

Analysis of the implementation of OPTA and suggestions for possible modifications of the programme - Final report summarization

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Kontent

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1 Introduction

This document introduces one of the outputs of the project „Analysis of the implementation of OPTA and suggestions for possible modifications of the programme“ realized from 26th November 2012 to 14th December 2012 for the Ministry for Regional Development of the Czech Republic by the evaluation team of the company DHV CR, spol. s. r. o.

Evaluation team assembled for this project had two members – team leader was Ms Lenka Brown responsible for the main outputs of the project. The evaluator responsible for partial analysis was Ms Miroslava Drahotova.

The aim of the project „Analysis of the implementation of OPTA and suggestions for possible modifications of the programme“ is a complex evaluation of the progress in OPTA implementation. Emphasis was placed mainly in the finding of achieved progress in OPTA implementation and progress in fulfillment of the objectives of the programme both in terms of financial management and in terms of physical contribution to supported activities. Furthermore, the possible measures leading to further efficiency improvement of the programme implementation were also evaluated.

2 Answers to the evaluation questions

- **EQ 1.1. Is the speed of drawing of the financial means in individual priority axes in compliance with the speed of achievement of objectives of the OPTA? If not, what are the reasons?**
 - Answer to the evaluation question: The speed of drawing of the financial means in individual priority axes of OPTA is not in compliance with the speed of the achievement of objectives of this operational programme. The fulfillment of the objectives is in individual priority axes usually faster and therefore precedes to the financial drawing, which can be documented by fulfillment of monitoring indicators, which in many cases already exceeded planned values. The main reason of this observed discrepancy is the special characteristics of the OPTA intervention, where is hardly possible determine „ideal“ values of the monitored indicators before the start of the implementation of the individual supported projects.
- **EQ 1.2. Is the rate of physical progress sufficient for the fulfillment of OPTA objectives in time? What progress has been made in the relation to fulfillment of general objectives of cohesion policy, Strategic general principles of Community and NSRF?**
 - Answer to the evaluation question: With regard to the existing development of the physical progress it can be expected that the fulfillment of the OPTA objectives will be on time. The OPTA implementation through its activities significantly supports ensuring of the management of entire NSRF, including realization of all activities performed by PCA and AO. Therefore OPTA intervention creates basic conditions and assumptions for the **fulfillment** of the general objectives of the cohesion policy and Strategic general principles of Community and NSRF also on the level of others OP implemented in the Czech Republic in the programming period 2007-2013.
- **EQ 1.3. Are there area so of suport with risk of non-fulfilled objectives considering existing process of the OPTA implementation? If so, what are the recommendations to eliminate these risks?**
 - Answer to the evaluation question: It can be stated, that in OPTA there exist in some areas of support individual projects with risk of non-fulfilled objectives considering existing process of their implementation. Having regard to the fact that these are mostly projects with higher budgets, where are not yet sufficiently implemented monitoring indicators, there is a potential risk of non-fulfillment of the partial objectives also at some priority axes of the OPTA.

- **EQ 1.4 Is current drawing from OPTA in accordance with the rules n+3/n+2 and with a view to the end of the programme period threatened? If so, which are the causes of this threat? What part of this commitment is threatened?**
 - Answer to the evaluation question: Currently, so to meet the allocation of the year 2009, the drawing of OPTA is not threatened according to the rule n+3; required allocation will be at the end of year 2012 fulfilled, with using a part of advance payment provided by the EC. But for the next years of the programme implementation it is necessary to count – especially in case of rejection of certain measures on the level of Ministry for Regional Development (see more details in the specific recommendations of the evaluation team) - that the rule n+3 will be (for the allocation ERDF bound for 2010) and n+2 (for the allocation ERDF bound for 2011) threatened, already in 2013. Likewise a similar threat is valid for following years of the programme implementation. The major cause of this threat is possible to see in the fact that existing implementation of the OPTA projects was very often accompanied with the transfer of the activities and part of the money to the later stages of the projects and that there is still not sufficiently committed all the necessary programme allocation to the level of individual projects so that smooth implementation of existing projects could ensure proper usage of the OPTA resources in time.
- **EQ 1.5 is there within the individual areas of support available sufficient amount of project intentions, which would contribute to the fulfillment of the OPTA objectives and cover the allocation this OP? Are there any topics of project intentions, which should be realized before the end of this programming period? Which ones?**
 - Answer to the evaluation question: Quality project intentions currently exist only for selected priority axes and their areas of support. However, up to now considered intentions are not able to cover entire remaining OPTA allocation. On the other hand, there are still areas, which are not covered by project intentions although their eventual funding from the OPTA seems to be relevant and efficient. As a key need we evaluate e.g. need of significant strengthening of personnel capacity of the Ministry for Regional Development engaged with the management of the OPTA implementation or its individual projects.
- **EQ 1.6 What are the risks for the projects in the state of implementation with regard to the existing development of financial means drawing? Identify the risky projects.**
 - Answer to the evaluation question: Considering the character of the most of the OPTA projects (based on the implementation of one or more tenders) it is necessary to count with some risks (for all OPTA projects) of under-spending of financial means allocated to each project. At some projects it is possible to identify a cumulative risk, while this type of projects can already be considered as highly risky. As an example of these strongly high-risk projects we can name e.g. projects of which it is not fully possible to predict

the process of their implementation (especially the projects realized for the needs of others MAs and which can not be directly influenced by MA of OPTA nor specific recipients the OPTA - e.g. projects CZ.1.08/1.1.00/09.00070 - Professional assistance at the performance of project control funding from SF and FS according to the Article No. 13 of European Commission Regulation No. 1828/2006, CZ.1.08/3.1.00/08.00028 – Education System of Employees implementing NSRF in the period 2007-2013, CZ.1.08/3.2.00/09.00052 – Building absorptive capacity or CZ.1.08/3.2.00/09.00069 - Prevention).

- **EQ 1.7 Can be positively affected the development of the risky projects? If so, how?**

- Answer to the evaluation question: Yes, the development of OPTA projects can be positively affected, however, ways of this influencing depend on the character of the specific OPTA projects.

- **EQ 1.8 Are financial means determined for the OPTA revision in 2011 on individual priority axes and areas of support, taking into account existing progress of their drawing, allocated appropriately? If not, what are the reasons and possible solutions?**

- Answer to the evaluation question: Financial means on individual priority axes and areas of support, taking into account existing progress of their drawing, are not in all priority axes/areas of support allocated appropriately. The greatest discrepancy was identified especially on the level of the PO 2, where it is already evident that allocated means may not cover all the needs of recipients of this priority axis.

- **EQ 1.9 Considering the evaluation of drawing and progress in fulfillment of the programme objectives, would it be appropriate to transfer some of the allocated amounts among individual areas of support/priority axes? If so, what amount is necessary to transfer at the level of individual support areas/priority axes?**

- Answer to the evaluation question: In relation to the evaluation of drawing and the progress in fulfillment of the objectives of the programme, we consider as appropriate to transfer part of the allocated amounts among individual areas of support/priority axes. For reallocation ensured at the beginning of 2013, see EQ 1.8. For later reallocations (ensured e.g. at the end of 2013) it is necessary to prepare a detailed calculation of exact amount of the costs of additional wages and operating expenses related to the activities of the MA of OPTA, NSRF, AO and PCA.

- **EQ 1.10 How would it be possible to increase the absorption capacity in areas of support/priority axes with low rate of used financial means?**

- Answer to the evaluation question: OPTA absorption capacity can be systematically increased through systemic changes as well as by implementation of additional project intentions of both the OPTA recipients and of this evaluation team.
- **EQ 1.11 What are the recommendations for the further implementation of the programme? Does it seem appropriate to transfer financial means of OPTA to other OPs? If so, where?**
 - Answer to the evaluation question: For further implementation of the programme it seems to be appropriate to accelerate the implementation of set of recommendations stated above. Reallocation of OPTA means to other OPs is not appropriate considering the decision of the Czech Government to prepare the OPTA II also for the next programming period. Moreover, considering that the future realization of OPTA should significantly accelerate after the implementation the above presented recommendations, the reallocation of the OPTA means to other programmes should not even be necessary.

3 Main Conclusions

In this chapter we present an overview of main conclusions of this evaluation:

- Neither the current situation of the OPTA implementation, nor the current mechanisms of management and implementation of this OP do not provide sufficient guarantee, that during the future OPTA implementation the means of this OP will be actually completely drawn out.
- At the current personnel capacity of the Ministry for Regional Development devoted to administration connected with the management of the OPTA implementation at the level of the MA of the OPTA as well as at the level of the individual OPTA recipients, it is not possible to secure proper and timely drawdown even with extraordinary effort of all relevant workers of the Ministry for Regional Development.
- From the experience with the implementation of recommendation following from previous evaluation studies (especially Mid-term OPTA evaluation) it is necessary to state, that even prospective partial reallocation of ERDF means allocated to the OPTA with the current personnel capacity of the Ministry for the Regional Development dedicated to the administration connected with management and implementation of the OPTA, it is not a sufficient solution guaranteeing proper and timely drawdown of the programme means (considering the characteristics of implemented projects and their high rate of risk).
- However it is still realistic, that OPTA can be successfully completed and drawdowned till the end of 2015 after partial adjustments of the programme document (adjustments in the definition of the eligible recipients, adjustments of implemented

activities, adjustments of selected target values of the monitoring indicators, partial reallocation on the level of priority axes) and after implementation of complex changes as well as of others partial adjustments. It can be completed even with maintenance of current amount of the ERDF allocation determined to this OP. In this connection we would like to draw the attention to the fact, that all suggested system and partial adjustments enable drawdown of OPTA means till the end of programme period properly and in time and they are all implemented directly within the Ministry for Regional Development ,and moreover, by the new OPTA projects or by extension of existing OPTA projects.

- In order to ensure the proper and timely OPTA resources drawdown is also absolutely essential to have this objective as one of the top priorities of the Ministry for Regional Development top management as well as of the individual departments focused on the OPTA management and implementation or its individual projects. These departments should also be provided by the support from the top management of the Ministry for Regional Development which is necessary to ensure all the necessary coordination as another essential assumption for the fulfillment of this objective.
- For securing proper and timely OPTA resources drawdown on the level of the MA of the OPTA and individual OPTA recipients it is absolutely necessary to accelerate drawing of this programme both by the acceleration of drawing of the current projects and by submitting new project proposals and their proper and timely implementation. To make this possible, it is absolutely necessary to improve the OPTA recipients „comfort“ and the „komfort“ of the MA of the OPTA department itself, both by corresponding increase in needed personnel capacities and by providing all needed related services (e.g. legal) which could be provided by others departments of the Ministry for Regional Development (department for public investmentmens, personnel department etc.);
- Furthermore, it is appropriate to provide a number of other partial changes (see individual proposals of the evaluation team to this topic).

4 Key recommendations for further OPTA implementation

In this chapter there are summarized the most important recommendations of this evaluation according to their rate of urgency:

Rate of urgency of the implementation of the recommendation in order to achieve the objective of proper and timely drawdown of the OPTA means	Recommendations of the evaluation team
1	Determination of the proper and timely OPTA drawdown as one of the main priorities of the Ministry for Regional Development as a whole and ensuring of the maximal possible support to the OPTA management and implementation directly from the top management of the Ministry for Regional Development , at all levels of the implementation of this programme (MA of OPTA and OPTA recipients) – ideally e.g. specific tasks connected with the OPTA management and implementation and its projects implemented within organizational structure of the Ministry for Regional Development, would be determined by individual departments as Ministr’s tasks.
1	Strengthening of the personnel capacity of the MA of the OPTA , according to the model of other MAs responsible for the management of the OP implemented in Czech Republic in the programming period 2007-2013 by increasing the number of job positions of the MA of the OPTA through job positions created for a limited period of time.
1	Strengthening of the personnel capacity of current and future OPTA recipients in the Ministry for Regional Development by similar way as above described strengthening of personnel capacity of the MA of the OPTA, and in this realtion we recommend to increase personnel capacity with at least 1 – 2 persons per recipient/future OPTA recipient.
1	Ensure the financing of wages of those employees of the department of public investments , whose job descriptions are realted to the preparation and administration of tenders of SF projects in general and which currently involve 7 workers of this department in total.
1	New definiton of work duty of those workers of this department (department of public investments) , who are dedicated to the issue

	<p>of tenders of individual OPTA projects so that the part of their work was also the preparation of respective terms of reference for individual tenders for OPTA projects (while the expert input from the side of individual recipients will be still provided by individual recipients) and respective administration of these tenders (2 – 3 employees department of public investments).</p>
1	<p>Strengthening of the working team of the department for public investments responsible for support of the preparation and administration of the OPTA tenders projects so that this department could provide to the individual OPTA recipients complex legal services related to the preparation of the individual tenders as well as with respective administration of these individual tenders.</p>
1	<p>Enlargement of the potential OPTA recipients with so-called „secondary recipients“ of the Ministry for Regional Development and also with other departments of the Ministry of Finance which are directly involved in administration related to the fulfilment of the Czech Republic obligations towards financial management and audit of NSRF programmes (e.g. division 12 local budgets which according to the EC requirement must have introduced written procedures which will be subjects to the audit of compliance provided by the EC auditors).</p>
1	<p>Already in the preparation phase of individual OPTA projects we strongly recommend to ensure detailed risk analysis, in which there will be stated not only the main risks connected with the preparation, management, administration and implementation of the given project, but also key milestones in project implementation, which in case of postponing can jeopardize the usage of financial means allocated to each OPTA project. This approach will have two main positive effects: recipients will manage individual projects better and more responsibly with the knowledge of necessity to achieve the stated milestones in their implementation and the IB of the OPTA together with the MA of the OPTA will get a very effective instrument for the control of individual projects implementation as well as for the respective continuous evaluation of absorption capacity of individual priority axes and areas of support of this OP.</p>
1	<p>Prolongation of the project implementation till the 31st December 2015, at least for those projects focused on ensuring existing and future personnel capacities funded from the OPTA (the MA of the OPTA, the IB of the OPTA, the NOC, the AO, the PCA, OPTA recipients within the organizational structure of the Ministry for Regional Development) and on ensuring of operating expenses of those offices, in which these workers operate;</p>
1	<p>In 2013, when come into effect both the rules n+2 and n+3 for</p>

	<p>allocations of the years 2010 and 2011, we recommend to maximally reduce the postponing of the realization of activities and usage of financial means planned to for 2013 to the next stages of those projects, namely in the following ways: a) ensuring that recipients cease calculating in their activities with existing possibility of almost sure possibility of transfer of means and activities among the different stages of their projects, b) personnel strengthening of the individual departments of recipients/secondary recipients in the Ministry for Regional Development, c) significant shortening of the time needed for preparation of Terms of reference for each tender implemented within OPTA projects, namely by the significant strengthening of legal service provided to the project recipients by the department for public investment/the MA of the OPTA</p>
1	<p>Ensuring preparation of the detailed risk analyzes for all the implemented, respectively upcoming OPTA projects, including determination of implementation key milestones of these individual projects, whose potential postponing could mean considerable complication with proper and timely drawdown of the financial means allocated to the OPTA projects;</p>
1	<p>At the beginning of 2013 to reallocate 465 mill. CZK between the PO4 and PO2 (there is other potential for the realisation of new projects for the monitoring system management in the PO2). At the same time we recommend to transfer also free means from area of support 3.2 – Support of the absorption capacity to area of support 3.1 – Support of the administrative structures, including professional education in the amount of CZK 80.8 million. (Prospective transfers of the means within PO1 will be possible to suggest after the discussion of other potential project intentions).</p>
1	<p>In 2014 we recommend to prolong existing or open an additional call for proposals to allow drawdown of the OPTA allocation in all priority axes by submission other relevant and useful projects.</p>
1	<p>Further elaboration of working procedures and OPTA manuals describing the management of individual priority axes and OPTA areas of support, especially by: a) implementation of the recipient's regular reporting obligation about implementation of the key milestones of the individual projects implementation defined in processed risk analyses of individual OPTA projects, b) completion of the MA of the OPTA procedures related to the risk assessment of the individual projects implementation and to the related risk of the underspending of the OPTA financial means, c) adjustment of the possible length of the OPTA projects implementation till the end of December 2015.</p>
2	<p>Intensively start to support individual OPTA recipients in submission</p>

	of new, relevant and meaningful project intentions for individual OPTA priority axes and their areas of support, directly from the initiative of the MA of the OPTA.
2	Consider the modification of the appropriate Decision No. 230/2010 of the Minister of the Ministry for Regional Development from the 10th November 2010 setting minimal weight of the evaluation criterion price - from 55 %, e.g. up to max 50 %.
2	Ensuring the office supplies and supplies of basic IT equipment for those employees, whose wages are/will be paid from OPTA, though a new OPTA project
2	Ensuring the operation expenses of the Ministry for Regional Development (telephone fees, internet, electricity, heat, security, cleaning etc.) related to the ensuring of the operation of those departments whose employees are/will be paid from the OPTA, through an OPTA project
2	Ensuring a continuous and long term consulting support of the OPTA management, ensured at least for the critical year 2013 in the areas of process settings, risk management at the level of projects, increasing the absorption capacity of the programme and performance streamlining of the individual professional agenda of the MA of the OPTA, through a long term support of the MA of the OPTA employees by an external or internal consultant with an experience from the area of management of technical assistance and MA activities.
3	Further support of the NSRF effective publicity by securing that within the communication mix there will be ensured availability of the most important easily accessible information about the character of the available support, both at the level of potential applicants (at both the programmes financed from the ERDF and the ESF), and at the level of potential target groups (in case of the ESF programmes) – specifically we recommend to establish on the website www.strukturalni-fondy.cz a web application where it will be possible, by specifying a combination of simple parameters (type of the applicant, place of action, size of the applicant, type of economic activity etc.) to obtain very quickly a total picture about all available support possibilities from European Union SFs in this and in future programming period. In case of the target groups, we similarly recommend to enable, though website applications built on the central website of the European Union SFs in the Czech Republic, to search all the implemented projects focused on the type of target groups in given region. It would be also possible to support these applications by an additional programme enabling a collection and evaluation of data about the most frequently searched combinations

	of the parameters, which would also allow continuous indirect evaluation of an interests in individual areas of support , priority axes and operational programmes implemented in the Czech Republic.
3	Continue to observe regularly the fulfillment of the OPTA monitoring indicators with the aim of the timely identification of the possible problems with their fulfillment.
3	Omitting the Ministry of Finance – the PCA and the Ministry of Finance – AO as possible recipients for the priority axis 4 of the OPTA and strengthening the obligations of the department for publicity of the European Union , in the sense that this department should in order to ensure a uniform propagation style of the agendas, notebooks, pencils etc.) within the whole implementation structure of the NSRF continuously communicate with others OPTA recipients about their needs of these items for the next years of the OPTA realization and should these needs take into consideration during the preparation and management of the respektive OPTA project.
3	Consideration of ensuring of other partial studies for the needs of the whole coordination of the cohesion policy in the Czech Republic , specifically: <ul style="list-style-type: none"> ▪ Methodical aspects and practical impacts of assessment of the economics, efficiency and effectiveness in projects financed from EU structural funds. ▪ Further analysis of the absorption capacity of the OPTA. ▪ Ensuring sufficient absorption capacity in the form of seminars for applicants in the period 2014-2020. ▪ Expert support of preparing period 2014-2020 (strategic and thematic area). ▪ Horizontal priorities (environmental sustainability, gender, IT, etc). ▪ Options data acquisition related to the development priorities of the Czech Republic. ▪ Monitoring system links to the financial systems of the MA.
3	Consideration whether, despite the long-term negative attitude of the EC towards the outsourcing of the services related directly to the OPTA management and implementation, it would not be suitable for the agenda of tenders administration of the OPTA projects to outsource this agenda to a professional legal agency , especially considering assumed substantial psychological effects on potential unsuccessful candidates of those tenders.