

Evaluation of absorption capacity within Operational Programme Technical Assistance

Summary of outputs

1 INTRODUCTION

1.1 Identification of contracting authority and contractor

Contracting authority:

Czech Republic, Ministry for regional development

Staroměstské náměstí 6
110 15 Praha 1

Contractor:

EUFC CZ s.r.o.

Popelova 75
620 00 Brno
IČ: 269 42 364
www.eufc.cz

1.2 Purpose of evaluation

Executing the contract the evaluator assessed allocation adequacy regarding individual priority axes and areas of intervention of OP TA, as well as procedural and financial management of the operational programme. Moreover, the evaluator compared utilization of the Operational Programme Technical Assistance with technical assistance of other operational programmes implemented in the Czech Republic in the programming period of 2007-2013 in view of potential overlapping and possibility of activity substitution. Furthermore, the needs of bodies taking part in the implementation of National Strategic Reference Framework (NSRF) were assessed; the evaluator also reviewed impact of implementation on beneficiary and identified critical points and obstacles in disbursing funds within OP TA while considering complying with the N+3/N+2 rule. Besides evaluating financial development of assistance disbursing contribution of OP TA intervention towards fulfilling set aims expressed by indicators, as well as progress achieved in implementation of OP TA.

Evaluation project took place from 24. 3. 2010 to 20. 4. 2010.

1.3 Aims of evaluation and outline of basic evaluation questions

Interconnection of evaluation purpose, its general and specific aims and relevant evaluation questions, the answer of which was supposed to fulfil these aims, are following:

Table 1: Outline of evaluation areas, questions and aims

Evaluation area	Evaluation questions	Aim of evaluation
Allocation and utilization	<ul style="list-style-type: none"> • <i>Is allocation of financial means adequate to the goals of OP TA?</i> • <i>Are funds designated to individual priority axes and areas of intervention allocated in an adequate manner?</i> • <i>Are there any duplicities between OP TA and technical assistance of other operational programmes?</i> • <i>Is OP TA in some areas able to replace technical programmes of individual OP,</i> 	<p>Evaluation of allocation adequacy to individual OP and areas of intervention</p> <p>Assessment of procedural and financial management of OP TA</p> <p>Comparison of utilization of OP TP with the technical assistance in other</p>

Evaluation area	Evaluation questions	Aim of evaluation
	<p><i>while maintaining basic principles set during programming (horizontality of issues addressed in OP TA, cross-section of all OP's etc.)?</i></p> <ul style="list-style-type: none"> <i>Is there enough quality project intents available that cover the allocation of OP TA?</i> 	<p>OP in view of potential overlapping</p> <p>Assessment of needs of bodies taking part in the implementation of NSRF through OP TA in area of human resources</p>
<p>Evaluation of administrative capacity</p>	<ul style="list-style-type: none"> <i>Is implementation of OP TA sufficiently covered by human resources capacity (implementation structure – managing authority, financial unit, intermediary body)?</i> <i>Do the beneficiaries have sufficient human resources capacity to implement their intents?</i> <i>Are there any observable impacts for beneficiaries? In what way is it ensured that the administrative capacity is strengthened in the sense of exchanging experience among individual employees, external suppliers and employees?</i> 	<p>Review of quantifiable impacts of implementation on the beneficiary</p> <p>Identification of critical points and obstacles in disbursing funds from Structural Funds within OP TA</p>
<p>Risks of not receiving/not fulfilling aims</p>	<ul style="list-style-type: none"> <i>What are the critical points on the side of beneficiary and on the side of implementation structure bodies in complying with the N+3/N+2 rule and disbursing allocation 2007 – 2013?</i> <i>Are there risks of not fulfilling the aims of OP TA in a view of current implementation of OP TA?</i> 	

1.4 Used methodology

Based on the assignment and acquired evaluation experience the contractor decided for double approach to methodology while formulating the output:

- system oriented methodology for implementation,
- time oriented methodology of implementation.

System oriented methodology approached the assignment in view of relevant content of the evaluation. Structure comes from contractual conditions for writing of evaluation study.

Evaluation was dividend into 3 thematic areas:

- 1) Allocation and utilization
- 2) Evaluation of administrative capacity
- 3) Risks of not disbursing/not fulfilling aims

Second approach, time oriented methodology, describes implementation of project in time division into three thematically interconnected and time related phases (see following table), which refer to all 3 mentioned thematic evaluation areas.

Table 2: Division of project structure into phases

Phase	Content	Outputs
1.	Description of current situation, available sources, data and information	<ul style="list-style-type: none"> • kick-off meeting with representatives of the contracting authority • concretization of methodology • definition of chosen sample of reference OP for the comparison of overlapping and substitution with OP TA • clarification of respondents in the framework of Implementation System and beneficiaries of intervention from OP TA
2.	Application of evaluation techniques and instruments: identification of evaluation areas 1), 2) and 3) - analytical and suggestion activity	<ul style="list-style-type: none"> • specific outputs from running work on the contract – consecutive report • regular meetings with representatives of the contracting authority
3.	Interpretation of findings, formulation of conclusions and recommendations in form of final project report	<ul style="list-style-type: none"> • Draft final version • Expert panel of the contracting authority (suggestion proceedings for the final report) • Final version of project report • Summarization of outputs (executive summary) in Czech and English language

Methodological approach

Methodological approach was based on collection of relevant qualitative and quantitative data. Based on the data an analysis in appropriate thematic areas has been executed.

Some of the most frequently used methods were:

- a. Desk research;
- b. Individual (controlled) interviews;
- c. Expert panel;
- d. Comparative analysis.

Based on acquired information and data their analysis and synthesis has been done resulting in:

1. Answering evaluation questions
2. Formulation of evaluation findings
3. Formulation of recommendations based on evaluation with emphasis on their:
 - a. Feasibility and matter-of-fact character
 - b. Time competence

Chosen methodological approaches varied in individual project phases according to current needs and evaluated principles. First there were activities related to the beginning of evaluation project (desk research – analysis of relevant accessible primary sources, collection and analysis of data, etc.). These were followed by controlled interviews with representatives of the managing authority, other members of implementation structure and beneficiaries of intervention from OP TA.

SUMMARY OF MAIN CONCLUSIONS AND RECOMENDATIONS

Primary goals of the evaluation of OP Technical Assistance can be summoned as follows:

- 1) Assessment of adequacy of the respective allocations for individual priority axes and areas of intervention;
- 2) Assessment of procedural and financial management of the OP;
- 3) Comparison of utilisation of OP TA and the technical assistance measures in other operational programmes from the standpoint of potential overlaps;
- 4) Evaluation of needs of those subjects that are involved in realisation of measures embedded in NSRF within the domain of human resources via OP TA interventions;
- 5) Preliminary assessment of quantified impacts of the programme implementation on eligible beneficiaries;
- 6) Identification of critical points and barriers of the structural funds absorption based on experience of OP TA.

During the process of acquisition of information sources for the evaluation of absorption capacity the contractor mostly utilised the official documentation of OP TA, data and information gathered in monitoring system and further supporting resources including also information obtained from interviews with respective personnel of institutions involved in OP TA implementation structure and/or managing authorities of other operation programmes and beneficiaries.

The evaluation has reviewed procedural, financial and administrative setup of the OP TA absorption capacity and identified conclusions and recommendations for specific measures aimed at programme's management and implementation improvement.

Brief summary of responses to evaluation questions and main conclusions are summarised in following table:

Table 3: Summary of main recommendations

Evaluation question	Answer to evaluation question	Basic recommendations
Allocation and utilization		
<p><i>Is allocation of financial means adequate to the aims of OP TA?</i></p>	<ul style="list-style-type: none"> The total allocation for OP TA is in accordance with Article 46, paragraph 1a of the General regulation and complies with the overall limit for technical assistance amounting to 4% of the total amount allocated under the two objectives (Convergence and Regional Competitiveness and Employment). On the level of priority axes, or areas of intervention OP TA, it is possible to consider some allocations overvalued to goals set via indicators. Present development of fulfilling the indicators of OP TA including predictions based on beneficiaries commitments suggests that with many indicators there can be expected a significant multiple overrun of target values for 2015. 	<ul style="list-style-type: none"> ❖ Carry out revision of target values of priority axes, or areas of intervention OP TA indicators. ❖ Clarify and specify aims that should be achieved in this priority axis during the remaining part of the programming period. ❖ Identify specific projects, through which will these aims be fulfilled, including time, financial, material and management details.
<p><i>Are funds designated to individual priority axes and areas of intervention allocated in the adequate manner?</i></p>	<ul style="list-style-type: none"> Allocations to individual priority axes and areas of intervention were set adequately in the beginning of programming period, which has been confirmed by the interest of applicants during the first phase of programme implementation, as the volume of funds for eligible costs requested by the applicants in project applications corresponded approximately to the rate of allocations of individual priority axes in the call for applications. In the current implementation of the OP TA, however, be some factors that may affect the utilization of the priority axes and areas of intervention of OP TA as well as pose a risk to the utilization of the allocation of financial resources. 	<ul style="list-style-type: none"> ❖ Continue further with intensive communication from managing authority to eligible beneficiaries in individual areas of intervention with the view of clarifying financial volume of projects, ❖ Continuously in close cooperation and coordination with beneficiaries and target groups identify other project themes that can effectively contribute to fulfilment of OP TA aims. ❖ After detailed extrapolation of funds disbursement at the end of year 2010 elaborate further advance /analysis of utilization potential regarding the remaining financial means up to the level of possible reallocation if needed.
<p><i>Are there duplicities between OP TA and technical assistance of other operational programmes?</i></p>	<ul style="list-style-type: none"> There are no duplicities. There are overlaps caused by decentralized implementation of technical assistance activities that are cross-sectional, especially as a result of late start of OP TA. 	<ul style="list-style-type: none"> ❖ In areas of intervention focused on education, publicity and absorption capacity, as well as on future of cohesion policy, include into preparation of individual project also so called "secondary beneficiaries" from OP TA (e.g. managing authorities). ❖ In areas, where some cross-sectional activities have been already locally treated by individual OP, carry out "revision" of these activities and concentrate on those that are still upcoming (for example - education). ❖ Example of best practice and recommendation for enlargement, according to the programme feasibility, seems to be the possibility for managing authorities to submit via, for example working group Publicity, themes to the priority axis 4.

Evaluation question	Answer to evaluation question	Basic recommendations
<p><i>Is OP TA in some areas able to replace technical programmes of individual OP, while maintaining basic principles set during programming (horizontality of issues addressed in OP TA, cross-section of all OP 's etc.)?</i></p>	<ul style="list-style-type: none"> • Biggest potential chances of replacement between OP TA and technical assistance in individual OP have been identified in these areas: education, publicity, absorption capacity and preparation of period 2014+. 	<ul style="list-style-type: none"> ❖ Project themes, proposals, cross-sectional activities must be collected and administered on National Coordination Authority level, it should be done with the help of standardized communication tool (a form, a mailing list) and other tools (for example regular, continuous monitoring of outputs from working groups), moreover these should be treated in detail within expert working group. ❖ Review cross-sectional themes in a view of the level of their specific solution within OP and concentrate on their central interconnection. ❖ Use external consultation services for these purposes in order to disburden National Coordination Authority. ❖ Carry out massive monitoring of demand for interventions from OP TA with the help of working groups and transform this demand into project intents, especially from the view of development dynamics of other OP's.
<p><i>Is there enough quality project intents available that cover the allocation of OP TA?</i></p>	<ul style="list-style-type: none"> • Project themes are currently numerous. They arise from relevant policies, topics and needs of beneficiaries and partly also target groups. Their quality may not be objectively assessed, but it is necessary to: <ul style="list-style-type: none"> - Establish strict rules of so called "secondary beneficiary" - Institute responsible project coordinators on the side of beneficiaries - Strictly observe deadlines as beneficiaries are considered carriers of projects - Specify projects in detail as regards management, coordination, sources and time 	<ul style="list-style-type: none"> ❖ In a view of making the implementation and preparation of projects of Managing unit NSRF more effective it is suitable to prepare and in form of Minister's decision make public a manual of obligatory procedures for secondary beneficiaries (units in the Ministry for Regional Development), which would partly transfer administrative activities connected with management of individual projects to them. ❖ In the Handbook for the Beneficiaries and Applicants (HBA) establish a requirement for applicants to preliminary project consultation IB/MA, from the point of view of content (activities, eligible costs, project management, etc.), as well as from the formal viewpoint. ❖ Necessary recommendation consists in stabilization of methodological rules for project preparation and management within OP TA embedded mainly in HBA, addenda and specific methodological instructions. ❖ On the level of Ministry for Regional Development open discussions about simplification of internal procedures concerning public procurement tenders, especially cancelling or limiting some commenting and approval procedures. ❖ It is recommended for the working groups to deal, besides standard issues, with formulation of new project themes that would react to problematic areas, which they thematically deal with (publicity, education, future of cohesion policy, controls, monitoring, irregularities, etc.). ❖ Besides principal, long-term, strategic projects consider shifting to shorter-term projects with the possibility of revision and directness in a view of present needs.

Evaluation question	Answer to evaluation question	Basic recommendations
		<ul style="list-style-type: none"> ❖ Based on the analysis of present disbursement and utilization of financial means from OP TA it is recommended to stop using outlines of framework projects, which especially in priority axes 1, 3 and 4 do not allow flexible management of allocation, eventually consider their replacement by other tool.
Evaluation of administrative capacity		
<p><i>Is implementation of OP TA sufficiently covered by human resources capacity (implementation structure – managing authority, financial unit, intermediary body)?</i></p>	<ul style="list-style-type: none"> • Administrative capacities within bodies of implementation structure OP TA are in most cases full, as far as allowed employment is concerned and further significant recruitment is not very likely in near future. • Outsourcing of services compensating for certain misbalances in administrative capacity in the periods of growing administrative burden is in light of information sensitivity problematic with Centre for Regional Development, it is however feasible with MA of OP TA, Management unit of NSRF and Publicity and administrative capacity unit on condition that it will be possible to commission a complex service, including administrative and technical facilities, premises and operation. 	<ul style="list-style-type: none"> ❖ Within MA of OP TA strengthen physical participation of individual employees /experts on priority axes and cross-sectional themes in key working groups. ❖ MA should create a „mailing list“/distribution list with contacts to all persons of target groups that are related to OP TA. ❖ MA of OP TA in agreement with guarantors of individual measures and coordinators of working groups should in the framework of document „Template for conclusions from working groups,“ adjust dealings of a working group in a way that their common agenda would be widened by a debate on realistic new project intents, which could be transformed into quality projects. ❖ In regular intervals (for example once in a quarter), or after certain „round“ of working groups negotiations, MA should contact all persons from the „mailing list“ and inform them about basic /principal conclusions/resolutions from working groups to ensure information distribution. ❖ As a result of increasing number of activities related to OP TA implementation, especially in the framework of National Coordination Authority – Ministry for Regional Development projects as well as MA activities consider outsourcing of some routine administrative tasks via external supplier, above all with Managing unit of NSRF and Publicity and Administrative capacity unit.
<p><i>Do the beneficiaries have sufficient human resources capacity to implement their intents?</i></p>	<ul style="list-style-type: none"> • Based on examination it may be concluded that administrative capacity for the coverage of OP TA projects implementation is currently sufficient. 	<ul style="list-style-type: none"> ❖ Within evaluation of new project establish evaluation of project management, i.e. who will be responsible for the project, who will coordinate it, how should communication with the involved bodies work, who they shall be accountable to, who will be responsible for what, etc. This change should be introduced into Operational Manual (Addendum – Handbook of evaluator for selection and evaluation of projects).

Evaluation question	Answer to evaluation question	Basic recommendations
<p><i>Are there any observable impacts for beneficiaries? In what way is it ensured that the administrative capacity is strengthened in the sense of exchanging experience among individual employees, external suppliers and employees?</i></p>	<ul style="list-style-type: none"> • Administrative capacity on the side of beneficiaries is relatively stabilized. • Education and qualification improvement presently run on local level, that is on the basis of individual needs and in various financing ways. 	<ul style="list-style-type: none"> ❖ Create a catalogue of education needs for various typology of professional skills (publicity, finance, monitoring, controls, law) or according to detailed needs of larger number of beneficiaries (ROP's, thematic OP's, programmes with synergic relations) or according to special themes (Integrated Plan of Development of Cities, PPP, future of cohesion policy), eventually according to structure of expenditures that these activities require (e.g. business trips, training, etc.).
<p>Risks of not receiving / not fulfilling aims</p>		
<p><i>What are the critical points on the side of beneficiary and on the side of implementation structure bodies in complying with the N+3/N+2 rule and disbursing allocation 2007 – 2013?</i></p>	<ul style="list-style-type: none"> • Disbursement expectation do not so far meet present rate of reimbursement. • There is overload of administrative capacities in management structure of OP TA. • Significant difficulties from the point of view of funds disbursement management in v OP TA constitute large (financially bulky) projects of complex nature, where administrative delay cause significant delay in their implementation and there is a risk of not disbursing the allocated amount of funds. 	<ul style="list-style-type: none"> ❖ Appoint with every project submitted to OP TA one person for the position of project administrator/coordinator on the side of particular beneficiaries. ❖ During preparation of project applications communicate intensively and consult with Intermediary body/MA. ❖ Significantly strengthen planning features on the side of beneficiaries. ❖ When using allocations of priority axes and areas of intervention advance preferably with the help of smaller projects that will be at the same time simple as regards the structure of public tenders, as well as number and volume of public contracts.
<p><i>Are there risks of not fulfilling the aims of OP TA in a view of current implementation of OP TA?</i></p>	<ul style="list-style-type: none"> • The global objective of OP TA and its strategic objectives are still valid, and yet there are no sufficiently strong reasons to change the strategy and objectives. • Specific risks of not fulfilling the objectives may lie in not fulfilling of tasks of OP TA in following areas: <ul style="list-style-type: none"> - general awareness and promotion regarding interventions from EU funds (publicity), - strategic and methodical management of absorption capacity. 	<ul style="list-style-type: none"> ❖ Carry out revision of indicator system OP TA in order to eliminate disproportions identified during the implementation of operational programme.