal benefits of project and effectiveness of investments made at the expense of earlier efforts to ensure voluminous, fast and formally correct drawing or focus on reducing the fluctuation of administrative capacity.

3.1.2. European legislation - ESI Funds, EU budget

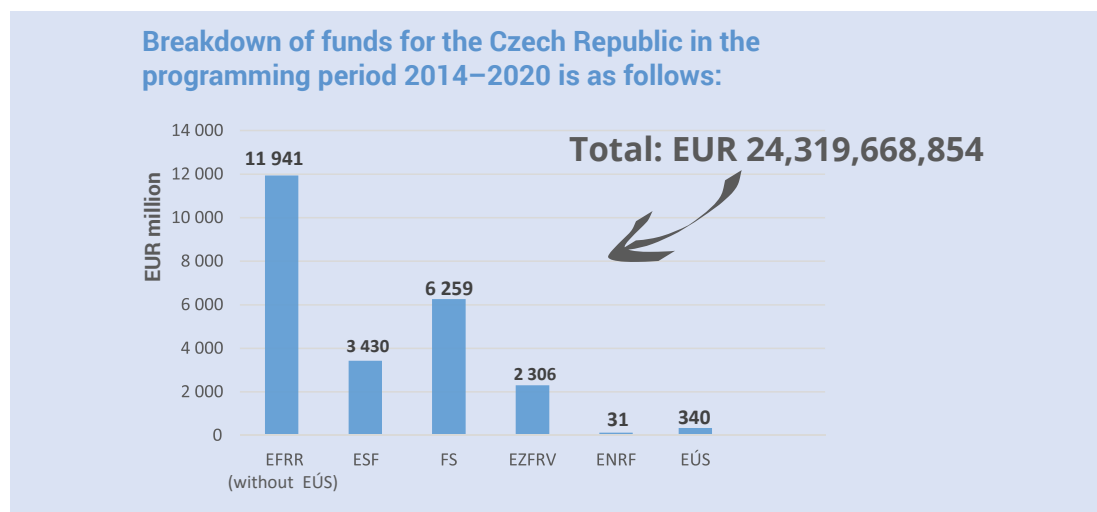
EU Budget

The multiannual financial framework of the European Union for 2014–2020 set the maximum possible EU expenditure in these years as almost EUR one trillion. Less than one half of this amount (approx. EUR 454 billion) was earmarked to fill the ESI Funds. Of these funds for all the EU Member States, the allocation for the ESI Funds earmarked for the CR is more than 5% of the total allocation for the ESI Funds in the entire EU. The CR will thus be able to draw funds of a total of EUR 24.5 billion (EUR 24,319,668,854).



If we also take into account that the CR's population is approximately 2.1% of the EU population, we can conclude that the allocation for the CR is far above average within the EU. The CR is one of the countries with the highest allocation per capita. The funds the CR obtains from the ESI Funds contribute to its position of a net recipient from the EU budget. This has been true since the CR's accession to the EU and it will remain so in the programming period 2014–2020. For example, in 2013 the CR ranked 10th among the EU Member States as to the ratio of contributions to the EU budget and revenues from it. It obtained EUR billion 4.893 from the EU budget and contributed with an amount of EUR 1.445 billion.

Chart 1 – Allocation for the CR by source of funding



Data source: Partnership Agreement

ESI Funds

The conditions and rules for the functioning of all ESI Funds are, at the EU level, defined by Regulation of the EP and of the Council No 1303/2013 (the so-called Common Provisions Regulation).

European Regional Development Fund (ERDF)

The ERDF aims mainly at modernisation and strengthening of the economy of the Member States. The ERDF supports mainly investment (infrastructure) projects. The key areas where aid from the ERDF should be directed are innovation and research, digital agenda, support for small and medium-sized businesses and low-carbon economy.

In terms of volume of the funds, the ERDF is the largest of all ESI Funds. The rules for the functioning of the ERDF are defined in Regulation of the EP and of the Council No 1301/2013.

European Social Fund (ESF)

The main purpose of the ESF is to support the creation of jobs and employment, education in all its stages, social inclusion, combating poverty and functional state administration in EU Member States.

The third largest allocation is earmarked for the ESF in the Czech Republic in the programming period 2014–2020. The rules for the functioning of the ESF are defined in Regulation of the EP and of the Council No 1304/2013.

Cohesion Fund (CF)

Funds from the CF are available only to EU Member States whose gross national income per capita does not exceed 90% of the EU average, which applies also to the Czech Republic. Interventions from the CF aim at areas of trans-European transport infrastructure and improving the environment through interventions in the sectors of transport and energy.

In terms of funds allocated to the Czech Republic for the programming period 2014–2020, the CF is the second largest Fund. The rules for the functioning of the CF are defined in Regulation of the EP and of the Council No 1300/2013.



European Agricultural Fund for Rural Development (EAFRD)

The EAFRD is aimed mainly at promoting quality life in rural areas, which corresponds to the three long-term strategic objectives of the EU rural development policy:

- >>> fostering the competitiveness of agriculture,
- >>> ensuring the sustainable management of natural resources, and climate action, and
- >>> achieving a balanced territorial development of rural economies and communities including the creation and maintenance of employment.

The EAFRD has the fourth largest allocation in the Czech Republic in the programming period 2014–2020, which is distributed through the Rural Development Programme.

The rules for the functioning of the EAFRD are defined in Regulations of the EP and of the Council No 1305/2013, No 1306/2013 and No 1310/2013.

European Maritime and Fisheries Fund (EMFF)

The EMFF aims at financing the EU maritime and fisheries policy. In the Czech Republic, the main purpose of the Fund is to help fishermen in the transition of the sector towards sustainable fisheries and increase the availability of funds.

The amount of funds allocated to the Czech Republic is, due to the fact that the CR is a landlocked country and with regard to the EMFF objective, limited. The allocation per capita is the fourth lowest in the EU and it is intended solely for the OP Fisheries.

The rules for the functioning of the EMFF are defined in Regulation of the EP and of the Council No 508/2014.

European Territorial Cooperation (ETC)

The European Territorial Cooperation includes cross-border and transnational and international cooperation programmes. The aim of cross-border cooperation is joint solution of problems in border areas. Transnational and international cooperation should contribute to a better connection of more distant places and larger European regions.

3.1.3. Compliance with EU and national strategies – the importance of strategic management

The programming period 2014–2020 puts stronger emphasis on strengthening the strategic management from creation of strategies to preparation and implementation of programmes. The ESI Funds regulations emphasise this approach and programming and require the existence of tactics covering the given area, including in the context of existence of ex ante conditionalities (see chapter 3.7), which also includes the existence and implementation of strategies for selected sectors and industries.

These ideas are confirmed by experience from the past periods, which show that the efficiency of investments financed from EU Funds was, in some cases, reduced by a lack of strategic approach and non-existence of similar instruments.

For these reasons, the MoRD has been, from the beginning of preparation of the programming period 2014–2020, putting emphasis on the establishment, updates to and creation of quality national and regional strategic documents and their links to the programmes. This means that the set-up of programmes and their substantial focus must be based on a strategic document (analyses, statistics, etc.), which is to cover the period of 2014–2020, it must include a clear vision of needs and a corresponding proposal part (from a vision to priorities and activities), and have a clearly set implementation part including monitoring and evaluation of achieved results using a set of relevant indicators and set financial sources.

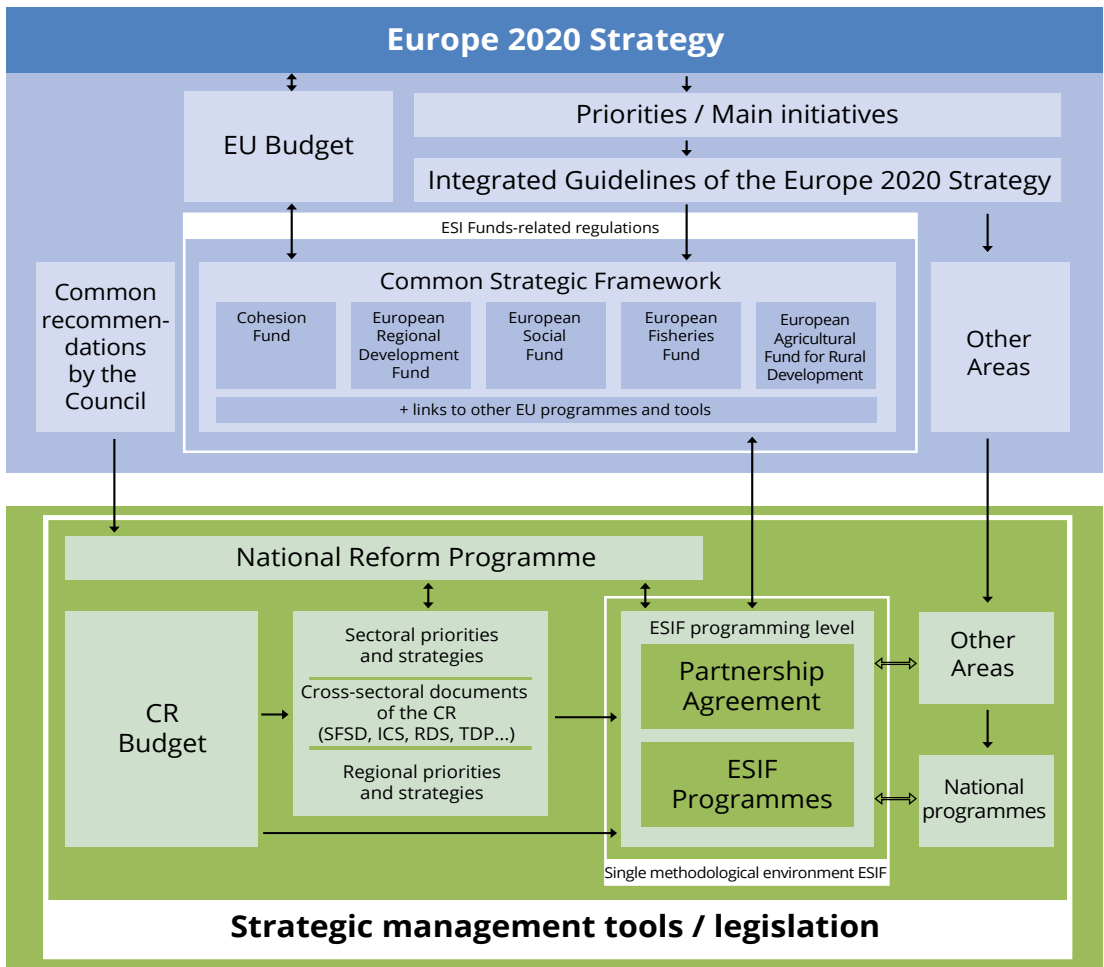
The MoRD as the methodological, coordination and expert entity in the area of strategic management and the ESI Funds is the "creator" of the set-up, but managing authorities and strategy designers play an important role in setting a strategic environment for the Partnership Agreement.

In the 2014–2020 period, it will therefore be necessary to better interconnect the strategies and the ESI Funds and ensure a number of activities connected with this, e.g.:



- >>> monitor and ensure the compliance of the Partnership Agreement and the programmes with strategic or analytic documents,
- >>> evaluate the contribution of the ESI Funds to the fulfilment of the strategies' objectives, and reflect this evaluation in retrospective in the reports on the Agreement and the programmes,
- >>> coordinate the fulfilment of strategies which are part of ex ante conditionalities,
- >>> create, develop and implement instruments of strategic management of ESI Funds (methodological, system and other instruments) because the focus of ESI Funds' interventions must be based on well prepared and implemented strategies.

Diagram 1 – Strategic programming – broader context



Source: Partnership Agreement



3.2. Partnership Agreement

3.2.1. What is the Partnership Agreement?

The Partnership Agreement for the programming period 2014–2020 is the basic umbrella document for the drawing from the ESI Funds in the programming period 2014–2020.

The Partnership Agreement analyses, based on EU, national and regional strategic documents, the current socio-economic situation of the Czech Republic, disparities, development needs and the related potential. It defines priorities and expected results for the entire programming period. Such analysis is a key indicator of where aid from ESI Funds will be directed. The Partnership Agreement also sets the key elements of the ESI Funds implementation – coordination mechanisms, ex ante conditionalities, reducing administrative burden or integrated approaches. Due to its nature of an umbrella strategic document, the Partnership Agreement is determinative and its content is binding upon individual ESI Funds programmes. It is hierarchically superior to these documents and the focus of the programmes is based on it.

The Czech Partnership Agreement was approved by the Commission on 26 August 2014, which completed a multiannual process of preparation and negotiations about this document.

3.2.2. The course of design

Milestones

In the Czech Republic, preparations for the programming period 2014–2020 had been in place since 2010. The basis of the entire preparation was to define the five national development priorities. On 22 November 2012, the European Commission published a Position Paper, which represented the Commission's view of the future focus of ESI Funds in the Czech Republic. Subsequently, on 28 November 2012, the Government approved the definition of programmes for the programming period 2014–2020. Preparatory work on the actual Partnership Agreement commenced even earlier. Its first draft was discussed by the Government on 12 June 2013 and it was subsequently sent for discussion with the Commission. SEA was carried out with a positive result in the first quarter of 2014. The Partnership Agreement was then approved by the Czech Government and, in mid-April, officially sent to the Commission for a formal opinion. The formal stage of negotiations was completed on 26 August 2014, when the Partnership Agreement was approved by the Commission.

Partner approach

Under the leadership of the MoRD, the Partnership Agreement was prepared in a broad cooperation, which included representatives of ministries, regional and local governments, employers' and employees' unions, the non-profit sector, the academia and many others. The Partnership Agreement is therefore a document based on a broad consensus of all stakeholders in the CR. The MoRD put a great emphasis on this aspect throughout the preparation process.



3.3. ESI Funds programmes

In the programming period 2014–2020, ESIF can be drawn under the following (operational) programmes.

Table 2 – An overview of ESI Funds programmes

Programme	Managing Authority	Fund	Thematic objectives	Allocation in €
OP T – Operational Programme Transport	MT	ERDF, CF	7	4,695,769,435
IROP – Integrated Regional Operational Programme	MoRD	ERDF	2, 4, 5, 6, 7, 9, 10, 11	4,640,699,371
OP EIC – Operational Programme Enterprise and Innovation for Competitiveness	MIT	ERDF	1, 2, 3, 4, 7	4,331,062,617
OP RDE – Operational Programme Research, Development and Education	MEYS	ERDF, ESF	1, 9, 10	2,768,062,110
OP E – Operational Programme Environment	MoE	CF, ERDF	4, 5, 6	2,636,592,864
RDP – Rural Development Programme	MA	EAFRD	1, 3, 4, 5, 6, 8, 9, 10	2,305,673,996
OP E – Operational Programme Employment	MLSA	ESF	8, 9, 11	2,145,737,492
OP TA – Operational Programme Technical Assistance	MoRD	CF	-	223,704,582
OP PGP – Operational Programme Prague – Growth Pole	PCH	ERDF, ESF	1, 4, 8, 9, 10	201,590,104
OP F – Operational Programme Fisheries	MA	EMFF	3, 6	31,108,015
European Territorial Cooperation (ETC) programmes	MoRD / foreign institutions	ERDF	-	339,668,268

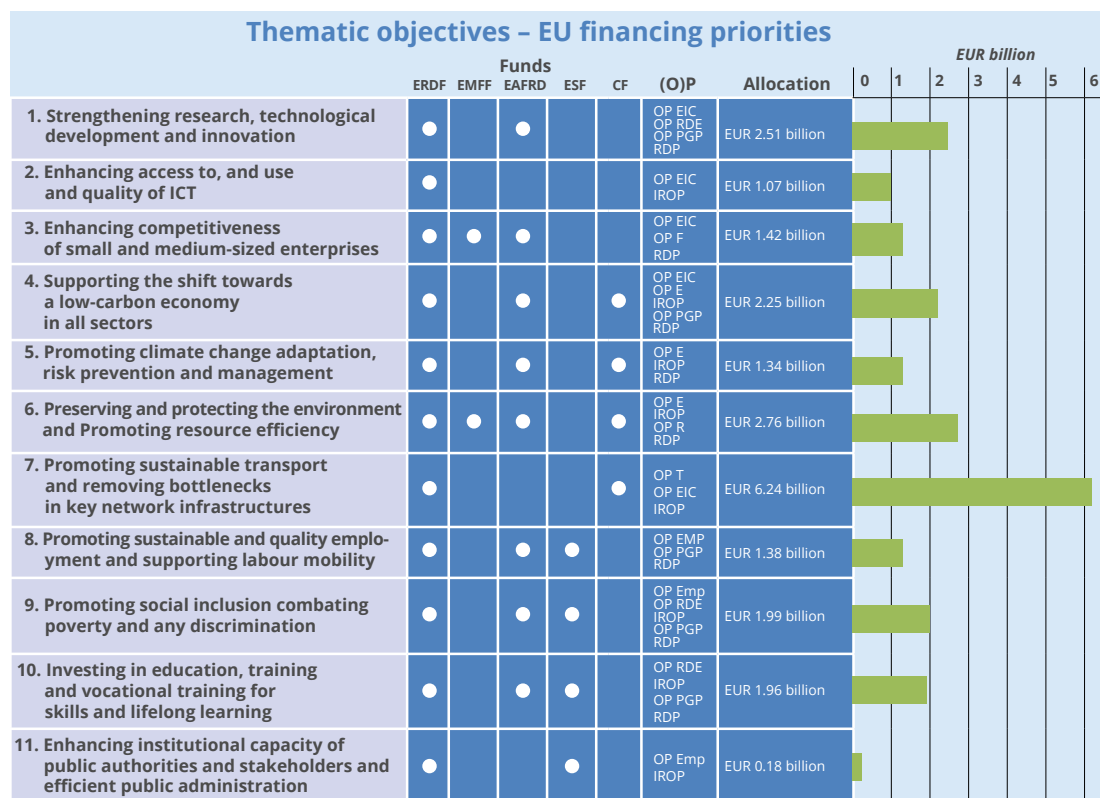
Source: Partnership Agreement

3.4. Substantive priorities and objectives of the CR – Partnership Agreement and programmes

Both the Commission and the CR advocate, for the programming period 2014–2020, greater emphasis on achieving results, as opposed to financial drawing alone. The Commission declared this objective already in the Europe 2020 Strategy and it started promoting it for the ESI Funds by, among other things, defining **eleven thematic objectives (TO), which substantially define areas on which the ESI Funds must focus in all the Member States**. Within these thematic objectives, the CR set its priorities reflecting problems and development needs which followed from the conducted analyses under the Partnership Agreement and the programmes. All the supported interventions in the programmes must contribute to the set thematic objectives and the development needs identified by the Partnership Agreement, thus ultimately fulfilling the Europe 2020 Strategy.

The following part **presents issues and development needs for all the thematic objectives addressed by the ESI Funds in the programming period 2014–2020 and the consequent support under all programmes**, their priority axes (PA) and specific objectives (SO), and the Union priorities (UP) and operations and measures in the case of the RDP and OP F.

Diagram 2 – CR's financing priorities

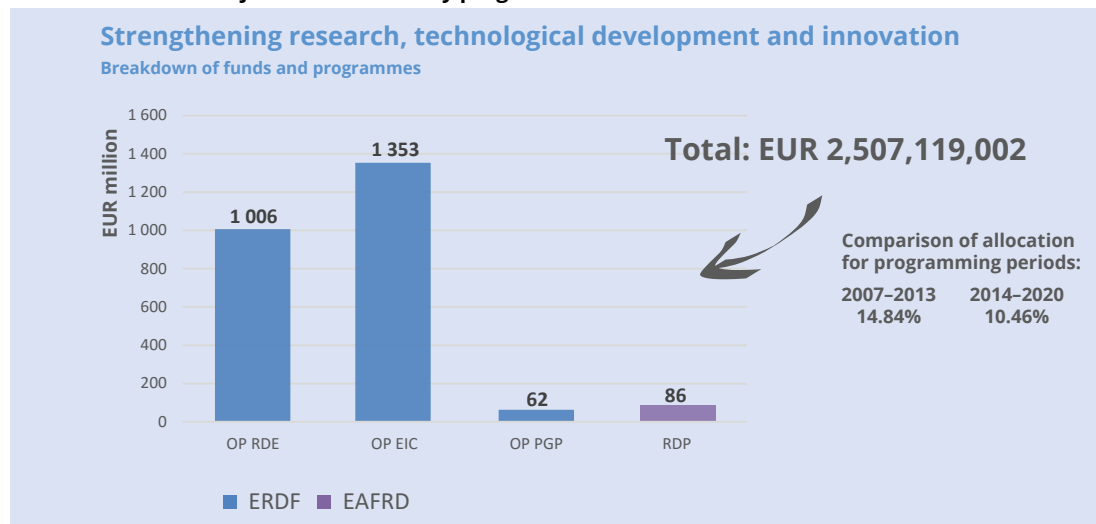


Source: Partnership Agreement



3.4.1. Thematic objective 1 – Strengthening research, technological development and innovation

Chart 2 – Thematic objective allocation by programmes and funds



Data source: Partnership Agreement and MSC 2007

The issues and the resulting development needs, identified in the PA, and the consequent support under programmes

Insufficient quality and global openness of research

The main difficulties of Czech research include mainly its closed nature, poor participation rate in international research projects, only sporadic production of new knowledge with breakthrough potential, and a limited number of internationally experienced researchers and managers, which is caused by low attractiveness of work in Czech research institutions. A significant problem is also an outdated and inadequate research infrastructure in Prague.

Development needs and consequent support under OP RDE:

Directing personnel and financial resources into development of quality research at internationally competitive level, using modern research infrastructure: PA 1, SO 1.1 Increasing the international quality of research and its results (completion, modernisation or updates to the existing research infrastructures including completion of projects commenced in the previous programming period, co-financing of Horizon 2020 projects).

Support for increasing the effectiveness of integration of the CR in the European Research Area (increasing the excellence of results due to competition, promoting the mobility of researchers): PA 1, SO 1.1 Enhancing the international quality of research and its results (development of capacities of research teams by acquiring top domestic and foreign researchers and ensuring related material conditions, establishing partnerships and research cooperation programmes with leading foreign institutions, participation in international research projects in the areas of national and EU priorities).

Construction and modernisation of research capacities in Prague: PA 1, SO 1.1 Enhancing the international quality of research and its results (construction of new or modernisation of existing research and development infrastructure in Prague).

Weak research orientation on contributing to society and low rate of research and development results applied in innovations

The research system in the Czech Republic is fairly fragmented in terms of financial and personnel capacities; research teams do not reach the critical sizes or are not sufficiently inter-disciplinary to implement ambitious research topics responding to long-term society needs. The problem also lies in the insufficient communication



and multi-lateral cooperation of the public, academic and business sector when solving research topics which reflect long-term economic and society needs of the Czech Republic or regions. Another problem is undeveloped system of transfer of knowledge and technologies from public research into practice, facing a lack of quality staff as well as a relative lack of finances to ensure quality services of this infrastructure.

Development needs and consequent support under OP RDE and OP EIC:

Reinforcing the partnership of private and public sector at national and regional levels in order to generate topics and implement interdisciplinary research focused on dealing with socio-economic needs including ground-breaking and key enabling technologies: OP RDE, PA 1, SO 1.2 Building capacities and strengthening long-term cooperation between research organisations and the application sector (building capacities and implementation of research projects in the pre-application stage based on long-term needs of the market and the society with a great potential to achieve breakthrough results, preparation of international research projects in cooperation with foreign partners in consortia, co-financing of successfully assessed projects in the Horizon 2020 programme which could not have been assisted from the programme's budget); OP EIC, PA 1, SO 1.2 Increasing the intensity and efficiency of cooperation in research, development and innovation (creating partnerships for knowledge transfer between enterprises and universities, development of communication and sharing of knowledge between the business and research sectors).

Strengthening the innovation policy at the regional level based on implementation of RIS3 (implementation on the basis of the cluster concept and cluster policies in connection with the regional economic structure and the planned international and inter-regional cooperation): OP EIC, PA 1, SO 1.2 Increasing the intensity and efficiency of cooperation in research, development and innovations (development of cooperation networks, clusters and technological platforms, development of cross-sectoral cooperation and internationalisation).

Finding staff that would provide good quality services as part of the infrastructure for transferring knowledge and R&D results into practice and to create a system for the evaluation and financing of public research that would motivate production of results applicable in innovations: OP PIK, PA 1, SO 1.2 Increasing the intensity and efficiency of cooperation in research, development and innovations (creation of new and development of existing support infrastructure services – science and technology centres, innovation centres, business incubators, etc.); OP PGP, PA 1, SO 1.1 A higher level of cross-sectoral cooperation stimulated by regional authorities (increasing the quality and effectiveness of functioning of science and technology centres and incubators in Prague, increasing the capacity of science and technology centres and incubators, development of human resources and introducing specialised services for businesses, mainly in the area of strategic management and innovation management, development of innovation companies in the initial stages of their life cycles, creation and utilisation of a capital financial instrument).

Utilisation of research and development capacities of companies and research organisations in order to introduce new applications in the market in high-tech areas. OP RDE, PA 1, SO 1.2 Building capacities and strengthening long-term cooperation between research organisations and the application sector (building capacities and implementation of research projects of long-term cooperation between research organisations and businesses); OP EIC, PA 1, SO 1.1 Increasing the innovation performance of businesses (establishment and development of corporate research and development centres in relation to the company's strategy and its market application, introducing innovations of products and services and marketing and procedural innovations to strengthen the company's position in the market, application research and experimental development including intellectual property protection).

Improving the quality and intensity of cooperation between the public and private sector by supporting horizontal mobility, mutual involvement of research organisations and businesses in research and development projects, and involving the public sector in the initiation of innovations: OP EIC, PA 1, SO 1.1 Increasing the innovation performance of businesses (pre-commercial research and development procurement by the public sector with the aim to develop products and services corresponding to the needs of the public sector); OP EIC, PA 1, SO 1.2 Increasing the intensity and efficiency of cooperation in research, development and innovations (expansion and construction of shared infrastructure for industrial research, activities leading to commercialisation of research results through feasibility testing); OP PGP, PA 1, SO 1.1 A higher level of cross-sectoral cooperation stimulated by regional authorities (activities leading to commercialisation of research results through testing feasibility and commercial potential, pre-commercial public procurement projects and stimulation of innovation demand by the public sector, projects of cooperation between the research sector with the application sector, e.g. through innovation vouchers).



Expanding the capacities of industrial research and development in businesses, development and introduction of process and product innovations, introduction of eco-innovation in production processes and products: **OP PIK, PA 1, SO 1.1** Increasing the innovation performance of businesses (support for industrial research and experimental development projects whose main aim is creation of new knowledge necessary for the development of new products, materials, technologies and services; introducing new products in production and their marketing, and related increase in the effectiveness of production processes and other procedural innovations; special attention will be paid to eco-innovations).

Lack of quality human resources for research and development

The problem of availability of human resources for research and development is manifested by a rather low number of researchers, mainly those with international experience, a very low number of women and a low number of PhD graduates, who are the main source of new professionals. Efforts to attract foreign specialists to join Czech research in high tech fields fail while, at the same time, top domestic researchers migrate abroad. A negative consequence the isolation of Czech research and little ability of transfer of knowledge and experience among sectors.

Development needs and consequent support under OP RDE:

Development of human resources in R&D and of university education linked to research: **PA 1, SO 1.1** Increasing the international quality of research and its results (development of capacities of research teams by acquiring top domestic and foreign research and ensuring related material conditions).

Increasing the attractiveness of the research environment to attract top research and academic staff from abroad and the private sector: **PA 1, SO 1.3** Enhancing the quality of infrastructure for research and educational purposes (enhancing the quality of material and technical conditions of universities and the Academy of Sciences of the CR for research-related tuition, in particular investment in modernisation of infrastructure and research equipment; building new infrastructure for the development of research-oriented study programmes – only in substantiated cases, e.g. in the case of creation of new fields of study).

Popularisation of research in order to increase the interest of children, young people and the public in research and its results, and fostering the interest of the professional public and the business sector: **PA 1, SO 1.1** Increasing the international quality of research and its results (establishment of new and development of existing visitor centres in assisted research centres and infrastructures, including related popularisation programmes).

Insufficient quality of research management at national and institutional levels

Shortcomings in the strategic management of research at the national level, and in individual research organisations, represent a factor limiting the implementation of good quality research in the Czech Republic. There are problems in the evaluation system, because it is currently focused rather on the quantity of results than their quality and specific benefits for practice. Systems for evaluation of research and innovation policy instruments and for cooperation of research organisations are also missing. Shortcomings in strategic and project management persist, which de-motivates mainly young talents in their career growth and discourages them from implementation of ambitious research. High administrative burden of research activities also has a negative impact.

Development needs and consequent support under OP RDE:

Creating and implementing system tools for strategic management of research at the national level and in individual research organisations, thus increasing the share of funds allocated to research institutions according to their performance: **PA 1, SO 1.4** Improving strategic management of research at the national level (development of strategic management of the research, development and innovation policy at the national level; creation and implementation of a system of evaluation and presentation of research and development results in the CR; open access to scientific information, strengthening the internal capacities of institutions, thus reducing the researchers' administrative burden; implementation of a new motivational system of remuneration and institutional financing of research organisations based on quality; creation and implementation of mechanisms to coordinate support for international research and innovation activities, RIS3 management at the national level, creation of a system for centralised publication of information sources for research and development, and creation, development and implementation of a system for integrated communication about research and development results).



Insufficient use of research and development results in the area of agriculture

The general situation in research and development is also fully reflected in the area of agriculture despite the fact that there is specific, long-term research in the sector. A major problem of the existing systems of knowledge transfer is their fragmentation, inflexibility and also the unwillingness of the business sector to share the costs associated with knowledge transfer.

Development needs and consequent support under RDP:

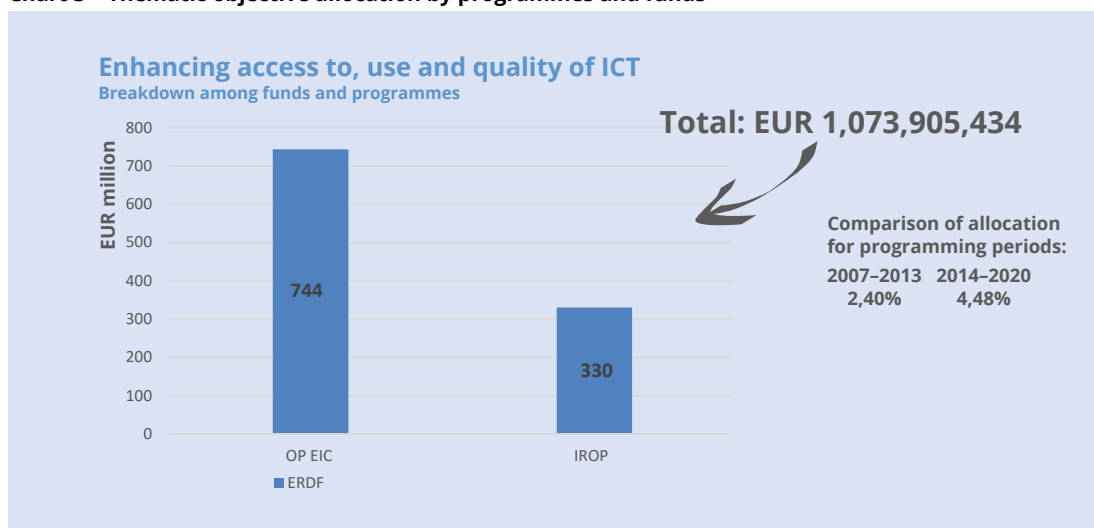
Supporting the adaptation of research results to practice, utilising innovation to increase the added value, and introduction of the latest knowledge of environmental protection into practice: OP 2, operations 16.2.1 and 16.2.2 Supporting the development of new products, processes and technologies (introduction of a new production process, device or product or a significant improvement of an existing production or product technology, cooperation between entrepreneurs in agriculture, producers of food and feed with research entities, development and introduction of innovations within a company with sufficient resources in the form of skilled personnel and production equipment).

Enabling provision of advisory services utilising the R&D results in agriculture and forestry: UP 1, operation 2.1.1 Consultancy (support for expert individual advisory services in relation to an accredited advisory system of the Ministry of Agriculture).

Setting up and developing the work of operational groups following the principles of European Innovative Partnership, a higher number of various forms of cooperation: IP 2, operation 16.1.1 Support for EIP operational groups and projects (establishment and functioning of EIP operational groups in the area of agricultural productivity and sustainability; support for direct investment expenditure associated with innovation introduction); **UP 2, operation 16.3.1** Sharing equipment and machinery (cooperation between small economic entities in the organisation of joint work processes, and sharing of equipment and resources, cooperation in the development of tourism services or their marketing); **IP 1, operation 16.4.1** Horizontal and vertical cooperation between members of short supply chains and local markets (horizontal and vertical cooperation between members of the supply chain to create and develop short supply chains and local markets and related promotional activities); **UP 1, operation 16.5.1** Horizontal and vertical cooperation in ensuring sustainable biomass for energy production and industrial processes.

3.4.2. Thematic objective 2 – Enhancing access to, use and quality of, ICT

Chart 3 – Thematic objective allocation by programmes and funds



Data source: Partnership Agreement and MSC 2007



The issues and the resulting development needs, identified in the PA, and the consequent support under programmes

Insufficient coverage of mainly rural areas by broadband internet.

An essential prerequisite for using ICT and achieving results is the existence of a sufficiently developed and available technology base, i.e. in particular an adequate infrastructure allowing broadband internet access. The Czech Republic is not sufficiently covered and it also lags behind in other parameters such as speed, capacity and security.

Development needs and consequent support under OP EIC:

Development of infrastructure for broadband internet access allowing a minimum transfer rate of 30 Mbit/s primarily in "white areas" of the CR, i.e. in areas in which almost no operator of a network for broadband Internet access exists allowing a transfer rate of 30 Mbit/s; exceptionally in "grey areas" of the CR, i.e. those in which one operator of such network exists: **PA 4, SO 4.1** Increase the coverage of broadband internet access (modernisation or expansion of the existing infrastructure for broadband internet access, establishment of new networks, creation of passive infrastructure for broadband Internet access).

Insufficient offer of ICT services

The ICT sector in the Czech Republic struggles with low growth and low competitiveness with regard to the offer of new information systems, ICT solutions, new software products, applications and services. Another problem is the underdeveloped shared services closely connected to information and communication technology which should lead to a decrease in process costs and increased efficiency in business and in other sectors of human activities.

Development needs and consequent support under OP EIC:

Enhanced creation (development) and operation of ICT applications and services, including shared services, covering construction and upgrade of data centres: **PA 4, SA 4.2** Increase the utilisation of the ICT sector's potential for the competitiveness of the economy (creation of new modern advanced digital services and applications e.g. in the area of communication, entertainment, trade, education, health care, access to jobs or in the area of cultural and creative industries; provision of sophisticated shared services (services with a high added value), including creation and modernisation of data centres meeting energy efficiency criteria).

Incomplete computerisation of the public administration (eGovernment) and judiciary and insufficient security of public administration information systems

Space for improvement can still be seen in the area of computerisation of public administration, which has not kept pace with the development of ICT in the private sector. The problem is poor coordination of interconnection and sharing of public administration information and data, incomplete process of computerisation of public administration agendas, insufficiently developed specific information and communication systems, radio communication systems of the IRS, and functional infrastructures and data centres for the needs of public administration. A cross-sectional area of concern is the low security level of the public administration ICT systems so as to match the standards of cyber security and risk management. The level of security in public administration bodies varies, including in awareness of cyber security and the ways to provide it efficiently.

Development needs and consequent support under IROP:

Ensuring computerisation of public administration (eGovernment) and judiciary: **PA 3, SO 3.2** Increasing the effectiveness and transparency of public administration through development of utilisation and quality of ICT systems (projects in the area of eGovernment and information and communication systems of public administration to the extent of expansion, interconnection and consolidation of systems, applications and data fund of public administration and its publication, including cloud solution with the aim to effectively and safely use individual agendas on the open data principle; ensuring full electronic submission and computerisation of agendas – for example, eCulture, eHealth, eJustice, eProcurement, eCollection, eLegislation, electronic identification, authentication and authorisation).

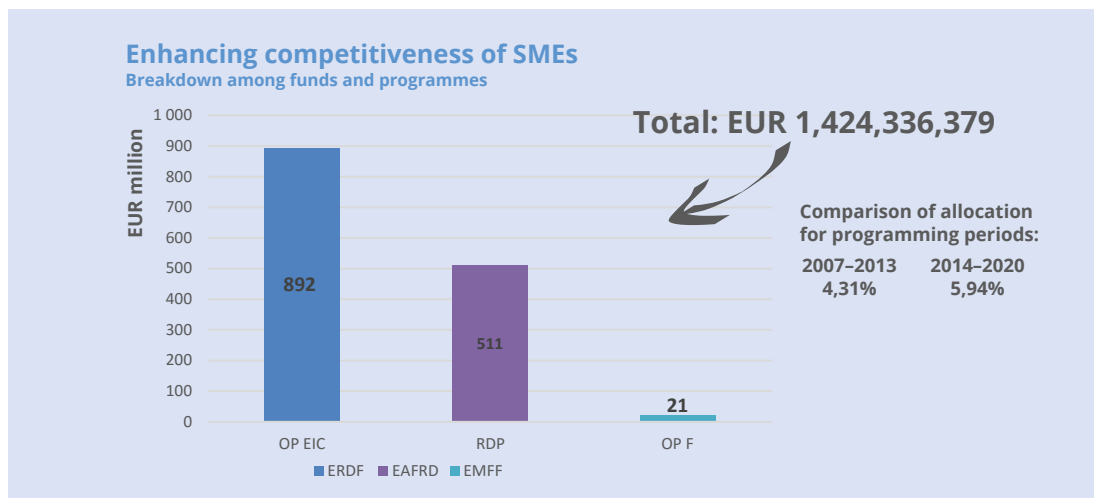


Specific information and communication systems and infrastructure of public administration: PA 3, SO 3.2 Increasing the effectiveness and transparency of public administration through development of utilisation and quality of ICT systems (creation of new and modernisation of existing information and communication systems for the needs of public administration bodies and the IRS in the area of filing service, archiving, government connection, information systems for the needs of self-governance agendas, development of the State's radio communication infrastructure and technologies).

Improving the level of cyber security of public administration: PA 3, SO 3.2 Increasing the effectiveness and transparency of public administration through development of utilisation and quality of ICT systems (projects aimed at protection of information and communication technologies including radio communication technologies of public administration including its infrastructure, in accordance with standards defined in Act No. 181/2014 Coll., on Cyber Security).

3.4.3. Thematic objective 3 – Enhancing competitiveness of SMEs

Chart 4 – Thematic objective allocation by programmes and funds



Data source: Partnership Agreement and MSC 2007

The issues and the resulting development needs, identified in the PA, and the consequent support under programmes

Weak endogenous business sector

A large part of domestic companies, although it has undergone dynamic development in the last decade, cannot keep up with the pace of development in global markets. The economic performance of the country is ensured mainly by the segment of foreign companies whose research and strategic functions are largely located outside the CR. The CR's problem is therefore weak innovation demand, mainly for innovations of higher order. This significantly affects the overall potential and content of cooperation of the business sector with research institutions. Industrial companies created by privatisation of former state-owned enterprises keep struggling with internal debts in the form of outdated production infrastructure, energy-intensive buildings, etc. This greatly reduces resources they can allocate to innovation and related high-risk research and development activities. Most SMEs have fairly limited knowledge, in particular in areas that are critical for searching for and using new business opportunities (strategic management, marketing, innovation management, foreign trade, etc.). This barrier cuts down their ability to free themselves from dependency on a limited number of large suppliers and restricts their ambitions and capabilities in the area of innovation.

Development needs and consequent support under OP EIC:

Developing regional and sectoral innovation centres in accordance with RIS3, which offer specialised technical services enabling an increase in the innovation performance in different fields and



extending beyond the borders of their fields: PA 2, SO 2.1 Increasing the competitiveness of start-ups and developing SMEs (implementation of business plans of emerging enterprises operating for a maximum of 3 years and development plans of enterprises operating for a longer period of time through suitable financial instruments and subsidies; provision of advisory services and services for start-ups through business incubators and innovation centres).

Improving strategic management of SMEs, increasing their aspiration with regard to innovations and foreign expansion, improving innovation management and using external sources of knowledge and technology far more, in accordance with the open innovation trend: PA 2, SO 2.4 Increasing the capacity for training in SMEs (creation and development of quality infrastructure for the implementation of training of SME employees – building, extension and equipment of training centres, allowing training in developing new technologies), **PA 2, SO 2.1** Increasing the competitiveness of start-ups and developing SMEs (sophisticated advisory services of experts with knowledge of the international environment and advisory services for strategic and innovation management).

Improve SMEs' ability to assert themselves independently in demanding and remote international markets: PA 2, SO 2.2 Enhancing the internalisation of small and medium-sized enterprises (services for SMEs aimed at international competitiveness, facilitating access to foreign markets through participation in international fairs and exhibitions or through educational seminars).

Using the potential of mutual cooperation of companies with regard to innovations far more, including cooperation of SMEs with foreign companies (located not only in the Czech Republic): PA 2, SO 2.2 Enhancing the internalisation of small and medium-sized enterprises (services aimed at supporting internationalisation through involvement of SMEs in international programmes such as Horizon 2020 or COSME).

Development of infrastructure and services supporting the development needs of businesses: PA 2, SO 2.3 Increase the utilisation of infrastructure in business (technical and structural reconstructions of brownfields and their transformation into modern business premises; creation of newly reconstructed business areas; implementation of comprehensive structural-technical measures, leading to reconstruction of technically unsuitable business premises into modern business premises).

Business culture, business intensity and aspirations

One of the most acute problems in this area is scarce establishment of new, mainly technological, companies, insufficient motivation of people to establish their own enterprises, entrenched patterns of behaviour grudging business, little willingness of the Czech population to take risk and consequently preferences for employment. University graduates rather strive to find employment in reputable foreign companies or public sector instead of aspiring to set up their own company. Possibilities of external financing for the establishment and development of a company are limited because especially small and start-up companies have more difficult access to credit due to higher risk. In the case of securing venture capital for the development of innovation companies, there is a market failure in the CR, and capital investment is virtually non-existent also due to insufficient knowledge of entrepreneurs.

Development needs and consequent support under OP EIC:

Increasing the share of residents starting their business for the first time, and people who have been repeatedly trying to set up their own business, increasing availability of external financing for start-up entrepreneurs and innovation companies, including venture capital: PA 2, SO 2.1 Increasing the competitiveness of start-ups and developing SMEs (implementation of business plans of emerging enterprises operating for a maximum of 3 years and development plans of enterprises operating for a longer period of time through suitable financial instruments and subsidies).

Increasing the number of new companies in knowledge-intensive areas, improving the image of entrepreneurship and entrepreneurs and their contribution to the society, and ensuring availability of good quality services for starting entrepreneurs: PA 2, SO 2.2 Enhancing the internalisation of small and medium-sized enterprises (services for SMEs aimed at international competitiveness, facilitating access to foreign markets through participation in international fairs and exhibitions or through educational seminars; sophisticated advisory services of experts with knowledge of the international environment and advisory services for strategic and innovation management; services aimed at supporting internationalisation through involvement of SMEs in international programmes such as Horizon 2020 or COSME).



Competitiveness of farming, food processing and forestry enterprises

Czech agriculture lags behind the EU average in a number of indicators of competitiveness. Production is cost-intensive, labour productivity is low, we export commodities with a lower degree of processing, and therefore also lower added value. The competitiveness of forestry and food industry is also lower than the EU average. This is caused mainly by lower capital endowment, dual structure of production, lagging behind in introducing innovations and unfavourable age structure of workers in agriculture. There are growing requirements for qualifications and the quality of workforce in connection to technical and technological development in agriculture and aquaculture which require young qualified staff joining the companies in managerial positions.

Development needs and consequent support under RDP:

In the area of land ownership, it is necessary to speed up its rectification through the implementation of land consolidation and at the same time to pursue other effects improving biodiversity, water regime in the landscape, reducing soil erosion vulnerability and increasing the aesthetic value of the landscape: UP 2, operation 4.3.1 Land consolidation.

Increasing the competitiveness of agricultural, food processing and forestry businesses by supporting higher efficiency of manufacturing factors (including saving energy costs by increasing the efficiency of production processes) and by improving management: UP 2, operation 4.1.1 Investments in agricultural enterprises (reducing production costs, modernisation or improving the quality of manufactured products, increasing the efficiency of used production factors and easier access to new technologies with significant innovation potential where renovation is essential for further activities); **UP 2, operation 8.6.1** Machinery and technology for forestry; **UP 2, operation 8.6.2** Technical equipment of wood processing facilities.

Strengthening competitiveness of crop and animal production by increasing the efficiency of operations and concurrently improving animal welfare and maintaining the diversity of agricultural crop production, taking into account the protection of water and air: UP 2, operation 6.4.1 Investments in non-agricultural activities (construction renovation or new construction of a business establishment, acquisition of machinery and technologies for non-agricultural activities; **UP 2, operation 6.4.2** Support for agri-tourism; **UP 2, operation 6.4.3** Investments to support energy from renewable sources, **UP 2, operations 14.1.1 to 14.1.7** (Expanding the laying area in the breeding of cows, Improving the stable environment in the breeding of dairy cattle, Range/access to pasture for dry cows, Ensuring better care in wintering areas with access to range for beef cattle, Improving life conditions for gilts and sows, Expanding the area for piglets, Ensuring non-grated area in pre-fattening of piglets).

Improving the organisation of the market and strengthening the orientation on quality, innovation, transfer of the latest findings into practice, sharing solutions to operational problems, and cooperation in innovative projects mostly at local and regional levels: UP 3, operation 4.2.1 Processing and marketing of agricultural products (increasing the effectiveness of production and the competitiveness of small and medium-sized enterprises).

Stimulating active entrepreneurship of young farmers in agricultural businesses using investment support for the implementation of their business plan: UP 2, operation 6.1.1 Supporting young farmers.

Increasing competitiveness of forestry businesses by supporting the improvement of infrastructure for forest management: UP 2, operation 4.3.2 Forestry infrastructure.

Competitiveness of aquaculture businesses

One of the weaknesses of Czech fisheries is a rather low willingness of businesses to invest into modernisation, innovations and pond revitalisation, as the investment in this area shows low return on investment. The key problem of Czech aquaculture is ensuring even year-round deliveries of freshwater fish to the domestic market; fish consumption still remains very seasonal. The proportion of fish processed in domestic businesses is also low. There is a lack of modern intensive breeding systems utilising innovations; other non-production functions of ponds are ignored (retention of water in the country, biodiversity). Management and organisational competences of enterprises are also a problem.

Development needs and consequent support under OP F:

Maintaining and modernising extensive and semi-intensive aquaculture (ponds) – mainly carp produced in polyculture stocks: UP 2, measure 2.1 Innovation (development of knowledge focused on reducing the environmental impact, support for sustainable utilisation of resources, animal welfare; support for new aquaculture kinds, procedures and products), **UP 2, measure 2.2** Productive investments in aquaculture



(productive investment in aquaculture, modernisation of aquaculture units, investment in improving the quality of products, renovation of existing ponds – dredging, construction of ponds), **UP 2, measure 2.3** Support for new farmers.

Using targeted marketing to increase the consumption of freshwater fish throughout the year: **UP 5, measure 5.1** Production plans (streamlining of organisation, planning and marketing of aquaculture production, balance of demand and supply in the market), **UP 5, measure 5.2** Marketing of products (founding of organisations of producers or inter-disciplinary organisations, campaigning to raise awareness of the public about aquaculture products).

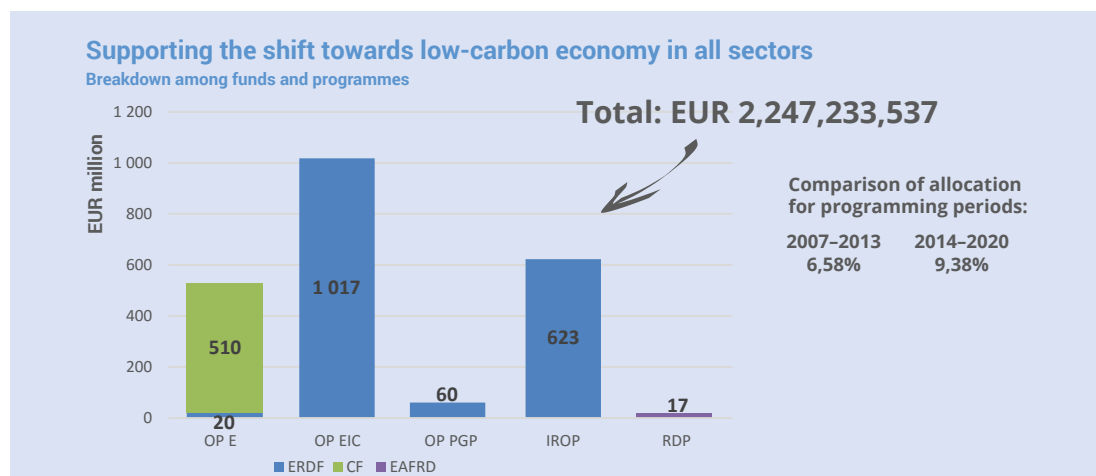
Building a modern recirculating facility for the production of high-quality fish, increasing the fish production from recirculating systems: **UP 2, measure 2.4** Recirculation facilities and flow systems with water purification (construction of modern recirculation facilities, application of innovative environmentally friendly methods).

Diversifying the activities of fishing enterprises: **UP 2, measure 2.2** Productive investments in aquaculture (expanding the possibilities and income of entrepreneurs in aquaculture by other forms of business provided that the complementary activities are related to the main activity of the aquaculture enterprise, including tourism with an offer of fishing, environmental services in the area of aquaculture or educational activities related to the area of aquaculture).

Effectively using processing enterprises: **UP 5, measure 5.3** Investments in processing of products (increasing the proportion and expanding the assortment of processed freshwater fish, modernisation and innovation of processing capacities).

3.4.4. Thematic objective 4 – Supporting the shift towards low-carbon economy in all sectors

Chart 5 – Thematic objective allocation by programmes and funds



Data source: Partnership Agreement and MSC 2007

The issues and the resulting development needs, identified in the PA, and the consequent support under programmes

High energy intensity of buildings (residential, public and corporate ones)

The energy intensity of the Czech economy continues to be high in comparison with other EU Member States. There is a great potential in the area of energy savings, mainly in the area of final consumption of buildings (residential, public and corporate ones). These energy savings have a positive impact on the energy security of the CR as well as on the profitability of companies and improvement of the social situation of citizens.



Development needs and consequent support under OP E, OP PGP, IROP and OP EIC:

Support for measures leading to energy savings and use of RES in buildings (private, public and corporate ones): **OP E, PA 5, SO 5.1** Reducing the energy intensity of public buildings and increase the use of renewable energy resources (improving insulation properties of cladding of buildings, including other measures to reduce energy performance of buildings; implementation of waste heat recovery technologies; implementation of low-emission and renewable heat sources); **OP E, PA 5, SO 5.2** Achieving high energy standard of new public buildings (support for additional costs to achieve almost zero energy consumption and passive energy standard in the case of construction of new buildings); **OP PGP, PA 2, SO 2.1** Energy savings in urban buildings achieved also using suitable renewable energy sources, energy effective equipment and smart management systems (increasing the energy effectiveness in buildings and technical facilities ensuring the operation of municipal public transport, in buildings and technical facilities ensuring the operation of urban road transport, implementation of pilot projects and transformation of energy intensive urban buildings into buildings with almost zero energy consumption); **IROP, PA 2, SO 2.5** Reduction in energy consumption in the residential sector (improving insulation properties of cladding of buildings, elements of passive heating and cooling, shading and installation of controlled ventilation with recovery of exhaust air; a new source for heating and preparation of hot water of a residential buildings using, instead of solid or liquid fossil fuel, effective, environmentally friendly sources; in sources of central heating various measures improving energy efficiency, replacement of water and heat distribution systems and installation of measuring systems and heating system regulation, etc.); **OP EIC** – see the following issue High energy and raw material intensity in economy (mainly industry) and rising energy prices.

High energy and raw material intensity in economy (mainly industry) and rising energy prices

The Czech Republic has one of the highest intensities of the GDP generation with regard to electricity consumption in EU (it is circa 25 % above the average); in terms of electricity consumption per inhabitant it is within the EU average. The reason is a high share of industry in the generation of GDP and the high share of industrial fields with high energy intensity and also the internal debt of companies, i.e. low energy effectiveness of industrial processes and high energy intensity of buildings. The return on investment into energy efficiency is usually much longer than investment into own production and the pace of increasing energy efficiency is slow due to budget limitations of companies. Energy prices thus represent a critical factor for the competitiveness of firms.

Development needs and consequent support under OP EIC:

Stimulation of investments in energy and raw material efficiency of enterprises: **PA 3, SO 3.2** Increasing the energy efficiency of the business sector (reducing the energy intensity of buildings in the business sector including modernisation and reconstruction of electricity, gas, heat and light distribution systems; modernisation, reconstruction of existing facilities to produce energy for own consumption; recovery of waste energy in production processes; reducing the energy intensity of production and technological processes, etc.); **PA 3, SO 3.4** Application of innovative low-carbon technology in the area of energy management and use of secondary raw materials (pilot projects introducing energy accumulation technologies; introduction of low-carbon technologies in buildings; introduction of innovative technologies in the area of production of energy from renewable sources – e.g. use of biomethane; introduction of energy consumption management systems; introduction of innovative low-carbon technologies in the area of processing and use of secondary raw materials; introduction of technologies to obtain secondary raw materials in a quality suitable for further use in industrial production; introduction of technologies to effectively obtain precious secondary raw materials from used products which are deficient in the CR and in the EU, in particular critical raw materials; introduction of technologies for the production of innovative products made of secondary raw materials).

Dependency on non-renewable energy resources, low orientation on using renewable energy resources

In order to ensure the maximum possible independence of the Czech Republic on foreign energy resources, it is necessary to promote the optimal use of conventional and renewable energy sources in the Czech Republic. In line with the Europe 2020 Strategy, the CR has set an objective to use at least 13% share of energy from renewable sources on the gross final consumption of energy in 2020. This share was 10% in 2012. The Czech Republic wants to achieve this objective but subject to a review of the form of support in order to minimise the financial impacts of the renewable energy resources on the economy and inhabitants and while using such forms of renewable sources which fit best the Czech Republic's (natural and technical) conditions.



Development needs and consequent support under OP EIC and RDP:

Increasing the share of renewable energy sources: OP EIC, PA 3, SO 3.1 Increasing the share of renewable energy resources in gross final energy consumption of the CR (construction and reconstruction of small hydro power plants; construction and reconstruction of sources of heat and combined production of electricity and heat from biomass and heat diverting; diverting heat from existing biogas stations into the place of consumption, installation of a remote co-generation unit using biogas from an existing biogas station); **RDP, UP 5, operation 6.4.3.** Investments to support energy from renewable sources (investments in facilities producing moulded biofuels and biogas stations – most of the produced energy or fuel must be for sale or used for non-agricultural activities of the applicant; economically viable are only agricultural biogas stations processing available manure and therefore directly linked to livestock production).

High share of heat losses in the heat distribution systems and the unused potential of combined generation of heat and power

The production of electricity in the Czech Republic is associated with high losses of approximately 500 PJ annually. At the same time, there is untapped potential of combined production of electricity and heat in many localities. Heat distribution facilities, enabling the existence and development of combined generation of heat and power, are not in compliance with current technical requirements for heat distribution, which results in increased energy losses.

Development needs and consequent support under OP EIC:

Construction and modernisation of heat supply systems and of sources of combined generation of heat and power. PA 3, SO 3.5 Increasing the efficiency of heat supply systems (reconstruction and development of heat supply systems and of heat distribution facilities; introducing and improving the efficiency of systems of combined production of electricity and heat).

Insufficient modernity and capacity of distribution systems

An increasing share of decentralised energy sources brings about a growing need to complement the existing distribution systems with technologies ensuring reliable operation. Smart grid elements generally contribute to the active management of distribution systems and to improvements in the reliability and quality of power supplies.

Development needs and consequent support under OP EIC:

Modernisation of distribution networks with an emphasis on introducing smart grid elements in order to minimise narrow profiles and to integrate decentralised energy sources and to improve reliability of power supply: PA3, SO 3.3 Promoting application of smart grid elements in distribution systems (deployment of automated remote-controlled elements in distribution systems; deployment of technological elements of voltage control and selective installation of gauges of quality of electricity in distribution systems; solving the local balance by controlling the output flows between consumers and the distribution network operator).

Improving carbon capture in forestry

Measures in the area of agriculture and forestry and water management are important for the adaptation to climate changes in rural areas. Afforestation will help reduce erosion and will eliminate negative downstream effects such as lower quality of soil, prevention of soil washing-off into waterways with subsequent eutrophication, and it will enable sequestration of carbon, increased biodiversity and retention of water in the landscape.

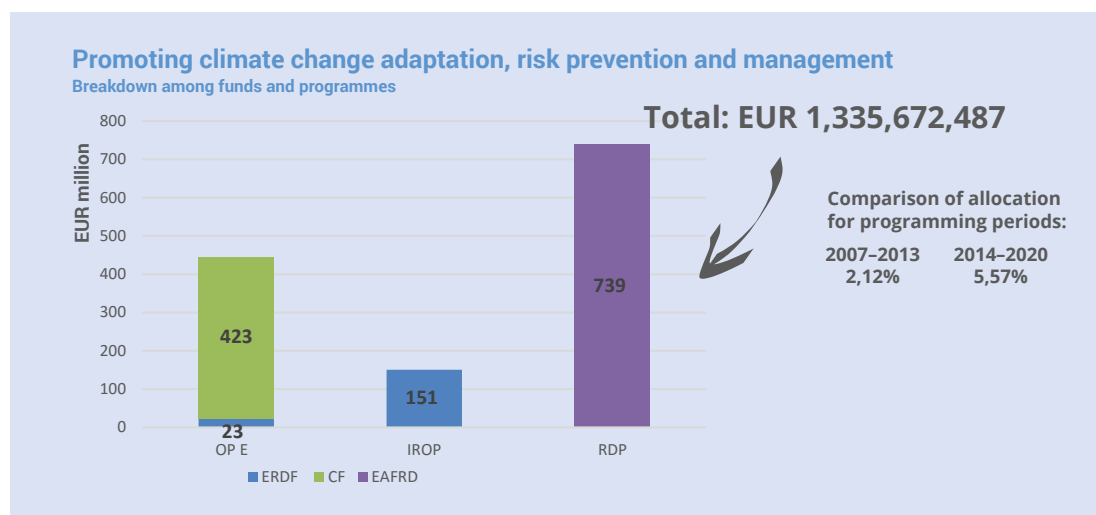
Development needs and consequent support under RDP:

Adjustment of agricultural and forest management, increasing the sequestration potential of agricultural soils: UP 5, operation 8.1.1 Afforestation and establishment of forests (afforestation of agricultural soil including provision of care of the planted vegetation and compensation for termination of agricultural activities; support may not be provided for the planting of fast-growing trees, short rotation coppice plantations and Christmas trees).



3.4.5. Thematic objective 5 – Promoting climate change adaptation, risk prevention and management

Chart 6 – Thematic objective allocation by programmes and funds



Data source: Partnership Agreement and MSC 2007

The issues and the resulting development needs, identified in the PA, and the consequent support under programmes

Insufficient response to climate change

Especially since the 1990s, the Czech Republic has suffered from an increased intensity of floods. A considerable portion of the Czech Republic was affected in 1997, 2002 and 2013. It is necessary to increase the landscape water retention capacity and slow the run-off – implementation of semi-natural and technical measures to protect against floods, in accordance with Directive 2000/60/EC, Directive 2007/60/EC and the Plan of Main River Basins of the Czech Republic and each river basin district plans.

Development needs and consequent support under RDP and OP E:

Adjustment of agricultural and forest management, implementation of specific semi-natural and technical measures leading to adaptation to climate change in the landscape: RDP, UP 4, operation 10.1.5 Grassing of arable land, RDP, UP 4, operation 10.1.8 Grassing of concentrated run-off pathways, RDP, UP 4, operation 8.4.1 Restoration of forests after disasters, RDP, UP 4, operation 8.3.1 Introducing preventive measures in forests (retention basins, increased capacity of riverbeds, erosion control measures), RDP, UP 4, operation 8.4.2 Removal of flood damage.

Increasing the sequestration potential of agricultural soils. RDP, UP 4, operation 10.1.1 Integrated production of fruits, RDP, UP 4, operation 10.1.2 Integrated production of grapes, RDP, UP 4, operation 10.1.3 Integrated production of vegetables, RDP, UP 4, operation 10.1.5 Grassing of arable land, RDP, UP 4, operation 10.1.8 Grassing of concentrated run-off pathways.

Implementation of adaptation measures, development of rainwater management and expansion and revitalisation of green areas in cities: OP E, PA 1, SO 1.3 Ensuring urban flood protection (making passable or increasing the retention potential of riverbeds, flooding, rainwater management, construction of water bodies for flood protection); OP E, PA 4, SO 4.4 Revitalisation of functional areas and elements of settlement greenery (planning, care and protection of greenery and water areas, strengthening the ecosystem functions, improved rainwater management, improved meso-climatic conditions).



Analysis, prevention solution and management of risks and impacts of natural disasters, development of a flood protection and information system for the population: OP E, PA 1, SO 1.4 Support for preventive flood protection measures (analysis of run-off conditions and proposals for flood protection measures; warning, signalling, forecasting and alert systems at the national and local levels, digital flood plans);

Insufficient readiness of regions (IRS) to adapt to the climate change, and to prevent and resolve risks

Despite a considerable progress it cannot be said that the IRS units are sufficiently equipped and resistant in case of emergencies, especially in areas with an increased or anticipated incidence of emergencies. With regard to the cross-border dimension of some extreme weather occurrences, there is also a need for closer cooperation of the crisis management and the integrated rescue system on both sides of the border.

Development needs and consequent support under IROP:

Ensuring adequate resistance of IRS units in exposed areas, upgrading their equipment, modernisation of educational and training centres: PA 1, SO 1.3 Increasing preparedness for solution and management of risks and disasters (strengthening the resistance of buildings, construction of new dislocations, upgrading the technical equipment and material resources (e.g. mobile high-capacity water tanks, sets for emergency roofing of residential buildings), modernisation of educational and training centres (simulators, trainers, polygons).

Insufficient prevention and environmental risks

Although rehabilitation actions have been carried out in the Czech Republic to clean-up the old burdens for several decades, there are still a large number of sites with persistent pollution that poses a major risk to human health or the environment. Another risk is also the area of industrial pollution, accidents and chemicals. The main problems are associated with insufficient environmental awareness among enterprises, the state administration and the public, complicated legislation, insufficient institutional background and lack of resources for the introduction of new environmentally beneficial technologies. Prevention and education is also insufficient.

Development needs and consequent support under OP E:

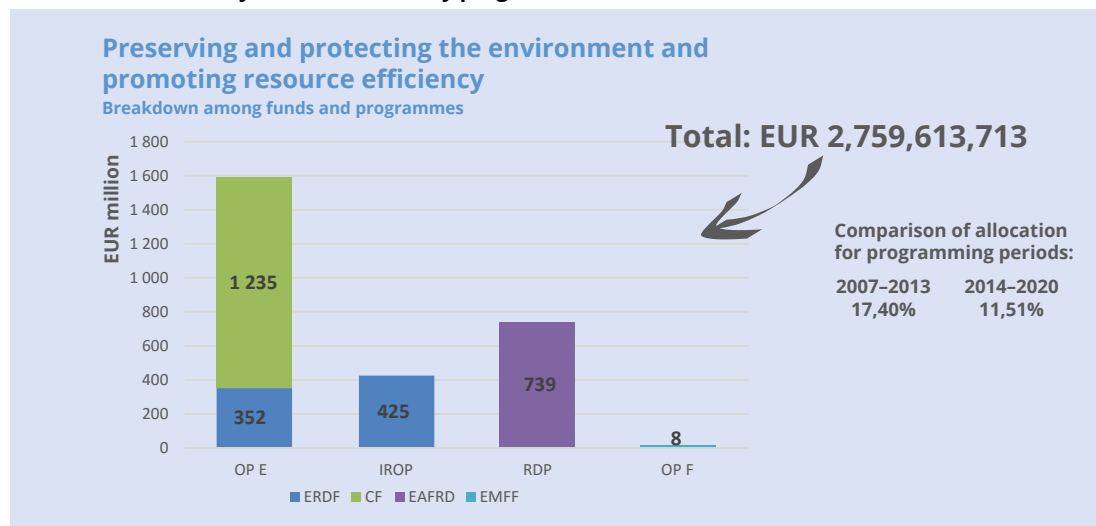
Rehabilitation of old ecological burdens, support for brownfield regeneration: PA 3, SO 3.4 Complete mapping and removal of ecological burdens (mapping of contaminated and potentially contaminated areas, selection of the most severely contaminated sites, implementation of survey work, risk analysis, rehabilitation of severely contaminated sites).

Reduced environmental risks and development of risk management systems: PA 3, SO 3.5 Reduced environmental risks and development of risk management systems (replacement or reconstruction of facilities to increase safety of operation, creation of information systems, knowledge portals and SW tools for the creation and application of new methodologies and processes in the management of chemicals and prevention of severe chemical accidents; creation of expert REACH centres and prevention centres, reconstruction or purchase of technologies to reduce industrial pollution in related to the BAT and IPPC).



3.4.6. Thematic objective 6 – Preserving and protecting the environment and promoting resource efficiency

Chart 7 – Thematic objective allocation by programmes and funds



Data source: Partnership Agreement and MSC 2007

The issues and the resulting development needs, identified in the PA, and the consequent support under programmes

Air pollution

An unsuitable quality of air is a major nationwide problem in the Czech Republic. The concentration of suspended particulate matters of fractions PM_{10} and $PM_{2,5}$, benzo[a]pyrene and ground-level ozone with serious impact on human health annually exceeds its limits in a number of places. In the local and regional perspective, the most serious situation remains in the agglomeration of Ostrava/Karviná/Frýdek-Místek; however, pollution limits are exceeded in all zones and agglomerations. In Prague and Brno, an issue to be addressed is above-limit concentrations of pollutants, originating mainly from traffic. Deterioration of air quality is also a problem in small settlements, where pollution of air by suspended particulate matters and benzo(a)pyrene come from local heating. The proposed measures will aim at reducing the emission of suspended particulate matters of fractions PM_{10} and $PM_{2,5}$, precursors creating secondary particles (sulphur oxides, nitrogen oxides, ammonia, volatile organic compounds) and benzo(a)pyrene.

Development needs and consequent support under OP E:

Reducing emissions from local heating: PA 2, SO 2.1 Reduce emissions from local household heating (replacement of existing stationary combustion sources in households).

Reducing emissions from energy and industrial sources: PA 2, SO 2.2 Reduce emissions of stationary sources (replacement and reconstruction of sources, acquisition of technologies and changes in technological procedures leading to emission reduction).

Improving the air quality monitoring: PA 2, SO 2.3 Improve the system of monitoring, assessment and forecasting of the development of air quality and related meteorological aspects.

Water quality

The priority task of the Czech Republic is to reach a good condition of surface and groundwater in accordance with the Directive of the European Parliament and Commission 2000/60/EC, determining the activities of the Community for water policy (hereinafter the Water Directive). Most agglomerations are already connected to sewerage systems ended by a waste water treatment plant; however, connection of smaller settlements is critical. There are problems in the extensive pollution of waterways and reservoirs from agricultural activities, sedimentation in water reservoirs by washed topsoil and burdening of groundwater by nitrates, ammonium ions, and pesticides. Nowadays, 93% of the population is supplied with safe drinking water.

Development needs and consequent support under OP E and RDP:

Improving the quality and availability of drinking water, reducing water consumption by limiting the leaks of water from the water supply network: OP E, PA 1, SO 1.2 Ensure the supply of drinking water at an adequate quality and quantity (construction and modernisation of waste water treatment plants and systems for the protection of drinking water sources, construction of conduits and distribution networks).

Reducing waterways pollution: RDP, UP 4, operation 11.1.1 a 11.2.1 transition to procedures and maintaining the procedures of environmentally friendly farming, RDP, UP 4, agri-environmental-climatic operations.

Streamlining waste water treatment: OP E, PA 1, SO 1.1 Reducing the amount of pollution discharged into surface water and groundwater (construction of sewer systems, construction of waste water treatment plants, removal of water eutrophication).

Waste management

An analysis of waste management implies particularly the following problem areas: insufficient prevention of waste production, inadequate material recycling of municipal waste, BDMW land-filling and a generally high share of municipal waste going to landfills. Support for activities for energy recovery of waste will depend on the assessment by the European Commission of compliance of the applicable Waste Management Plan of the CR and following 14 regional WMPs with Directive 2008/98/EC.

Development needs and consequent support under OP E:

Prevention of waste: PA 3, SO 3.1: Waste prevention (prevention of municipal waste, prevention of industrial waste).

Major restrictions for landfills in the Czech Republic, a ban on landfills of not treated, mixed municipal waste by 2023–2025, quality recycling, optimisation of BDMW handling, energy recovery of mixed municipal waste (after separation of recyclable and reusable elements). PA 3, SO 3.2 Increase the proportion of material and energy use of waste (construction and modernisation of facilities for collection, sorting and treatment of waste, for material and energy use of waste, facilities for hazardous waste handling).

Biodiversity, landscape, ecosystem services and geo-factors

Intensification of farming or, conversely, its absence have led to a direct destruction of many habitats or their degradation. Species diversity is showing a gradual decline in many indicators. A major problem lies in the gradual disruption of ecosystems, which significantly increases the impermeability of the landscape. A significant negative impact is caused by changes in the landscape structure (disappearance of landscape elements, improper treatment of the landscape water regime, waterways regulation). The Czech Republic has a high incidence of slope instability threats. Half of the Czech Republic is situated in naturally disadvantaged areas, where 86% of the area of grassland is located. There is also an unsatisfactory state of resistance and protection of forests.

Development needs and consequent support under OP E and RDP:

Maintaining and restoring the connectivity and permeability of the landscape and waterways, increasing the water retention capacity of the landscape, restoring the green infrastructure including TESS: OP E, PA 4, SO 4.3 Enhancing the natural functions of landscape (making migration barriers passable for animals, creation or enhancing the functionality of landscape elements and structures, revitalisation of waterways, improving the structure of forests, slowing down the surface water run-off, anti-erosion protection), RDP UP 4 agri-environmental-climatic operations.

Maintaining and enhancing the aesthetic value of the landscape: RDP, UP 4, operation 8.5.2 Non-productive investments in forests (enhancing the environmental and social functions of forests).



Strengthening the health and resilience of forests by increasing the proportion of wood species supporting melioration and strengthening the ground, revitalising growth covers in the emission areas and improving the quality of seeds: RDP, UP 4, operation 15.2.1 Protection and reproduction of the forest tree species gene pool, RDP, UP 4, operation 8.5.1 Investments in the protection of ameliorative and stabilising tree species RDP, UP 4, operation 8.5.3 Transformation of growth covers of substitute tree species.

Maintaining or improving the condition of populations of rare and endangered species of plants and animals, limiting the extent of invasion of the most problematic species: OP E, PA 4, SO 4.2 Promoting biodiversity (taking care of rare species, valuable habitats, limiting invasive species, RDP, UP 4, operation 10.1.7 Protection of Northern lapwing, operation 10.1.6 Bio-zones (development of mainly bird communities).

Improving the care for protected areas including the area of the Natura 2000 system: OP E, PA 4, SO 4.1 Ensure favourable conservation status of nationally important protected areas, RDP, UP 4, operation 15.1.1 Maintaining the stand-type of a management set, RDP, UP 4, operation 10.1.4 Treatment of grassland, RDP, UP 4, operation 12.1.1, 13.1.1, 13.2.1, 13.3.1 Compensation payments.

Preventing the abandonment of farming in areas with natural handicaps: RDP, UP 4, operation 13.2.1 a 13.3.1 Compensation payments.

Maintaining and enhancing the ecological functions of residential green: OP E, PA 4, SO 4.4 Improving the quality of environment in settlements.

Under-utilisation of the potential of cultural and natural heritage

Regions in the Czech Republic boast extensive cultural and natural heritage. The aim is to use this potential for a balanced development of the regions.

Development needs and consequent support under IROP:

Revitalisation, recovery and promotion of cultural and natural heritage showing a strong potential for economic development: PA 3, SO 3.1 Streamlining the presentation, enhance of protection and development of cultural and natural heritage (revitalisation of a set of selected monuments, streamlining the protection and use of collection and library stock and their availability).

Measures in the area of aquaculture

Fishing enterprises build on tradition, innovation, respect for the environment and the consumer. Ponds also have non-production functions – they retain water in the landscape and increase biodiversity. A weak point of Czech fishing is little willingness to invest in the renovation, modernisation and energy effectiveness of technological processes in aquaculture.

Development needs and consequent support under OP F:

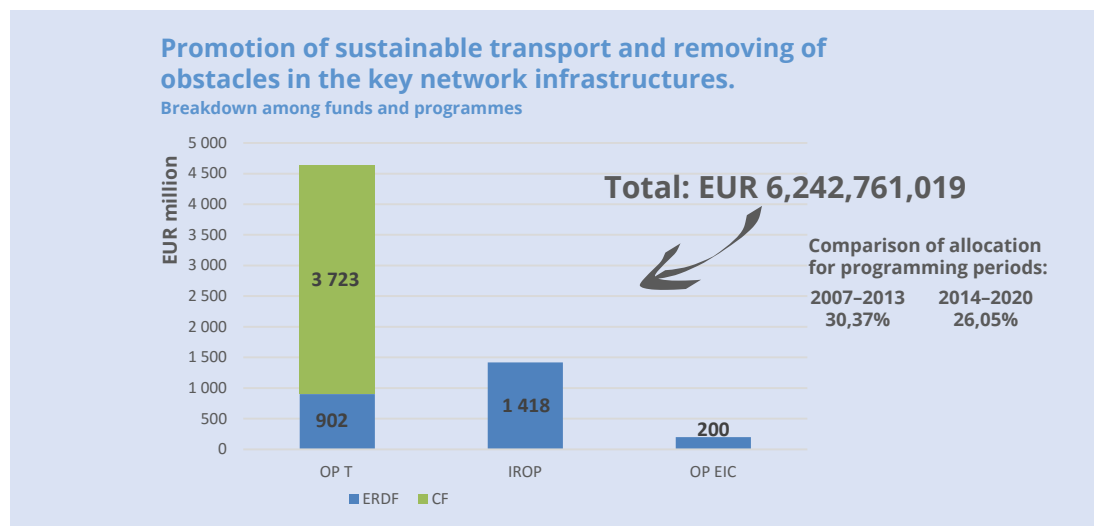
Maintaining and modernising extensive and semi-intensive aquaculture (ponds) – mainly carp produced in polyculture stocks: UP 2, measure 2.4 Recirculation facilities and flow systems with water purification, UP 2, measure 2.5 Aquaculture providing environmental services, UP 3, measure 3.1 Data collection, UP 3, measure 3.2 Traceability of products.

Stimulation of investments in energy and raw material efficiency of enterprises: UP 2, measure 2.2 Productive investments in aquaculture (reduction in water consumption in aquaculture, more environmentally friendly aquaculture, resource efficiency), UP 5, measure 5.3 Modernisation and innovation of processing capacities.



3.4.7. Thematic objective 7 – Promoting sustainable transport and removing bottlenecks in key network infrastructures

Chart 8 – Thematic objective allocation by programmes and funds



Data source: Partnership Agreement and MSC 2007

The issues and the resulting development needs, identified in the PA, and the consequent support under programmes

Incomplete backbone transport network consisting primarily of TEN-T

A fundamental problem of transport in the Czech Republic is incomplete backbone rail, road and inland waterway networks both within the country and in the form of cross-border connections linking the Czech Republic with Europe. The development needs in this area focus on the construction and modernisation of rail networks (including major railway junctions), a backbone network, with emphasis on the TEN-T network, including ensuring interoperability and introducing new technologies (ERMTS, TSI) and preparation of the first sections of high-speed tracks. Support will also be directed to the construction and modernisation of highways and roads (class I roads and motorways) of the backbone network with emphasis on the TEN-T network including introduction of smart transportation systems and conditions for utilisation of alternative fuels in road transport, and to investments in inland waterways of the TEN-T network.

Development needs and consequent support under OP T:

Construction and modernisation of rail networks of the backbone network including railway junctions with emphasis on TEN-T, ensuring interoperability and introducing new technologies (ERMTS, ITS): PA 1, SO 1.1 Improving the infrastructure for improved competitiveness and greater use of rail transport (modernisation, renovation and construction of tracks and improving their parameters such as elimination of speed drops and restriction of passability, including infrastructure for suburban transport and modernisation of railway junctions; adjustments to tracks leading to ensuring interoperability and TSI implementation, modernisation of security devices and introduction of long distance safeguard and automatic train control together with use of other modern technologies to improve rail safety).

Investments in inland TEN-T waterways: PA 1, SO 1.2 Improving the infrastructure for improved competitiveness and greater use of inland waterway transport in the main TEN-T network (modernisation and construction of waterways infrastructure, e.g. berms, locks, facilities for ensuring safety, etc. – this can be implemented only after 30 June 2016 after filing, with the European Commission, an application to change the programme related to the eligibility of infrastructure of inland waterways).

Construction and modernisation of highways, expressways and class I roads of the backbone network with emphasis on TEN-T including introduction of ITS: PA 2, SO 2.1 Improving the connection between



centres and regions and improving safety and effectiveness of road transport through construction, renovation and modernisation of highways, expressways and roads in the TEN-T network including development of ITS systems (construction of new sections, modernisation, renovation and increased capacity of already operated sections; introduction of new technologies and applications to protect the transport infrastructure and optimise transport, aka ITS).

Development of infrastructure for the use of alternative fuels in car traffic: PA 1, SO 2.2 Creating conditions for broader use of alternative fuel vehicles in the road network (equipment of the road network, mainly in cities and within the TEN-T, with charging and recharging stations for alternative fuels).

Insufficient interconnectivity of some territories with the backbone infrastructure

The development and improved accessibility of regions, especially of the peripheral and problematic ones, and also some of the major industrial zones is prevented, among other things, by shortcomings in other transport networks of national importance (outside backbone infrastructure, including the TEN-T network) and the transport networks of regional significance, mainly in the road network. The development needs in this area focus on the construction and modernisation of rail tracks of nationwide importance outside the backbone network, construction and modernisation of highways, expressways and class I roads outside the backbone network, and construction and modernisation of selected (sections of) class II roads, very exceptionally also class III roads linked to the TEN-T.

Development needs and consequent support under OP T and IROP:

Construction and modernisation of rail tracks of nationwide importance outside the backbone network (outside TEN-T): OP T, PA 1, SO 1.1 Improving the infrastructure for improved competitiveness and greater use of rail transport (modernisation, renovation and construction of tracks and improving their parameters such as elimination of speed drops and restriction of passability, including infrastructure for suburban transport and modernisation of railway junctions).

Construction and modernisation of highways, expressways and class I roads outside the backbone network (outside TEN-T) including introduction of ITS: OP T, PA 3, SO 3.1 Improving the accessibility of regions, enhancing the safety and flow and reducing the impacts of transport on public health through construction, renovation and improvement of parameters of highways, expressways and class I roads outside the TEN-T network (reconstruction, modernisation, renovation and construction of state-owned roads and highways including introduction of IT; construction of bypasses and track shifting).

Construction and modernisation of selected (sections of) class II roads, very exceptionally also class III roads linked to the TEN-T: IROP, PA 1, SO 1.1 Enhancing regional mobility through modernisation and development of regional rail infrastructure networks linked to the TEN-T network (reconstruction, modernisation or construction of selected (sections of) class II roads including construction of bypasses of settlements and selected sections of class III roads including technical improvement and construction of bridges, relieving of through highways and construction of roundabouts).

Underdeveloped multimodality

Conditions to apply multimodal transport, i.e. transport of goods by at least two different kinds of transport, and to utilise the optimal kind of transport in combination with freight transport are not being created sufficiently in the Czech Republic. Its territory is not yet sufficiently covered by public multimodal transport terminals complemented with public logistic centres. The development needs in this area focus on the modernisation and construction of terminals for multimodal transport with emphasis on the TEN-T network – particularly the connection to the transport infrastructure of rail and road transport, and according to local conditions also of water and air transport, construction and modernisation of terminals and furnishing them with transshipment systems, introduction of ITS and application of the EGNOS and Galileo satellite systems.

Development needs and consequent support under OP T:

Modernisation and construction of terminals for multimodal transport in the TEN-T: PA 1, SO 1.3 Creating conditions for greater use of multimodal transport (modernisation and construction of transit warehouses for combined transport – including trimodal road-rail-water, bimodal road-rail; connection of terminals to the transport infrastructure of rail, road, waterway and air transport; construction and modernisation of terminals and equipment with mechanisms, introduction of ITS including support for door-to-door mobility; **PA 1, SO 1.5** Crating conditions for broader use of rail and water transport through modernisation of the fleet (renovation of the freight water transport vessels fleet).



Insufficient infrastructure conditions for the development of towns and agglomerations

The development and operation of cities, agglomerations but also regions are limited by insufficient capacity of the rail infrastructure mainly on the entrance to cities forming the backbone of transport systems of densely populated areas and by underdeveloped integrated transport systems (urban, suburban and regional) including the fleet. Moreover, the development and interconnectedness of intelligent transport systems in the road traffic in cities and agglomerations and the use of alternative energies in transport lag behind, and the considerable potential of non-motorised (cycling) transport in cities is not taken advantage of. There are also evident shortcomings in the systems for transport at rest (P+R, K+R, B+R). The development needs in this area focus on the construction and modernisation of the infrastructure of urban and suburban transport systems in electric traction (metro, tram systems, tram-train systems, trolleybus systems), construction and modernisation of intermodal terminals for passenger transport (interconnecting hubs for railway, bus, urban, individual and non-motorised transport including P+R, K+R and B+R), introduction of ITS and new technologies; development of management systems of urban road traffic, modernisation of the public transport vehicle fleet with emphasis placed on reducing the volume of emissions and decreasing energy intensity; development of a network of charging stations of alternative energies for the needs of public transport; introducing infrastructure for urban non-motorised (in particular cycling) transport.

Development needs and consequent support under OP T and IROP:

Construction and modernisation of infrastructure for rail/trolley systems in urban and suburban transport: OP T, PA 1, SO 1.4 Creating conditions for increased use of public transport in cities in electric traction (construction and modernisation of urban and suburban transport infrastructures on the rail principle – metro, trams, tram-train, trolleybuses).

Modernisation of the public transport fleet: OP T, PA 1, SO 1.5 Creating conditions for broader use of rail and waterway transport through modernisation of the fleet (renovation of the passenger rail transport fleet).

Construction and modernisation of transfer terminals in passenger transport, introducing ITS in public transport: IROP, PA 1, SO 1.2 Increasing the share of sustainable forms of transport (construction and modernisation of transfer terminals, related incentive parking and parking houses in direct connection to public transport – P+R system; equipment of existing stops and terminals with barrier-free access; construction of follow-up B+R systems; construction, introduction, reconstruction or modernisation of intelligent transport systems (ITS) and transport telematics for public transport).

Modernisation of the public transport fleet: IROP, PA 1, SO 1.2 Increasing the share of sustainable forms of transport (purchase of low-emission and emission-free vehicles using alternative fuels such as electricity, CNG and other, compliant with the EURO 6 standard for passenger transport, purchase of traction public transport vehicles – trams, trolleybuses; construction of refilling and recharging stations for low-emission and emission-free vehicles for passenger transport).

Enhancing transport safety: IROP, PA 1, SO 1.2 Increasing the share of sustainable forms of transport (enhancing the safety of rail, road, cycling and pedestrian transport, e.g. barrier-free access, sound and other signalling for the blind – adjusting roads for non-motorised transport to persons with reduced mobility or orientation).

Introducing infrastructure for urban non-motorised (in particular cycling) transportation: IROP, PA 1, SO 1.2 Increasing the share of sustainable forms of transport (construction and modernisation of cycle routes in the form of paths adapted by construction work and designated by traffic signs on which car traffic is excluded, and construction and modernisation of cycle routes with focus on support for integrated solutions, e.g. cycling lanes on roads or multi-purpose lanes).

Insufficient modernity and capacity of the transmission system

An increased consumption, connection of new sources including sources of distributed production and transit demands on the transmission system in the Czech Republic in the direction North-South induce an increased need for the transformation output of the transmission system. It must also guarantee safety, durability and reliability of operation at current levels.

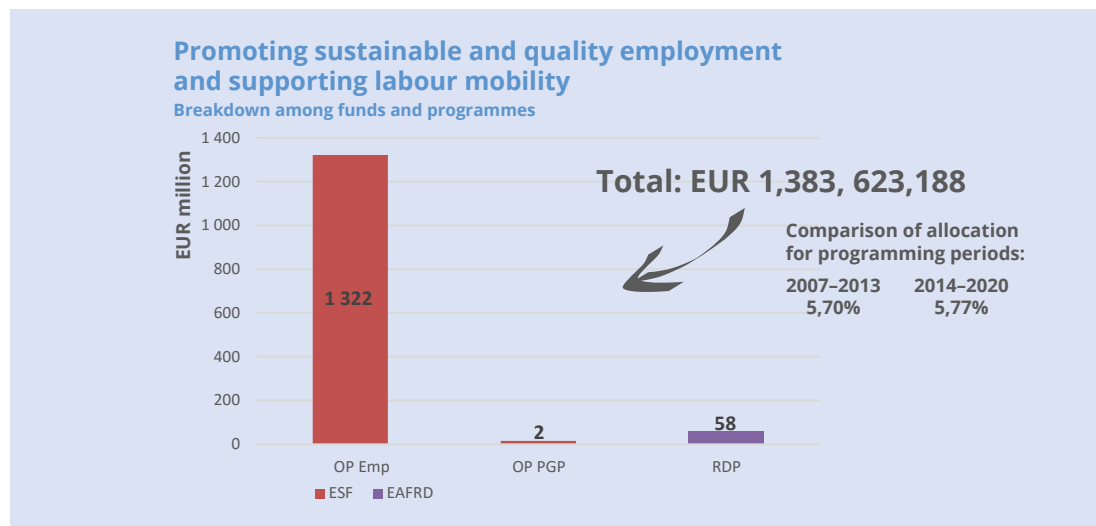
Development needs and consequent support under OP EIC:

Strengthening and modernisation of the transmission system: PA 3, SO 3.6 Strengthening energy security of the transmission system (construction, enhancement and modernisation of transmission grids and transformer stations, in accordance with the smart grid concept).



3.4.8. Thematic objective 8 – Promoting sustainable and quality employment and supporting labour mobility

Chart 9 – Thematic objective allocation by programmes and funds



Data source: Partnership Agreement and MSC 2007

The issues and the resulting development needs, identified in the PA, and the consequent support under programmes

Insufficient quality and capacity of employment-enhancing services

In the Czech Republic, the expenditure on Active Employment Policy is, in comparison with EU countries, among of the lowest ones. Moreover, AEP tools partially no longer meet the needs of job seekers and are not always effectively targeted at those who need it most. The extent and quality of information about the development in the labour market and the effects of the AEP are insufficient.

Development needs and consequent support under OP Emp:

Implementation of new AEP tools with emphasis on individual approach and services which will focus on job seekers from problematic groups of persons in the labour market, including young job seekers and inactive persons: **PA 1, SO 1.1.1** Increasing employment of supported persons, mainly the elderly, low-skilled and disadvantaged (implementation of proven existing and new or innovative tools of Active Employment Policy in accordance with the current needs of the labour market (retraining, balance and work diagnostics, support for job creation, development of key competencies, accompanying measures allowing inclusion of persons in the labour market, etc.); **PA 1, SO 1.1.2** Increasing employment of supported young persons through the Youth Guarantee Programme **PA 1, SO 1.5.1:** Increasing employment of supported young people who are not in employment, in education or in training in the NUTS II North-West region (implementation of AEP tools focused on the young unemployed, e.g. support for activities to acquire working habits such as community work, socially useful jobs, short-term work opportunities, work placements and internships, support for international mobility; support for commencement of self employment).

Innovation of AEP tools, development of monitoring of their targeting: **PA 1, SO 1.4.1:** Increasing the capacity, complexity and quality of services provided by institutions of public employment services (creation and development of new tools and measures of the Active Employment Policy; creation, development and implementation of information and monitoring systems, evaluation of efficiency of implementation of active measures in the labour market, support for analytical activities to increase the effectiveness of employment services).



Mismatches between qualifications and labour market requirements

Employment growth in the Czech Republic is undermined by insufficient availability of skilled workers in a number of sectors, which is due mainly to a rather low relevance of initial education for the employers' requirements (see also TO 10). However, the efficiency of further education, which can partially solve this problem, is insufficient. The current state of further education is affected by insufficient strategic and conceptual approach, lack of monitoring of qualification needs of the labour market and their forecast, and by non-existent tools to promote and stimulate further education. Moreover, the target groups are not familiar with the offer of further education. The main barriers of development of further education on the side of employers include an insufficient quality of human resources management and development, high cost and the necessity to release the employees for participation in the training.

Development needs and consequent support under OP Emp:

Supporting further education to increase the employability of adults through further education (in the area of professional, key and entrepreneurial competencies) and introducing elements of assessment of quality of further education; expanding the use of instruments for accreditation of prior learning: PA 1, SO 1.4.2 Improving the quality of the system of further education (creation, development and implementation of systemic measures in the area of further education, focused mainly on missing systemic support for further education, interconnecting of systems of recognition of results of non-formal education and informal learning, introducing elements of quality in the educational process; introducing tools to promote participation in further education); PA 1, SO 1.3.1 Enhancing the expertise, skills and competences of employees and alignment between the workforce qualification level and labour market requirements (further professional education of employees supported by employers, focused on professional and key competencies, including support for further professional education of the self-employed; creation and implementation of corporate educational programmes, including preparation of corporate teachers and instructors); PA 1, SO 1.3.2 Enhancing the adaptability of elderly workers (further professional education of elderly employees).

Improving career counselling and development of use of labour market analysis and forecasting tools: PA 1, SO 1.4.2 Improving the quality of the system of further education (creation and continuous operation of a system of short-, medium- and long-term analyses and forecasts of qualification needs in the labour market; implementation of systemic career counselling in the lifelong perspective, mainly based on the profiling of job seekers according to the distance from the labour market).

Difficulties in reconciling personal and professional life and women's inequality in the labour market

Long interruptions in women's careers to care for children lead, in the Czech Republic, to great differences between men and women in employment rates and pay. The position of women in both these factors significantly lags behind the EU average. Flexible forms of work, such as part time work or working from home, which would allow higher involvement of women with children in particular, but also of other persons who for some reason cannot work full time, are still not commonly used in the Czech Republic. People caring for children face further difficulties in the form of poor availability of pre-school establishments, mainly for children under 3 years of age.

Development needs and consequent support under OP Emp and OP PGP:

Broadening the offer and creating sufficient capacity of affordable childcare services: OP Emp, PA 1, SO 1.2.1 Reducing inequality between women and men in the labour market (support for building and operation, setting quality and subsequent development of a network of affordable and available, as regards location, childcare services such as children groups, children clubs or other types with emphasis on covering the current absence of services for children under three years or for older children based on the current demographic situation); OP PGP, PA 4, SO 4.3 Increasing the availability of childcare facilities (development of childcare facilities established by the City of Prague, municipal districts and organisations established and founded by the City of Prague and municipal districts of the City of Prague).

Creating conditions for greater use of flexible forms of work: OP Emp, PA 1, SO 1.2.1 Reducing inequality between women and men in the labour market (introducing flexible forms of work and their practical use in education and counselling for employers in this area and direct financial support for flexible forms of work through wage contributions).

Introducing measures to remove discrimination in the labour market based on gender, and reducing



the horizontal and vertical segregation of the labour market by gender and the differences in remuneration of women and men: OP Emp, PA 1, SO 1.2.1 Reducing inequality between women and men in the labour market (supporting measures to remove discrimination in the labour market based on gender, and reducing the horizontal and vertical segregation of the labour market by gender and the differences in remuneration of women and men; education and career guidance for persons on maternity and parent leave, persons caring for dependent people, and for older women, focused on improving their access to the labour market, including the possibility of self-employment; supporting activities aimed at greater participation of men in child care and other dependent persons, e.g. education, promotion of the topic, education of men in the area of parenting skills and reconciling the work and family life, employer counselling; improving the coordination of local and national policies concerning equal opportunities of women and men and their implementation).

Insufficient cooperation of key players, poor interconnection of different types of instruments when dealing with problems in the labour market

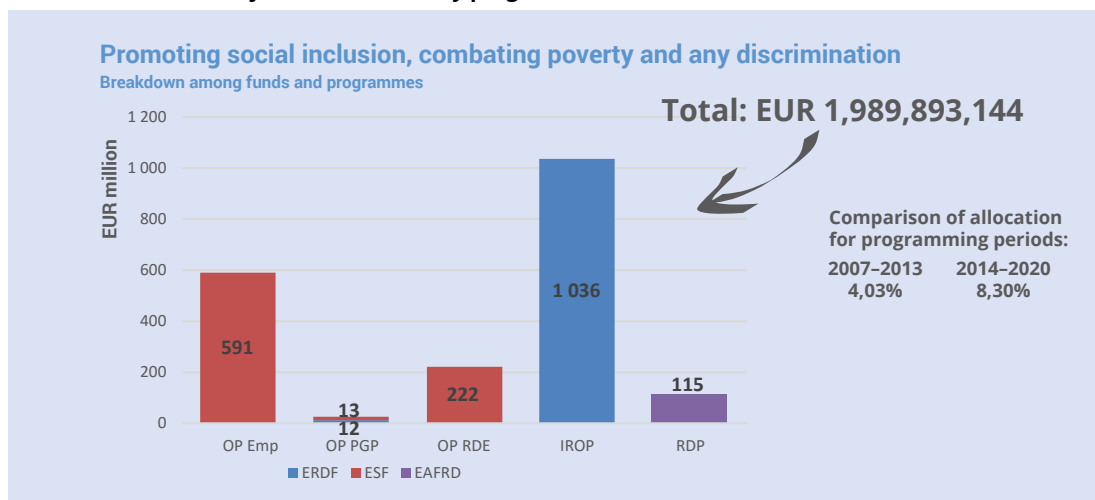
The involvement of local government (of municipalities and cities) in addressing the issue of employment and in mobilisation of the inner potential of the localities is not sufficient. Also the cooperation of relevant local players in the labour market (local governments, employment services, employers, educators, non-profit sector etc.) must be enhanced.

Development needs and consequent support under OP Emp:

Supporting and developing programmes of cooperation and partnership when dealing with problems in the labour market at the national, but mostly at the regional and local levels, involving all relevant players in the labour market: PA 1, SO 1.4.1 Increasing the capacity, complexity and quality of services provided by institutions of public employment service (development of cooperation and partnerships in the implementation of the employment policy at the national but mainly at the regional level with all the relevant players in the labour market).

3.4.9. Thematic objective 9 – Promoting social inclusion, combating poverty and any discrimination

Chart 10 – Thematic objective allocation by programmes and funds



Data source: Partnership Agreement and MSC 2007



The issues and the resulting development needs, identified in the PA, and the consequent support under programmes

Little employability and low employment of socially excluded people or at risk of social exclusion in the labour market

Long-term and repeated unemployment is, in the Czech Republic, one of the major causes of social exclusion and poverty and is associated mainly with low qualification, disability and discrimination by employers. Social entrepreneurship constitutes a significant opportunity for the integration of persons at risk of social exclusion or socially excluded back in the labour market. However, the development of social entrepreneurship is still very slow in the Czech Republic due to poor awareness and non-existent systemic support tools.

Development needs and consequent support under OP Emp, IROP and OP PGP:

Increasing the employability of socially excluded persons and persons at risk of social exclusion in the labour market, ensuring interconnection of the social and the follow-up work integration: OP Emp, PA 2, SO 2.1.1

Improving the employability of socially excluded persons or persons at risk of social exclusion in the society and in the labour market (education and counselling, activating, assistance and motivating programmes to support parenting competencies, acquiring basic social and professional skills, employability, social integration of persons exposed to institutionalisation; activities helping to combat discrimination); **OP Emp, PA 2, 2.3.1** Increasing the involvement of local players in addressing the issues of unemployment and social inclusion in rural areas (support for the creation of new jobs at the local level; support for cooperation of players at the local level in dealing with local unemployment); **IROP, PA 2, SO 2.1** Improving the quality and availability of services leading to social inclusion (support for the development of community centres infrastructure to promote social inclusion and better employability).

Improving the availability of counselling and auxiliary services for the development and sustainability of social economy, creating conditions to ensure easier access to support for social enterprises: OP Emp, PA 2, SO 2.1.2

Development of the social economy sector (introducing a system of support for the start, development and sustainability of social enterprises; active integration of socially excluded persons in social-entrepreneurial entities; educational programmes and counselling); **IROP, PA 2, SO 2.2** Creation of new and development of existing business activities in the field of social entrepreneurship (investments in the construction, reconstruction and equipment of social enterprises); **OP PGP, PA 3, SO 3.2** Enhanced infrastructure for social entrepreneurship (investment support for the establishment and expansion of social enterprises and their activities, including extension to more target groups or a higher number of users).

A growing number of excluded locations

The emergence of socially excluded localities is associated with the spatial segregation; the municipalities often cannot prevent their emergence. The excluded localities also report a poorer availability of services and lack of job opportunities. A growing problem is an unsatisfactory quality of mainstream primary schools and many municipalities segregate the Roma children to schools for mentally handicapped children. At the local level, there is insufficient coordination in resolving the social exclusion and prevalent low level of awareness of this issue.

Development needs and consequent support under OP Emp, OP RDE and IROP:

Comprehensive approach to tackling issues in the communities in question, including through creation of local strategic plans for social inclusion; comprehensive solutions for children from excluded or vulnerable groups: OP Emp, PA 2, SO 2.1.1

Improving the employability of socially excluded persons or persons at risk of social exclusion in the society and in the labour market (support for specific tools to prevent and resolve problems in socially excluded localities, mainly community work including support for the coordination role of municipalities in this area); **OP RDE, PA 3, SO 1** Quality conditions for inclusive education; **OP RDE, PA 3, SO 2**: Social integration of children and pupils including integration of Roma children in education (strengthening the competences of teaching staff at all levels of schools for inclusive education, overcoming prejudices from work with a heterogeneous group, improving pedagogical-psychological counselling and special-pedagogy counselling; development and implementation of compensatory and support measures in primary schools (methods and organisation of tuition, assessment, teaching aids); the situation in municipalities with socially excluded localities will be addressed through coordinated approach in the areas of employment, housing, social services, education and health; **IROP, PA 2, SO 2.1**: Improving the quality and availability of services leading to social inclusion (infrastructure for social services, promoting the development of



community centres infrastructure with the purpose of social inclusion and better employability, promoting infrastructure for the availability of social work and development of social services coordination). Coordination, in terms of subject-matter and time, of interventions from **OP Emp, IROP and OP RDE** programmes in the aforementioned areas will be ensured based on strategic plans for social inclusion.

Low availability of social housing

Social exclusion is related to a significant risk of loss of housing. In the Czech Republic, there is no system of social (public) housing and housing issues in individual municipalities are tackled in different ways, incl. displacement of poor people from municipalities.

Development needs and consequent support under OP Emp, IROP and OP PGP:

Developing a system of accessible housing as a fundamental social need; Interconnecting the housing services and social work along with the development of interconnection of social services: **OP Emp, PA 2, SO 2.1.1:** Improving the employability of socially excluded persons or persons at risk of social exclusion in the society and in the labour market (support for planning and social housing policy of municipalities, creation and development of social housing tools as a prevention of emergence or socially excluded localities and homelessness; support for the system of social housing and related preventive, follow-up and auxiliary services; interconnecting support in the area of housing, employment, social work and healthcare); **IROP, PA 2, SO 2.1:** Improving the quality and availability of services leading to social inclusion (acquisition of apartments, residential buildings and non-residential premises for social housing and their adaptation for the needs of social housing, and acquisition of necessary basic equipment); **OP PGP, PA 3, SO 3.1:** Enhanced social infrastructure for integration, community services and prevention (reconstruction, repairs and alterations of apartments into social housing apartments with emphasis on the prevention and tackling of homelessness).

Setting and availability of social services does not match the needs of the target groups

The threat to the groups at risk of social exclusion and poverty is also exacerbated by a shortage of some types of social services, mainly low-threshold, outreach and outpatient ones. A fundamental problem is also ensuring the quality of social services and their interaction with other services, particularly in the areas of employment, health care and housing. In the Czech Republic, there is a high rate of use of institutional care.

Development needs and consequent support under OP Emp, IROP and OP PGP:

Systematizing the funding of social services in favour of effective combination of community and institutionalised services, streamlining processes in social services, and strengthening the elements of quality and standardisation of activities: **OP Emp, PA 2, SO 2.1.1** Improving the quality and sustainability of the system of social services, services for families and children and other related services promoting social inclusion (supporting the process of medium-term planning of services – process introduction, implementation and evaluation; systemic, conceptual and methodological measures in the area of social services; development of a system of quality and standardisation of activities in social services; education of social services staff).

Transforming and deinstitutionalising services, increasing the availability and effectiveness of outpatient and residential services and low-threshold, cultural and community centres as providing integration services: **OP Emp, PA 2, SO 2.1.1** Improving the quality and sustainability of the system of social services, services for families and children and other related services promoting social inclusion (support for the transformation of residential social services – mainly for the disabled and seniors, institutional care facilities for children; support for services provided in the field and outpatient forms, including the development of new types of services, and support for community social work); **IROP, PA 2, SO 2.1** Improving the quality and availability of services leading to social inclusion (infrastructure for the availability and development of a social service (purchase of buildings, equipment and structural alterations which create conditions for quality provision of the aforementioned social services)); **OP PGP, PA 3, SO 3.3** Strengthening the activities for integration, community services and prevention; **OP PGP, PA 3, SO 3.1** Enhanced social infrastructure for integration, community services and prevention (support for the creation and operation of cultural and community centres and premises for community life and projects to activate local communities in order to promote local social cohesion).



Deficiencies in the quality and availability of health care and the prevention of serious diseases

In streamlining the health care it is important to put emphasis on disease prevention and support of healthy lifestyle. A consequence of its neglect is, inter alia, reduced ability to work and a threat of social exclusion.

In accordance with the ongoing process of concentration, which aims to streamline the system of healthcare, it is necessary to complete the network of highly specialised care centres and follow-up care centres through investments into higher quality of the defined types of health care centres.

Necessary reform steps must also be taken in psychiatric care in the Czech Republic, which is strongly centralised and institutionalised and does not allow patients to undergo treatment in a natural environment. These conditions determine social exclusion of psychiatric patients from the society, their social stigmatisation and low employment level.

Development needs and consequent support under OP Emp and IROP:

Implementing and making accessible health prevention and promotion services targeted at early detection of diseases and changes in the lifestyle of the population: OP Emp, PA 2, SO 2.2.2 Increasing the availability and effectiveness of healthcare services and allowing a shift of the focus of psychiatric care into communities (creation and ensuring the functioning of regional health centres focused on the creation and implementation of health promotion programmes and health literacy of vulnerable groups).

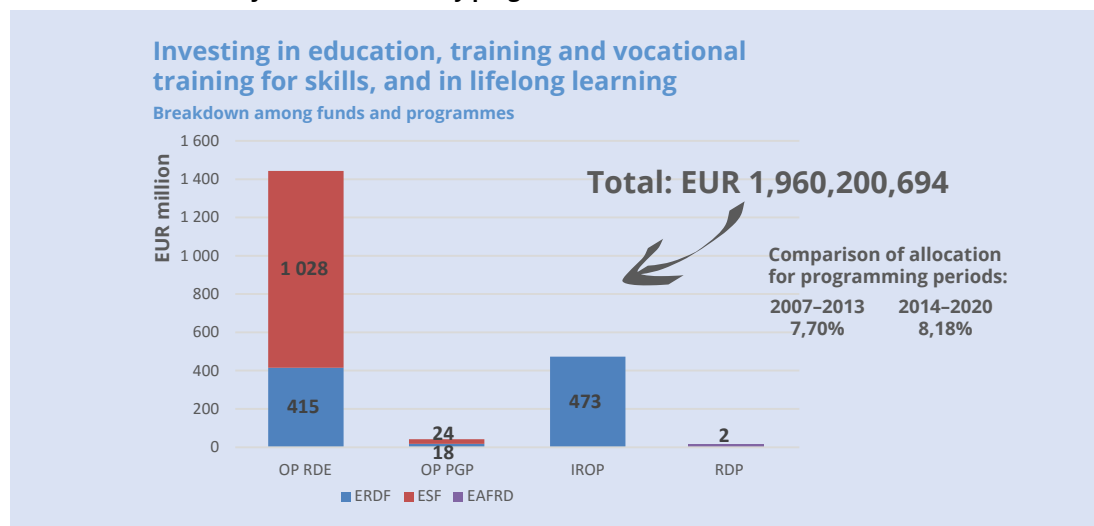
Ensuring balanced and regionally accessible highly specialised and follow-up care at sufficient quality level, based on national and regional epidemiologic situation: IROP, PA 2, SO 2.3 Development of infrastructure for the provision of health services and health care (improving the quality of specialised and follow-up care through acquisition of technologies and equipment necessary to provide care in the supported discipline); **OP Emp, PA 2, SO 2.2.2** Increasing the availability and effectiveness of healthcare services and allowing a shift of the focus of psychiatric care into communities (introducing health care in selected disciplines in regions where such care had not been provided or had been provided in insufficient volume, including care in the patients' own social environment).

Creating environment for deinstitutionalisation of psychiatric care and shifting its focus into communities by providing community care and alternative care to community care: OP Emp, PA 2, SO 2.2.2 Increasing the availability and effectiveness of healthcare services and allowing a shift of the focus of psychiatric care into communities (support for the transformation and deinstitutionalisation of healthcare services in the area of psychiatric care, development of new community-based services, outpatient and field services, including the development of tools to mitigate the impact of institutionalisation); **IROP, PA 2, SO 2.3** Development of infrastructure for the provision of health services and health care (procurement of premises and equipment and structural alterations for the provision of psychiatric care in centres of mental health and psychiatric outpatient departments).



3.4.10. Thematic objective 10 – Investing in education, training and vocational training for skills and lifelong learning

Chart 11 – Thematic objective allocation by programmes and funds



Data source: Partnership Agreement and MSC 2007

The issues and the resulting development needs, identified in the PA, and the consequent support under programmes

Insufficient quality of initial education

The results of pupils and students at primary and secondary schools are unsatisfactory in virtually all monitored areas. Pupils do not reach the results achieved by their peers ten or fifteen years ago. The current unfavourable situation is a result of several factors that will have to be systematically addressed to change this trend. The quality of headmasters and teachers is essential – the current position and role of teachers is not properly remunerated and does not carry the social prestige it deserves; the level of undergraduate preparation of teachers is low, there is not enough teaching practice. The level of strategic management of education towards better results is insufficient and the ability of the system to work on the principle of evidence-based policy is poor. In the Czech Republic there is no developed monitoring of the quality of educational results.

Development needs and consequent support under OP RDE, IROP and OP PGP:

In the area of primary and secondary schools, it is necessary to focus teaching on broader possibilities of application and to improve the pupils' skills in these competencies, which increase graduates' employability: OP RDE, PA 3, SO 2 Improving the quality of education and achievement of students in key competencies (improving the quality of education of all pupils in KC with emphasis on the development of core literacies – reading and mathematical, and on supporting the abilities and talent of each pupils, especially in areas falling under the STEM concept).

Development of human resources for the area of initial education, mainly through improvement of under-graduate training, and support for their further professional development; development of competencies of school officials and authorities: OP RDE, PA 3, SO 4 Improving the quality of future and novice teaching staff (improving the quality of teacher training through improving the quality of schools providing teacher training; development of competencies of future graduates and novice teachers in the areas of differentiated tuition, formative assessment and inclusive education and KC); **OP RDE, PA 3, SO 2** Improving the quality of education and achievement of students in key competencies (professional development of teaching staff based on an analysis of particular educational and development needs; individual forms of



support for education in practice – mentoring).

Ensuring equal access to quality educational infrastructure of nursery, primary and secondary schools, taking into account the needs of the demographic development: [IROP, PA 2, SO 2.4](#) Improving the quality and accessibility of infrastructure for education and lifelong learning (support for the infrastructure of primary schools – structural alteration and acquisition of equipment related to ensuring the development of pupils in professional and key competencies); [OP PGP, SO 4.1](#) Increasing the capacity and improving the quality of pre-school, primary and secondary education and facilities providing care for children under 3 years (modernisation of specialised classrooms, equipment with audiovisual and presentation technology).

Creating a comprehensive system for national monitoring of the quality of educational results, following recommendations of OECD in initial education, so that it provides essential information for system management at the level of the state, regions and schools: [OP RDE, PA 3, SO 3](#) Development of the system of strategic management and quality assessment in education (cooperation between education authorities, schools and other partners in a given territory in the preparation and implementation of joints activities aimed at improving the quality of education and introducing a system of quality assessment and strategic management).

Improving pre-school education, in particular by improving the competencies of teaching staff in the core areas; broadening the offer and creating sufficient capacity of affordable childcare services: [OP RDE, PA 3, SO 3](#) Improving the quality of pre-school education, including facilitating the transition of children to primary school (professional support for teachers and systematic education of teaching staff in the core areas – mathematical and reading pre-literacy, inclusive education and polytechnic education); [IROP, PA 2, SO 2.4](#) Improving the quality and accessibility of infrastructure for education and lifelong learning (support for infrastructure for childcare and pre-school education – construction, structural alterations, acquisition of equipment); [OP PGP, PA 4, SO 4.1](#) Increasing the capacity and improving the quality of pre-school, primary and secondary education and facilities providing care for children under 3 years (creating new places in existing kindergartens and new facilities providing care for children under three years).

Lack of equal treatment and low ability to develop individual potential of pupils and students

The educational system in the Czech Republic is not sufficiently able to level out the handicaps of disadvantaged pupils and students and to develop each person's individual potential. There is dependency of success in education (and consequently in employment) on the family and social origin and the share of the impact of the socio-economic environment of the school on the success rate of students is also increasing.

Development needs and consequent support under OP RDE, IROP and OP PGP:

Supporting inclusive education in regional schools and individual approach at all levels of the education system, work with the public in order to enhance understanding of inclusive education, and supporting the infrastructure for these purposes: [OP RDE, PA 3, SO 2](#) Improving the quality of education and achievement of students in key competencies (promote improvement of quality and effectiveness of the system of pedagogical-psychological counselling, education of teachers in the area of integration of children and pupils with SEN, and introduction of compensatory and support measures); [OP PGP, PA 4, SO 4.2](#) Improving the quality of education by promoting inclusion in a multicultural society (introducing the principles of multicultural education in schools, strengthening the community function of schools based on cooperation between schools and the non-profit sector, cultural and sports institutions and the municipal governance); [IROP, PA 2, SO 2.4](#) Improving the quality and availability of infrastructure for education and lifelong learning (structural alterations of buildings and classrooms, acquisition of equipment and compensatory aids and compensatory equipment for children with SEN); [OP PGP, SO 4.1](#) Increasing the capacity and improving the quality of pre-school, primary and secondary education and facilities providing care for children under 3 years (improving the quality and availability of infrastructure in schools to adjust educational facilities to the needs of integration of children and pupils with special educational needs); [OP RDE, PA 3, SO 3](#) Improving the quality of pre-school education, including facilitating the transition of children to primary school (strengthening the competences of teachers in work with heterogeneous groups, activities leading to timely integration of children at risk of school failure, development of cooperation between pedagogical and social services and the family).



Mismatches between training and labour market requirements

Secondary vocational education often does not match the needs of employers. This leads to a paradox situation when the unemployment rate is growing and yet companies have problems finding staff for many positions. The problems can be summarised as follows: Inadequate structure and narrow focus of fields of study, detachment of training from practice, insufficient cooperation between schools and career counsellors, and limited access to information about the trends and future development in the demand for qualifications.

Development needs and consequent support under OP RDE:

Strengthening transferable competencies necessary for long-term employability in the labour market at secondary school, including entrepreneurship competencies: PA 3, SO 2 Improving the quality of education and training including promoting their relevance for the labour market (improving the quality of education of all secondary school students in KC with emphasis on the development of core literacies).

Development of strategic cooperation of schools with labour market players – cooperation in innovating the educational programmes and implementing vocational and implementation of practical and professional training, mainly at the regional level: PA 3, SC5 Improving the quality of education and training including promoting their relevance for the labour market (improving the cooperation between school, educational facilities, employers, NGOs, other stakeholders in education and R&D institutions, not only in the implementation of professional training or practice but also in the area of teacher training and innovation of the content of education).

Development of the career guidance system, support of children's and young people's interest mainly in technical- and knowledge-intensive disciplines: PA 3, SC5 Improving the quality of education and training including promoting their relevance for the labour market (improve the awareness of pupils, parents and teachers about the work environment and job opportunities; activities of career guidance towards increasing the attractiveness of vocational education).

The possibility of using capacities of secondary vocational schools and universities for training of adults in order to improve their employability: PA 3, SC5 Improving the quality of education and training including promoting their relevance for the labour market (ensuring permeability between initial and CE, increasing their compatibility and relevance with regard to the qualifications requirements of the labour market); **PA 2, SO 3** Improving the conditions for lifelong learning at universities (improving the qualification of staff who take part in the implementation of lifelong learning courses).

Quality of higher education and using the potential of higher education to increase competitiveness

Universities rank very low in international rankings of quality. The quality of university graduates is perceived as a serious problem by employers. University education suffers from the following, mutually interlinked, problems: lack of specialisation according to the strengths of universities, limited offer of study programmes with links to the labour market, international cooperation with practitioners and emphasis on related soft skills, low level of international cooperation and internationalisation, and no system of quality assessment.

Development needs and consequent support under OP RDE:

Supporting specialisation of universities in accordance with their individual identified strengths, including essential investment into infrastructure, extending the segment of fields of study that correspond with the labour market needs; supporting introduction of innovation and development of transferable competencies in teaching: PA 2, SO 1 Improving the quality of education at universities and its relevance for the labour market (improving the quality of teaching at universities – support for educational activities associated with profiling of study programmes of universities, support for the emergence of study programmes focused on practice, support for cooperation between universities and industry organisations); **PA 2, SO 1** Improving the education infrastructure at universities in order to ensure a high quality of education, improving access for disadvantaged groups and increasing the openness of universities (development and modernisation of classrooms and laboratories, development of premises for practical education, wider access to information sources, modernisation of software equipment).



Introducing a system of evaluating teaching quality, serving as a basis for evaluating the quality of the institution for the purposes of financing and accreditation: PA 2, SO 1 Setting up and developing an evaluation system and ensuring the quality and strategic management of universities (support for systems for strategic and effective management of research organisations and systems of assessment and ensuring quality, development of capacities and knowledge of officials and other staff in the area of strategic management).

Develop international environment at universities, i.e. to open up to foreign students, teachers, research staff, and general international cooperation: PA 2, SO 1 Improving the quality of education at universities and its relevance for the labour market (support for the expansion of opportunities for international mobility of students and academic staff, increasing the proportion of subjects taught in foreign languages, development of services for foreign students, and development of strategic partnerships with foreign institutions).

Adopting measures leading to reduction in early university drop-outs: PA 2, SO 1 Increasing the participation of students with specific needs, from socio-economically disadvantaged groups and from ethnic minorities in university education, and decreasing the drop-out rates of students (establishment and development of counselling centres; activities aimed at improving awareness of offered study programmes, support for individual approach to students; activities aiming at increasing the number of students from socio-economically disadvantaged groups and from ethnic minorities at universities – raising awareness about work with these students, improving the related competencies of academic staff and counselling centre staff).

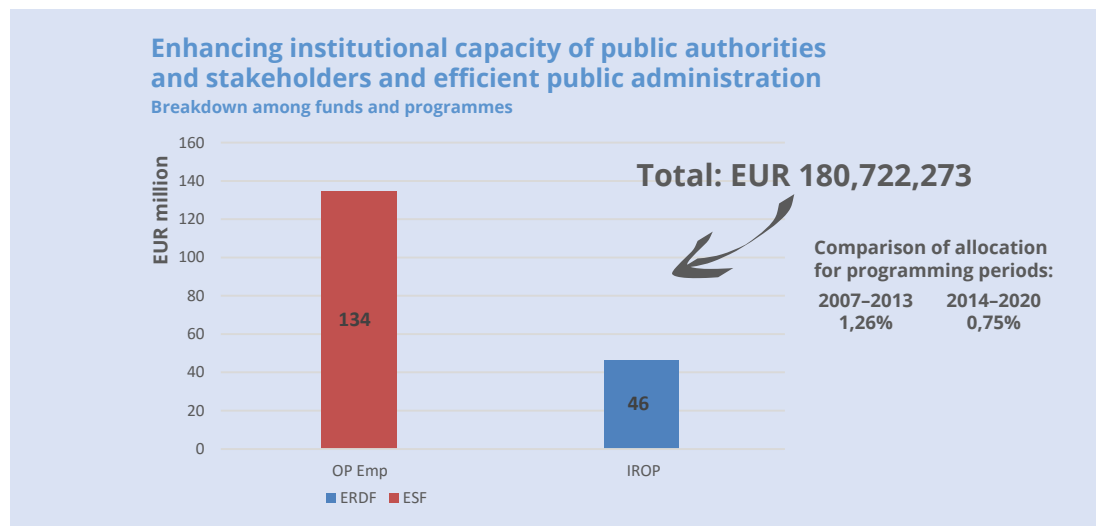
Develop excellence of university education in connection with excellence in research and to develop research cooperation with the application sphere: PA 2, SC5 Improving the conditions for education related to research and for the development of human resources in research and development (creation or modernisation of research-oriented study programmes, with emphasis on connection with practice and on internationalisation – programmes in English, development of international mobility and inter-institutional cooperation).

Development of human resources in R&D, increasing the attractiveness of the research environment to attract top research and academic staff from abroad and the private sector: PA 2, SC5 Improving the conditions for education related to research and for the development of human resources in research and development (promoting inter-sectoral and international mobility of researchers, project aimed at improving the qualification of specialised staff – preparation and management of projects, identification of new opportunities, etc.).



3.4.11. Thematic objective 11 – Enhancing institutional capacity of public authorities and stakeholders and efficient public administration

Chart 12 – Thematic objective allocation by programmes and funds



Data source: Partnership Agreement and MSC 2007

The issues and the resulting development needs, identified in the PA, and the consequent support under programmes

High administrative and regulatory burden

The high regulatory and administrative burden is still considered a major obstacle to business development in the Czech Republic. The Czech Republic does not sufficiently use RIA ex post as a tool to verify the actual impacts of the regulations after they are introduced.

Development needs and consequent support under OP Emp:

Reducing the regulatory and administrative burden: PA 4, SO 4.1.1 Optimise the processes and procedures in public administration (improving ex ante and ex post regulatory impact assessment (RIA), including corruption impact assessment (CIA); reducing the administrative burden of citizens and entrepreneurs).

Low effectiveness and expertise of public administration and judiciary

Many of the problems which the Government faces, are caused, inter alia by the narrow departmentalism, haphazard decisions of the public administration, insufficient use of various evaluation and analysis instruments for an effective implementation of policies, but also by inefficient approach to the development and management of human resources, etc. State administration does not have experience with introduction of quality management methods. However, public administration cannot rely solely on the implementation of quality management methods. All its activities should be guided by the principle of 3E (economy, effectiveness, efficiency). This can be achieved by setting up adequate internal processes.

The current judiciary in the Czech Republic is generally not very efficient as a result of a combination of problems and disparities at the institutional, legislative and personnel levels. However, functioning judiciary is an essential prerequisite for the application and enforcement of law.



Development needs and consequent support under OP Emp and IROP:

Introducing modern methods and processes of management and decision-making in public administration and judiciary: OP Emp, PA 4, SO 4.1.2 Modernisation of development and management of human resources in the public administration (application of modern procedures, tools and methods of human resources management, including subsequent revision and development of the recruitment system, evaluation, remuneration, motivation and organisation of employees in organisations in close connection with increasing professional competencies, analytical activities, creation of personnel strategies, etc.; implementation of specific educational and training programmes contributing to improvement of human resources development in public administration – e.g. competencies in ICT and eGovernment, land-use planning, environmental management, crisis management not only in IRS units; in judiciary with regard to financial management, managerial skills or new codification of selected areas of law).

Optimisation of processes in public administration and judiciary: OP Emp, PA 4, SO 4.1.1 Optimise the processes and procedures in public administration (completion of support for en mass process modelling of agendas for direct as well as delegated performance of state administration and subsequent implementation of recommended changes; improving strategic and project management, use of analytic, methodological, evaluation and other similar studies and capacities in public administration and judiciary; optimising the performance of public administration in the territory; introducing a single quality management system at the level of central state administration, and development of quality management systems of self-governments).

Development of professional civil service: OP Emp, PA 4, SO 4.1.2 Modernisation of development and management of human resources in the public administration (implementation of an amendment to the Civil Service Act, which is a basis for a stable, effective and professional civil service).

Improving the decision-making of public administration on the territories and improving the territorial preparation of investments in relation to the planning activities of regions and municipalities by means of supporting the procurement of territorial development documents: IROP, PA 3, SO 3.3 Support for procurement and application of territorial development documents (procurement of land-use plans, procurement of regulatory plans not substituting land-use decision, procurement of land-use studies).

Speeding up the functioning and improving the quality of judiciary; creation and development of tools to improve enforceability of law and streamlining of court proceedings through procedural standardisation: OP Emp, PA 4, SO 4.1.1 Optimise the processes and procedures in public administration (streamlining of court proceedings, enhancing legislative activities, support for legal consultancy towards citizens and procedural standardisation of judiciary, support for the use of alternative forms of dispute settlement, alternative punishments and processes of conditional early release, and other measures leading to high-quality and effective functioning of the rule of law).

Low transparency of public administration

Another weakness of public administration is little emphasis on the observance of all principles of good governance. The use of analytic and evaluation capacities to increase transparency is also insufficient. Perception of corruption in the Czech Republic is high. A number of deficiencies can clearly be identified in the area of publication of data on the "open data" principle. The data, if published, are not adapted to the needs and demands of citizens.

Development needs and consequent support under OP Emp:

All the aforementioned development needs and activities of specific objectives will be arched over by a horizontal principle of combating corruption: PA 4, SO 4.1.2 Modernisation of development and management of human resources in the public administration (fight against corruption will be based on efficient and independent Executive, transparency and open access to information, economical management of state property and development of civil society).



3.5. Coordination mechanisms – synergies and complementarities

Coordination between ESI Funds, operational programmes and other EU tools in the new programming period must be perceived as an important element during the preparation of programmes as well as during their implementation. In this context, we are referring mainly to set-up and implementation of synergies and complementarities and avoidance of overlapping interventions between programmes.

Synergies can be understood as mutual interaction of two and more areas/projects which will bring higher effect than if the projects had been implemented separately. To some extent, synergies may be understood as a conditioned and time-bound intervention. For example, in order to introduce a new innovative product in the market, it must be first developed in the pre-application stage and subsequently it must be taken over and put into use by companies which should generate demand for the product since the beginning and formulate the assignment.

Complementarities should be understood as links between ESI Funds programmes, other EU programmes and national programmes within which related or follow-up interventions are premeditated. The objective is to use the potential of combinations of aids and meet the set objectives. A sub-objective is also to prevent overlaps in the proposed measures. An example may be the area of intervention "energy savings", where one must take into account not only reduction in the energy intensity of buildings but also of production and technology processes including agriculture and fisheries. **In order for the synergies and complementarities to be implemented, all the stakeholders must collaborate.**

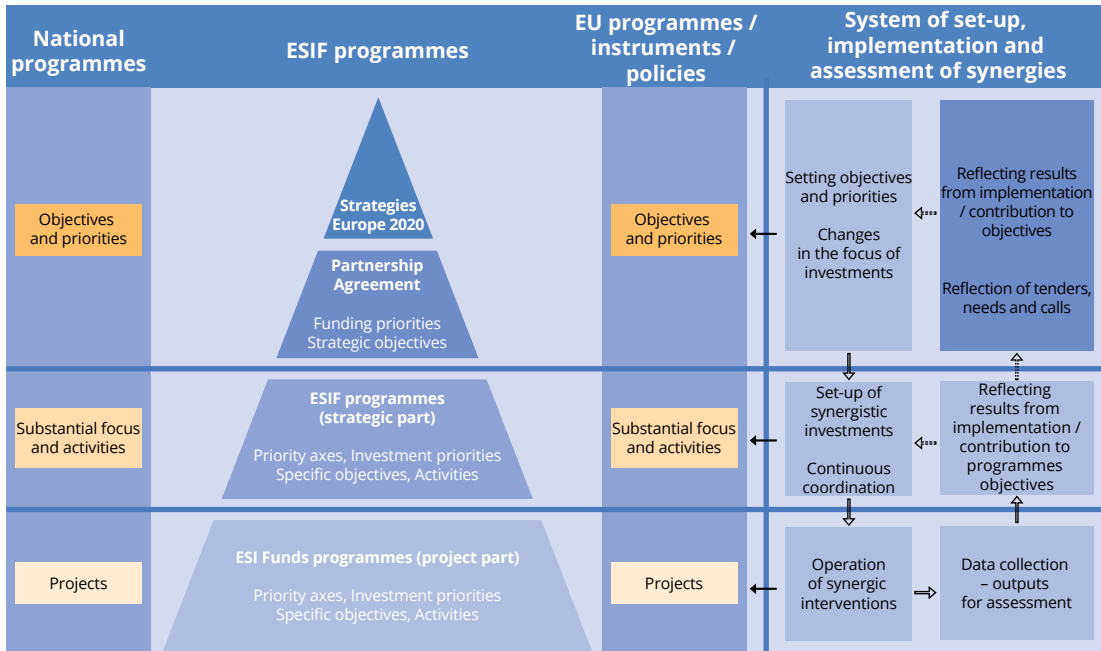
In the stage of setting up and defining synergies and complementarities, this is expected mainly from the programmes' managing authorities. This mainly includes creation of synergistic and complementary links between interventions in individual programmes and coordination at all levels so as to achieve the best possible results in the entire system. Ensuring linkage between interventions is often based on the competence of a given ministry that manages both an operational programme and a national or EU programme, thus eliminating overlaps and setting complementary interventions adequately. Specific determination of synergistic and complementary links and instruments for their coordination is part of individual operational programmes. Managing authorities are expected to carry out ongoing coordination of planned interventions (e.g. through cooperation on the planning and specification of calls); this will motivate potential applicants to combine interventions, and subsequently evaluate them (e.g. joint evaluation activities).

Whereas ESI Funds operate mainly at the national and regional levels, European Community programmes are usually centrally managed from the EU and they typically support transnational projects. The cumulative effect of ESI Funds and other resources may effectively help the local economy. In fact there are a number of projects which successfully and creatively took advantage of various forms of investments from different EU Funds programme and other sources.

Coordination is and will be applied at all levels of the implementation of ESI Funds programmes, including close interrelation with national programmes and EU instruments. As shown in the diagram, the system coordination proceeds from setting objectives to integrating them into programmes to evaluating them and proposing possible changes in the focus of implemented interventions. Feedback in the form of evaluation of results and impacts of implemented synergistic and complementary interventions is essential for the set-up of interventions.



Diagram 3 – Coordination mechanisms



Source: Partnership Agreement

3.6. Evaluation

Evaluation of ESI Funds in the programming period 2014–2020

Evaluation as an activity, which based on data, their analysis, interpretation and synthesis, draws conclusions and recommendations, should ultimately lead to greater effectiveness of the evaluated phenomenon. The evaluated phenomenon in the area of ESI Funds can be processes, capacities and effects achieved by interventions, etc.

The basic principles and rules for the implementation of evaluations in the programming period 2014–2020 have already been set – at the most general level by the Common Provisions Regulation and more specifically by the European Commission's guidelines. These principles were implemented into the conditions in the Czech Republic and into the conduct of the programmes' managing authorities by binding **Methodological guidelines for evaluations in the programming period 2014–2020**, which was approved in August 2013.

In comparison with the previous years, evaluations of ESI Funds in the programming period 2014–2020 are of greater importance. This new opportunity for the position of evaluations follows mainly from the principle of **Evidence Based Cohesion Policy** advocated by the Commission, which has been reflected also in the text of the regulation for the area of ESI Funds. With regard to the amount of funds directed to the cohesion policy, the Commission strives to point out results achieved through ESI Funds. And it is these results are proven by evaluations. It is also desirable to incorporate evaluations in the management and decision-making processes so that all important decisions are made based on recommendations arisen from evaluations. Even so, evaluations should be carried out independently, i.e. with maximum objectivity. The results of evaluation activities (obtained information, conclusions, recommendations) are to be used inside the system (implementation articles, decision-makers, etc.) as well as outside (for the professional and general public).

Evaluations in the area of ESI Funds will be carried out at the level of individual programmes and at the level of the Partnership Agreement. Evaluations at the national level will be ensured by the Evaluation Unit of the National Coordination Authority (NCA). An **Evaluation Plan of the Partnership Agreement** was prepared for this purpose, which was approved in February 2015. This document is a framework plan of evaluation activities at the level of the Partnership Agreement for the entire programming period. The document defines not only a list and basic set-up of planned evaluations but it also includes methodological bases summarised in the MG Evaluations, the manner of preparation and updates to the evaluation plan, the manner of sharing information and evaluation of the evaluation plan, information about platforms involved in evaluation activities, human



and financial resources allocated for evaluation activities, etc. The evaluation plan is made flexible so that it can operatively respond to needs associated with the implementation of ESI Funds. Updates are expected annually. With regard to the expected development of the implementation cycle of ESI Funds, the evaluation activities in the first years will focus on procedural evaluations, verification of relevance of needs and ex post evaluation of the programming period 2007–2013. The core of result evaluations lies only after 2016/2017, which also corresponds to the requirements laid down in the Common Provisions Regulation.

The evaluation plan also serves as a coordination tool of some evaluation activities at the level of programmes' managing authorities. Some evaluations at the Partnership Agreement level will be subject to evaluations carried out at the level of individual programmes or their parts. To this end, coordination of preparations of evaluation plans is carried out throughout ESI Funds.

In addition to the implementation of actual evaluations and coordination of evaluation activities at the programme level, the Evaluation Unit of the NCA has set other objectives it would like to achieve in the programming period 2014–2020. One of these objectives is to **help create and development evaluation capacity in the Czech Republic**. The NCA Evaluation Unit intends to play a role which will help **raise awareness in the area of evaluations**. Its activities will be directed to improving the evaluation capacities on the side of demand (i.e. managing authorities, decision-makers) and on the side of supply (external or internal evaluators). Some tools are predestined by the actual methodological environment (regulations, methodological guidelines by the Commission and the NCA) – mandatory preparation of the evaluation plan, mandatory publication of evaluation outcomes, etc. Other tools were created by the Evaluation Unit of the NCA itself; the most important ones include:

- >>> **Evaluation Library** – A publicly accessible database of evaluations carried out at the level of the NCA and managing authorities in the programming period 2007–2013 and in the future also 2014–2020, which allows sharing of information about conducted evaluations and their outputs. The library is available at www.dotaceEU.cz/knihovna-evaluaci.cz
- >>> **Annual Conference of the NCA Evaluation Unit** – The NCA Evaluation Unit will hold an annual conference with international participation on the topic of evaluations for the professional and lay public; it will aim to present the benefits of evaluations and particular examples of good practice
- >>> **Consultations provided to evaluation units of managing authorities** – Usual work of the NCA Evaluation Unit will include consultations provided to bodies not only regarding the preparation and updates to evaluation plans but also in the preparation of particular evaluations and application of selected methods.
- >>> **Education** – Education will be targeted primarily at members of evaluation units (by means of expert seminars and within the Task Force NCA Evaluations, which serves as a platform for exchange of information between the NCA and managing authorities). However, there are efforts to target education, at least to a limited extent, also to suppliers of evaluations / external evaluators.

3.7. Ex ante conditionalities

Ex ante conditionalities are anchored in the Common Provisions Regulation and we can define them as a key prerequisite for efficient drawing from the ESI Funds. They are defined from all the ESI Funds. Where the fulfilment of ex ante conditionalities is not perceived by the European Commission as sufficient, this may lead to non-payment or suspension of interim payments to the programme part concerned.

In addition to key articles of the regulation which define the ex ante conditionalities, Annex XI to the Common Provisions Regulation, listing ex ante conditionalities and their criteria, is also important. Fulfilment of ex ante conditionalities and, where applicable, the schedule of their implementation is part of the Partnership Agreement and individual programmes.

Division of ex ante conditionalities:

- >>> **General** – the fulfilment of which goes across programmes; they are defined in 7 areas: non-discrimination, gender equality, disability, public procurement, state aid, EIA/SEA, and statistical indicators.
- >>> **Thematic** – specified within a particular programme. They cover large areas and the most important ones can be considered to be e.g. the area of efficient public administration, power industry or strategic frameworks for areas such as education or research and development, but also many others. There a total of 33 thematic conditionalities.



Fulfilment of each ex ante conditionality is the responsibility of the respective responsible party, which cooperates with managing authorities and the NCA. The NCA fulfils the function of a coordinator of the system of management of all ex ante conditionalities at the national level.

Each ex ante conditionality has several criteria. They are related to the respective measures which are to be fulfilled. The deadline for the fulfilment of ex ante conditionalities is laid down by the regulations on ESI Funds and the Draft Guidance on EAC (a guide on ex ante conditionalities issued by the Commission) and it is within years from the approval of the Partnership Agreement (approved by the Commission on 26 August 2014) or by **31 December 2016**. However, the Commission may, in approving the programmes, decide to suspend all or a part of interim payments for the respective priority of a programme if the measures have not been completed and if it is necessary in order to avoid a significant reduction in the efficiency and effectiveness of achieving specific objectives of the respective priority.

Unfulfilled or partially fulfilled ex ante conditionality – further steps

In the event that an ex ante conditionality (EAC) is not met or is met only partially, Member States shall list measures in their programmes they are to adopt or implement to ensure fulfilment by the end of 2016 the latest. "Action plans for unfulfilled or partially fulfilled EAC" are prepared in this context. The Action plans must detail measures to ensure the fulfilment, identify responsible entities and they must also include a schedule of fulfilment of ex ante conditionalities or criteria.

Development of ex ante conditionalities between January 2014 and April 2015

The fulfilment of ex ante conditionalities progressed considerably between January 2014 and April 2015. **In April 2015, 19 ex ante conditionalities had been fulfilled**, 17 had been fulfilled partially and **4 had not been fulfilled**. For comparison with **September 2014, 14 ex ante conditionalities had been fulfilled**, 23 had been fulfilled partially and **3 had not been fulfilled**.

During this period, some problematic ex ante conditionalities were fulfilled and in some the risks were reduced by several per cent, which is a good direction towards fulfilment of the commitments. Moreover, the Government approved several important documents such as the Long-term Plan for Education and the Development of the Educational System for 2015–2020, the Roma Integration Strategy, the Civil Service Act, an amendment to the EIA Act and amendments to other related laws.

Some ex ante conditionalities were assessed as high-risk and their risks still remain. **Generally, ex ante conditionalities with the highest risk level can be considered the following ones:**

- >>> **the area of public procurement**, which is burdened with a large number of obligations but also entities responsible for their fulfilment,
- >>> **the area of support for entrepreneurship**,
- >>> the issue of the Civil Service Act in relation to the ongoing implementation of promised measures but also implementation of the public administration strategic framework,
- >>> **the energy sector**, where adoption of two laws is important, namely the law on energy management and the Energy Act,
- >>> **the area of waste and water management**.



3.8. Integrated approaches and territorial dimensions

The main purpose of territorial dimension is concentration of funds from the ESI Funds in specific types of territories. Such approach will promote regional competitiveness of the Czech Republic and will contribute to levelling off territorial disparities.

The fundamental principles of territorial development are enshrined in the Regional Development Strategy of the Czech Republic 2014–2020 (RDS). Assertion of the territorial dimension in the programming period 2014–2020 will enable to reflect specific territorial issues and needs, address regional disparities and take advantage of territorial potential. The territorial focus of interventions will also respect specific aspects while responding to selectively operating negative impacts of economic development and the threat of deepening of regional disparities.

Implementation of the territorial dimension will take place through projects within **calls targeted at particular types of territories, or through integrated tools fulfilled by integrated projects.**

Integrated tools in the 2014–2020 period

The integrated approach with the use of the ESI Funds will be implemented in the Czech environment through three integrated tools – Integrated Territorial Investments (ITI), Integrated Urban Development Plans of Areas (IDPA) and Community-Led Local Development (CLLD).

The respective integrated tools can be used based on prepared and approved strategies, which must primarily be based on specific objectives / measures of ESI Funds programmes identified for the respective territory by the National Document on Territorial Dimension.

Integrated strategies must be derived from the defined binding indicators of respective ESI Funds programmes and contribute to their fulfilment. Moreover, they must respect the description of problematic areas in the Partnership Agreement and the intervention strategy of programmes from which it will be financed. Furthermore, it must be based on the specifics and potential of the addressed territory and take into account the links to the development of the region's territory as described in the basic national and regional strategic documents.

Allocations of funds to territorial dimensions earmarked in individual programmes are listed in the National Document on Territorial Dimension.

Integrated territorial investments will be used in the Czech Republic in the largest metropolitan areas of nationwide importance, including their functional hinterland. Cores of metropolitan areas (areas with concentrations above 300 thousand inhabitants) are the largest cities in the Czech Republic Prague, Brno, Ostrava and Pilsen. With regard to the population concentration and the character of problems, the Ústí nad Labem-Chomutov, Olomouc and Hradec Králové-Pardubice agglomerations are also added to these centres.

The aim of the integrated strategy is to focus concentration on key thematic areas of development specific to the metropolitan area in accordance with the objectives and priorities of the EU. The main themes linking the core cities of agglomerations with their functional hinterland include in particular:

- >>> transportation,
- >>> education and the labour market,
- >>> interconnection of research capacities and utilization of their outputs in practice,
- >>> innovation and entrepreneurship,
- >>> the environment, including technical infrastructure.

Furthermore, the field of public services could be solved (mainly social, health and education services). Integrated territorial investments will be mainly focused on the implementation of larger, strategic projects that have a significant impact to the respective territory. Smaller projects will be supported as well if they properly complement larger projects to achieve the desired synergy effects.

Integrated territorial investment will be implemented in operational programmes OP T, OP E, OP EIC, OP PGP, OP Emp, OP RDE and IROP.

Integrated Development Plans of Areas are a tool for sustainable development of regional growth poles with natural catchment areas located outside metropolitan areas using the ITI tool.

The IDPA tool can be implemented in České Budějovice, Jihlava, Karlovy Vary, Mladá Boleslav, Zlín, Liberec and Jablonec nad Nisou for areas including a town and its functional hinterland.



Interventions with the following focus will be addressed in these territories:

- >>> public services (mainly social and healthcare),
- >>> education and the labour market,
- >>> connectivity.

Other areas that can be addressed include the environment including technical infrastructure, connection of research capacities and application of their outcomes in practice, innovation and entrepreneurship, completion of necessary infrastructures which are absolutely necessary for the subsequent development and without which there is a threat that the actual regional centre, but also the surrounding region, would lag behind.

Integrated Development Plans of Areas will be implemented in operational programmes OP T, OP Emp and IROP.

Community-Led Local Development is local development lead by local action groups (LAG) which is carried out based on integrated and multi-sectoral local development strategies focused on the respective area. Development is designed taking into consideration local needs and potential, and shall include innovative features in the local context, networking and, where appropriate, cooperation of the LAG.

CLLD will be used in rural areas, specifically in the LAG territories consisting of municipalities with less than 25,000 inhabitants, where the maximum area covered by the LAG's activities cannot exceed 100,000 inhabitants and cannot be less than 10,000 inhabitants.

Main themes addressed through CLLD:

- >>> high unemployment in rural areas and raise the chances of employment in the labour market,
- >>> stabilisation of population by increasing and changing their skills and by providing job opportunities,
- >>> promoting business opportunities, supporting start-ups in cooperation of local actors,
- >>> exploiting the development potential of rural areas (e.g. human potential, attractive environment),
- >>> creating conditions for cooperation between primary and secondary schools,
- >>> increasing the functional facilities of rural areas, to create conditions for cooperation in order to improve the quality and accessibility of service networks (e.g. social, healthcare and follow-up),
- >>> supporting the development of the local economy (including social enterprises), promoting the development of mutual cooperation of companies, cooperation between companies and schools and other relevant stakeholders,
- >>> land corrections and at the same time implementation of other measures improving biodiversity, the landscape water regime, reducing the vulnerability of soil erosion and increasing the aesthetic value of the landscape,
- >>> reducing the number of small sources of pollution, promoting the brownfield regeneration, increasing the proportion of waste reuse, recycling and promote the replacement of primary resources for secondary raw materials,
- >>> implementing projects for the use of local potential for energy savings and energy production from RES,
- >>> maintaining and restoring the connectivity and permeability of the landscape, enhancing the retention capacity of the landscape, including flood protection, and coordinating agri-environment measures to improve the appearance of the landscape.

Community-Led Local Development will be utilised in operational programmes OP E, OP Emp, IROP and in the RDP.



4. Institutional system for the programming period 2014–2020

Institutional backing of coordination and management of the Partnership Agreement in the Czech Republic is governed by the provisions arising from the individual EU regulations, conditions of the Partnership Agreement negotiated between a Member State and the European Commission, and specific conditions provided by the Czech legislation and the organisational arrangement of public administration in the Czech Republic.

4.1. Coordination (National Coordination Authority)

NCA activities are ensured by the MoRD. The NCA is the body responsible for the management of the Partnership Agreement and fulfilment of objectives and priorities set therein. To this end, it coordinates the implementation of programme under the Partnership Agreement and closely cooperates with the relevant partners at the national and regional levels and ensures their awareness.

The NCA continuously monitors and assesses the fulfilment of the objectives of the Partnership Agreement and, in accordance with the requirements in the Common Provisions Regulation, informs the Commission about the results.

The NCA plays an important role in the stages of planning, strategic management, implementation and in the evaluation of the results of programme implementation. The key role of the NCA consists in setting up single minimum standards and rules for the implementation of programmes under the ESI Funds (with regard to the specifics of individual Funds), in monitoring their implementation, submitting draft measures to improve their results and in coordinating processes towards the fulfilment of the objectives and priorities of the Partnership Agreement, including setting up a system of management and coordination of ex ante conditionalities.

EU regulations in the programming period 2014–2020 include elements which require management and coordination at the central level so as to achieve the objectives and priorities of the Partnership Agreement, e.g. ex ante conditionalities and definition of milestones which are the basis for the allocation of the performance reserve.

The NCA is committed to the overall balance of the system, coupled with the need to balance the responsibility for preventing abuse of power and compliance with rules, economy, efficiency and effectiveness as well as flexibility and endurance.

The NCA therefore ensures mainly the following activities:

- >>> management and coordination of the Partnership Agreement,
- >>> communication with the European Commission,
- >>> ensuring the awareness of the ESI Funds,
- >>> evaluations,
- >>> single monitoring system,
- >>> cooperation with other partnership bodies, in particular the Ministry of Finance (AA, PCA), and other implementation structure entities for the ESI Funds.



4.2. Managing authorities

Entities performing the role of managing authority proceed in accordance with regulations and the applicable national legislation, and fully respect binding methodological documents issued by the NCA and the Ministry of Finance. They set up, in accordance with these requirements, management and control processes and procedures in the implementation of the programme, and specify conditions for drawing financial aid from the ESI Funds under the respective programme.

The managing authority's competences are generally based directly on the regulation (Art. 125 of the Common Provisions Regulation). The specifics of managing authorities for the EAFRD are listed in the respective specific regulation.

Managing authorities cooperate mainly with the NCA, PCA, PA and CA (via the Ministry of Finance), AA in the area of addressing audits by the European Commission and the ECA, sharing of information about the risks of programme implementation, and transfer of knowledge and the most common findings from inspections to other implementation structure entities.

4.3. Audit and Certifying Authority

The Audit Authority (AA) operating at the Ministry of Finance (MF) is an independent entity in terms of conducting audits within the structure of ERDF, ESF, CF and EMFF and the respective programmes. The Audit Authority carries out its activities in accordance with Art. 127 of the Common Provisions Regulation. The AA performs auditing activities aimed to verify the functioning of the system and regularity of operations, both at the level of operational programmes and the Paying and Certifying Authority (PCA). The PCA, also part of the MF, is an independent entity in terms of inspection of regularity of expenditure in the process of certification of expenditure in the structure of ERDF, ESF, CF and EMFF and the respective programmes. The PCA coordinates MAs with regard to requirements for certification of expenditure and securing funds in the state budget for co-financing and pre-financing of implementation of the ESI Funds in the Czech Republic. The AA cooperates mainly with the NCA, PCA and MAs in the area of addressing audits by the European Commission and the ECA, coordinates activities associated with addressing audits, sharing of information about risks of programme implementation, and it ensures, in cooperation with the NCA, transfer of knowledge and the most common findings from audits to other implementation structure entities. In performing its activities, the AA reflects the methodological documents issued by the NCA and the MF and submits proposal for their modifications where appropriate.

The certifying authority, i.e. the PCA in the Czech environment, carries out tasks specified in Art. 126 of the Common Provisions Regulation. Central management is closely linked to roles associated with financial management, inspections and audits, i.e. with certification and auditing processes. The certifying authority mainly draws up and submits to the Commission payment applications. It prepares documents for review and approval of accounts, certifies the completeness, accuracy and factual accuracy of accounts and the fact that posted expenditure is in accordance with applicable Union and national regulations. The PCA cooperates with partnership bodies (in particular the NCA and AA) and MAs in the area of addressing audits by the European Commission and the ECA, proposals for reallocation between programmes, and sharing information about risks of programme implementation. The PCA fully respects the methodological documents issued by the NCA and submits proposals for their modifications where appropriate.



5. Single methodological environment

The single methodological environment as a tool for simplification

The single methodological environment means a single framework of rules and procedures for providers of aid from the ESI Funds laid down by binding methodological guidelines defined at the central level (MoRD and MF). Creation of a single framework will bring about desirable harmonisation of rules for beneficiaries under various programmes. Standardised rules, based on uniform policies and principles, defined in advance, publicly available and backed by consistent interpretation, will contribute to better knowledge of conditions associated with provided aid, better predictability and clarity of this environment, and will lead to easier administration of aid by the beneficiary. The aim is not to introduce new rules aimlessly but only in areas where their application is necessary and stems directly from statutory requirements or in areas where they had been identified as problematic during audits or evaluations. The MoRD strives to maximize the use of examples of good practice and proven procedures which worked in the past, while removing shortcomings of the system and avoiding repetition of the same mistakes.

The system of management and coordination of the Partnership Agreement, which also includes the existence of the **single methodological environment, is being built mainly with regard to possible risks of implementation** of programmes financed from the ESI Funds and **with the aim to prevent these risks**. The need to strengthen the central element in the management of provision of aid from the ESI Funds resulted mainly from experience with implementation of the programming period 2007–2013, where programme management often completely or partially failed and **there was no instrument to help in the prevention of impacts of such failures**.

The pillar of the system of management and coordination should therefore be continuous **monitoring and identification and management of risks of programme implementation** and, most importantly, particular emphasis on proper financial management of programmes in accordance with the methodological requirements of the MoRD and the MF. The methodological environment is being built **with regard to the needs of crisis management**, and therefore it is necessary to improve the financial management of programmes and ensure maximum transparency and equal treatment of applicants. In addition to the above reasons, new requirements for the management of the ESI Funds, arising from EU legislation, must also be taken into account. These include, in the first place, a performance framework, and an overall shift in orientation of programme implementation for mere "provision of aid" to "achieving results". The European Commission intends to assess more strictly not only the strategic set-up and focus of individual programmes, but more importantly also their defined milestones and objectives. **This represents, in the environment of the cohesion policy but also the common agricultural policy, quite a fundamental change, which requires a corresponding change in the design of programme management on the side of Member States. The MoRD is preparing a single methodological environment also with regard to ensuring the fulfilment of the performance framework with the aim to ensure proper fulfilment of set objectives and optimal drawing without enforced allocation losses.**

Methodology of Programme Management was issued in 2015, which includes a set of methodological documents issued by the MoRD and the MF with the aim to fulfil the concept of single methodological environment. The areas covered by the binding methodological guidelines and methodological recommendations are as follows:

Methodological guidelines for the areas of:

- >>> creation and use of indicators,
- >>> evaluations,
- >>> utilisation of integrated tools,
- >>> preparation of management documentation,
- >>> eligibility of expenditure and its reporting,
- >>> procurement,
- >>> publicity and communication of ESI Funds,
- >>> management of calls, assessment and selection of projects,
- >>> financial flows of programmes,
- >>> certification of expenditure,

- >>> monitoring of ESI Funds implementation,
- >>> processes of ESI Funds management and monitoring in MS 2014+,
- >>> ESI Funds risk management,
- >>> inspections under responsibility of managing authorities,
- >>> auditing activities of the Audit Authority,
- >>> revisions of programmes,
- >>> human resources development.

Methodological recommendations for the areas of:

- >>> project generating income,
- >>> state aid,
- >>> Implementation of financial instruments.

All the SMEEnv methodological documents are available at:

<http://www.dotaceEU.cz/metodika2014-2020>



6. Schedule of commencement of implementation of the programming period 2014–2020

A schedule was designed at the national level for the preparation of programmes to correspond with the parallel process of preparation of the Partnership Agreement and to ensure the concord of these strategic documents. The process of negotiations of the Partnership Agreement and programmes was conducted in broad partnership both at the national and the Commission levels. Negotiations with the European Commission had two stages – informal and formal. Informal negotiations took place until the moment of approval of EU regulations, specifically until the moment of official mailing of documents to the Commission in the deadlines stipulated by the Common Provisions Regulation following the regulation approval. Informal negotiations included several rounds of discussions with the Commission and unofficial mailing of documents and dealing with the Commission's objections. Formal negotiations about the Partnership Agreement commenced by its official submission on 17 April 2014 and ended by its approval on 26 August 2014. Formal negotiations about programmes commenced by their official mailing in July 2014 and ended by gradual approvals of programmes since May 2015.

Programme negotiations were followed by activities related to the commencement of implementation of individual programmes. These included mainly preparation of criteria for the possibility of commencement of programme implementation, which was prepared by the MoRD-NCA based on the fact that there was a significant delay in the Commission's approving the programmes and the fact that expenditure was eligible since 1 January 2014, and therefore it was possible to start implementing these programmes even before their approval by the Commission. Document "Criteria for the possibility of commencement of programme implementation, specifically publication of calls before the programme's approval by the European Commission" (Criteria) was approved by Government Resolution No. 918 of 12 November 2014. This document set out minimum criteria which must be met by the MAs to provide sufficient assurance for the system of ESI Funds implementation in the Czech Republic that the fundamental requirements laid down by the regulations would be met, the fulfilment of objectives would not be jeopardized and the risk of errors would be minimised.

On 21 April 2015, the General Affairs Council approved a revision to the multiannual financial framework, which opened up the possibility of speedy restart of the programme approval process. All the programmes were therefore approved in May and June 2015.

In the programming period 2014–2020, managing authorities are obliged to publish, in advance, schedules of calls informing about calls planned for the particular year. Schedules of calls will be published on the websites of managing authorities and the MoRD-NCA. They will include more detailed information than that applicants were used to in the 2007–2013 period. For example, this will include detailed information about the targeting of calls, which is important for the preparation of grant applications. Schedules of calls for 2015 are currently being updated in relation to the programmes being approved by the European Commission. By agreement with the managing authorities, the final schedules of calls for 2015 have been published on the websites of managing authorities and the MoRD-NCA since 30 June 2015. The first calls were published in May 2015.

The Monitoring Committee is also important for the commencement of implementation. It approves, for example, the methodology and criteria for project assessment. The Monitoring Committee consists of representatives of various institutions and partners, who may, through this tool, influence the programme implementation, and they also evaluate fulfilment of objectives set for each programme by the managing authority. In the case of some programmes, preparatory Monitoring Committees had meetings even before the approval of the programmes by the European Commission to discuss some areas of implementation. However, regular Monitoring Committees could be established only after approval of the programme by the European Commission. Regular meetings of most Monitoring Committees took place in June 2015.



List of abbreviations

AA	Audit Authority	MG Evaluations	Methodological guideline for evaluations in the programming period 2014–2020
AEP	Active Employment Policy		
B+R	Bike and Ride parking		
BDMW	Biodegradable municipal waste	MIT	Ministry of Industry and Trade
CLLD	Community-led local development	MSLA	Ministry of Labour and Social Affairs
CR	Czech Republic	MEYS	Ministry of Education, Youth and Sports
CB	Certification body	MoA	Ministry of Agriculture
PA	Partnership Agreement	ME	Ministry of Environment
FE	Further education	NCA	National Coordination Authority
ERDF	European Regional Development Fund	OP	Operational Programme
EIP	European Innovation Partnership Commission European Commission	OP T	Operational Programme Transport
EMFF	European Maritime and Fisheries Fund	OP EIC	Operational Programme Enterprise and Innovation for Competitiveness
EP	European Parliament	OP PGP	Operational Programme Prague – Growth Pole
ERMTS	European Rail Traffic Management System	OP F	Operational Programme Fisheries
ESF	European Social Fund	OP TA	Operational Programme Technical Assistance
ESI Funds	European Structural and Investment Funds	OP RDE	Operational Programme Research, Development and Education
EU	European Union	OP Emp	Operational Programme Employment
ECA	European Court of Auditors	OP E	Operational programme Environment
ETC	European Territorial Cooperation	PA	Paying Authority
EAFRD	European Agricultural Fund for Rural Development	PCA	Paying and Certifying Authority
CF	Cohesion Fund	PA	Priority axis
ICT	Information and communication technologies	WMP	Waste Management Plan
IDPA	Integrated Development Plan of an Area	EAC	Ex ante conditionality
IROP	Integrated Regional Operational Programme	P+R	Park and Ride parking
ITI	Integrated territorial investments	RDP	Rural Development Programme
ITS	Intelligent transport system	UP	Union Priority
YEI	Youth Employment Initiative	MA	Managing Authority
SME _{env}	Single methodological environment	SO	Specific objective
KC	Key competencies	RDS	Regional Development Strategy of the Czech Republic 2014–2020
K+R	Kiss and Ride parking	TEN-T	Trans-European Transport Networks
LAG	Local action group	TSI	Technical Specifications for Interoperability
MT	Ministry of Transport	TESS	Territorial Ecological Stability System
MF	Ministry of Finance		
PCH	Prague City Hall		
MoRD	Ministry of Regional Development		





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