



**Ministry of Labour and Social Affairs of the Czech Republic
in Co-operation with the City of Prague**

**SINGLE PROGRAMMING DOCUMENT FOR
OBJECTIVE 3 OF THE NUTS 2 PRAGUE REGION**

Version 8

Prague, November 2003

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ANNEX 1: SPD 3 and Roma Communities

1. INTRODUCTION

1.1 Using the European Social Fund Within the Context of Objective 3 in the Region of Prague

The Single Programming Document for Objective 3 of the NUTS 2 Prague region (SPD 3 hereinafter) is a reference document to be used as a basis for supporting the development of human resources in the region of Prague, using Czech national resources and those of the European Social Fund (ESF).

The SPD 3 has been prepared by the Czech Ministry of Labour and Social Affairs (MoLSA) in close co-operation with Prague City Council and other partners from the economic and social spheres. From the methodological point of view, the SPD 3 is based on the Council Regulation (EC) No 1260/1999 laying down general provisions on the Structural Funds (Regulation hereinafter), Council Regulation (EC) No 1784/1999 laying down general provisions on the European Social Fund, and other regulations (Nos. 1159/2000, 1685/2000, 438/2001, 448/2001, 2044/2002), which specify the rules for using structural funds. The SPD 3 structure respects the methodological manual for structural fund plans and programming documents "DG Regio Vademecum Structural Funds". In line with the Article 13 (3) of the Regulation¹, the SPD 3 covers the territory of the Czech Republic not covered by Objective 1, which is the entire NUTS 2 Prague region.

The contents of the SPD 3 are based on the European Employment Strategy, Joint Assessment on the Employment Policy, the Memorandum on Lifelong Learning, the Czech National Plan of Employment 1999, the National Action Plan of Employment 2002, the National Program of Education Development in the Czech Republic, the Long-term Intent of Education and Development of the Educational System in the Czech Republic, and the Prague Strategic plan as approved by the Prague City Council in May 2000.

The SPD 3 includes a description and analysis of the situation in human resources in the region of Prague, depicting the links to both Czech and European strategic documents, specifying global and specific aims and objectives of the Programme and suggesting priorities and measures to achieve the objectives. Simultaneously, the SPD 3 offers the financial frame, implementation structure for the Programme and tools to monitor the achievement of stipulated objectives.

The SPD 3 will be supplemented with the detailed specifications of measures, activities, financial allocations and a publicity plan in the form of the Programme Complement. Later on, Operational Guidelines will be prepared including the project application documentation.

Following up the proper programming period for structural funds in EU countries and the date of the Czech Republic's accession to the EU, the documents are prepared for the period from 2004 to 2006.

One more programme supported from structural funds will be implemented in part of the Prague region – the Single Programming Document for Objective 2 (SPD 2). Designed to support the economic and social conversion of the region facing structural problems, SPD 2 covers an area populated with 31 % of Prague inhabitants. Wherever possible and feasible, measures from both Programmes will be implemented in close interaction with each other so

¹ Council Regulation (EC) No 1260/1999 laying down general provisions on the Structural Funds

as to provide for the synergetic effect of combined investments in both the infrastructure and human resources (see Chapter 6 for more details). The necessary coordination will be ensured via the Committee for SPD for Objective 2 and Objective 3 of the Prague City Council, by a consistent application of the partnership principle and by the Monitoring Committees.

With exception of the Prague region, the rest of the territory of the Czech Republic qualifies as an Objective 1 area. In this area, the Operational Programme Human Resource Development (OP HRD) supported from the ESF will be implemented. Nevertheless, the ESF spending in the framework of SPD 3 will have an additional significant impact on the area covered by OP HRD, since more than 40% of university education facilities are situated in the Prague region and the city itself represents a source of opportunities and jobs especially to the adjacent Central Bohemia region. The same Managing Authority for both programmes - Department for ESF Assistance Management where both programmes were elaborated in accordance, in order to avoid overlaps and generate synergy - ensures the necessary coordination of the implementation of OP HRD and SPD 3. Furthermore, some of the Intermediary bodies will be the same for both programmes. This way, common policies in the area of human resources development, adjusted to specific local needs, will be implemented in the whole country.

1.2 Position and Role of Prague

1.2.1 Prague – Significant City of Central Europe

Since the beginning of the nineties barriers in relations between nations, regions and cities of Eastern and Western Europe built up during past decades have been gradually eliminated. The capital Prague plays a unique role in the Czech Republic's integration into the new, geopolitical region of Europe.

Prague attracts international contacts and activities, being a central node for mediating supranational activities for the whole country. Prague is an important point in the distribution of new knowledge, playing a key role in forming and maintaining the Czech identity. The development of the capital's natural functions is of interest to the entire Czech community.

Prague, however, should become more visible also in the European system of cities. Its geographical, cultural, political, scientific, and educational potentials were not always used to a sufficient extent over the past decade. Even today Prague has a good chance of winning recognition among Central European capitals. Prague needs to communicate with them to find suitable space for using its specific features and merits.

The city places its development strategy on its attractive position in the heart of Europe, on its uniqueness and beauty, on its cultural traditions, concentration of scientific and development capacities, and relatively well-educated and flexible inhabitants. Prague can offer the values, which are exceptional and unrepeatable elsewhere in Europe and the world. The unique architectonic and spiritual riches of the city and its traditions of cultural mixing open up an opportunity for Prague to succeed also in the fierce competition of the globalised world. To fully use the advantage, however, it is necessary to remove certain existing obstacles and limitations caused, for example, by the incomplete transport and technological infrastructure, the still average level of communication and information interconnection, insufficient use of the scientific and research potential and interconnection thereof with the business sphere, the lack of the people's preparedness for larger openness of the city, or the poor level and repute of certain services within Prague.

Prague plays an irreplaceable and manifold role in the European integration processes that are under way. The Czech Republic's accession to the European Union, which is being prepared, is a great opportunity not only for the Czech Republic, but also for its capital Prague. That chance, however, is limited in time and requires careful and urgent preparation. Therefore, the programmes of Prague integration into European structures have been set up as key priorities of its strategic plan of development.

Prague is a place where tens of international conferences and meetings take place each year. Prague is prepared to act as a host for even the most important international summits, which was the case of the meeting of the World Bank and International Monetary Fund or NATO summit.

1.2.2 Prague – the Capital and Regional Centre

Prague is the political, economic and social centre of the country, as well as its primary representative. The capital offers a seat and services for most central administration agencies, universities and scientific establishments, important institutions and corporations operating both nationally and internationally. Prague is prepared to create favourable conditions for the establishment of new national and international institutions and activities that can bring about effects not only for the city, but also for the entire Czech Republic.

Above all, Prague is the capital of the Czech Republic, the centre of the Prague region, and home to more than a million inhabitants. Prague is part of the Czech Republic's social, economic and settlement structure, bearing its share of responsibilities. Prague wishes to be a support for the other regions during the Czech Republic's transformation into a modern democratic country.

Prague is a natural catchments area for Central Bohemia (NUTS 2 Central Bohemia), in the centre of which the city is situated. For the surrounding region, Prague is an important economic and social background, as well as a source of jobs (110,000 people commute daily to Prague) and centre of education, science, culture, commerce and other activities.

The inner part of the Central Bohemia region, directly adjacent to Prague, has become a place of intensive development and also in the future can be expected to face pressure from the change of open spaces into built-up areas. Numerous commercial and industrial zones appeared near radial motorway interchanges outside the Prague border. In spite of high capital expenditures in the region of Central Bohemia, both those supported by the government or made by private national and, to a large extent, foreign investors, the overall economic level is still low. The very unfortunate situation persisting from the past became worse during the past decade of transformation of the Czech economy (liquidation of large metallurgical and mining facilities). The adjacent cohesion region of Central Bohemia thus features the lowest values in certain macroeconomic indicators of the entire Czech Republic, whilst the regional gross domestic product does not exceed 50 % of the average in EU countries. Therefore, when planning its development activities, Prague should also take into account the needs of the region of Central Bohemia.

1.2.3 Prague – the City of Its Inhabitants

In addition to its role of a European city, Czech capital and regional centre, Prague is also a place where more than a million inhabitants live. Prague offers them numerous opportunities in the spheres of education, culture, attractive employment, a good network of medical facilities and social services, as well as a relatively high, tangible standard of living. On the other hand, however, Prague inhabitants, especially those living in the centre of Prague, are exposed to a great deal of pressure due to the high concentration of people – presence of commuters, numerous tourists, as well as homeless people and criminals, traffic problems, noise, polluted air, and the higher cost of living. Prague suburbs with housing estates, which had been quickly built in the past without an adequate social and commercial background and, especially, without job opportunities, become depopulated during weekdays because people commute mainly to the centre to work or school.

During the past political regime, Prague had not offered disabled people a real choice in the selection of social services. Disabled people were frequently sent to sanatoriums far from the capital, sometimes situated in the border areas. Many disabled people still live in medical institutions with an average capacity of 50 clients and contact with their families is restricted due to poor transportation links.

When planning development activities, Prague authorities should take into account the aforementioned points, as well as the legitimate interests of Prague inhabitants when developing service activities both for the region and the entire Czech Republic.

1.2.4 Cooperation of Prague with regions

For coordination of SPD 3 implementation with neighbouring regions existing bodies (Association of the Czech Regions, Union of Towns and Municipalities) will be used by extending their current agenda with coordination issues in respective expert committees.

Prague is a member of the **Association of the Czech Regions** (according to the Decision of Prague City Assembly No. 05/09). This organisation is open and apolitical organisation, which associates all 14 regions of Czech Republic. There are 13 expert committees of the Association:

- Committee for Tourism
- Transport Committee
- Committee – Panel of the Directors of the Regional Offices
- Financial Committee
- Committee for Informatics
- Committee for Culture and Care for Monuments
- Social Committee
- Education Committee
- Committee for Regional Development
- Committee for Public Procurement
- Committee for Public Health Care
- Environmental Committee

Prague is also one of the founding members (1993) of the **Union of Towns and Municipalities** of the Czech Republic. This organisation associates 2472 municipalities representing nearly 39 % of all existing local governments in Czech Republic, but with more than 7 million inhabitants (73 % of inhabitants of the Czech Republic). The Union has 16 expert committees as follows:

- Security Committee
- Committee for Housing
- Transport Committee
- Committee for Energetic
- Financial Committee
- Committee for Tourism
- Committee for IT Systems
- Environmental Committee
- Committee for People with Disabilities
- Committee for Legislation and Legal Issues
- Committee for Property
- Regional Committee
- Social Care Committee
- Education and Training Committee
- Foreign Relations Committee

Relevant committees of the Association of the Czech Regions and the Union of Towns and Municipalities will be used for coordination of regional actions with Structural Funds operation in different programmes inside (OPs) and outside (SPDs) the framework of the CSF.

Intensive cooperation exists between Prague and the neighbouring **Central Bohemia Region**, and regular joint sessions of the executive councils are taking place. Important projects crossing the borders of Prague are always consulted with relevant bodies (e.g. railway connection between City of Kladno, Airport Ruzyně and Centre of Prague, regional integrated system of public transport out of the area of Prague, organisation of international events like NATO Summit or annual session of World Bank and International Monetary Fund etc.). Intensive cooperation is foreseen between the EU Funding Department of Prague City Hall (intermediate body for SPD 2 and SPD 3) and relevant body of the office of Central Bohemian Region (Regional Council Secretariat) in order to ensure synergy between projects in both regions.

2. ANALYSIS OF THE ECONOMIC AND SOCIAL SITUATION IN THE NUTS 2 PRAGUE REGION

2.1 Basic Characteristics of the Region

2.1.1 Geographical and Administration Characteristics

Prague is situated not only in the geographical centre of Bohemia, but also the whole of Europe. It is surrounded evenly by the region of Central Bohemia, part of which belongs to the Prague conurbation. The region of Prague is in a good position with respect to neighbouring countries – being distant by about 120 kilometres from the borders with Germany and Poland, 150 kilometres from the border with Austria, and about 250 kilometres from the border with Slovakia.

The Prague area features a quite rugged relief – the inner town lies in the widened valley of the river Vltava, which divides the town into two parts. The outer town is situated mainly on the surrounding, elevated plane.

Prague Administration Zones as of 1st July 2001



Prague covers an area of about 496 square kilometres, which is only 0.6 % of the Czech Republic's territory. With 1.2 million inhabitants, however, Prague holds about 12 % of the country's population.

Prague consists of 57 city quarters on the level of NUTS 5, each having its own municipal council and municipal office. Many city quarters were formed by gradually joining surrounding village type municipalities that only differed from each other in the degree of urbanisation, density of population, quality of the technical infrastructure, as well as social and economic conditions of their inhabitants' life. Only a part of Prague's suburbs is used to a larger extent,

for example, for new housing estates or development of production or service facilities. The other parts, unless conservation or recreational areas are problematic with regard to the citywide development. The high number of city quarters adversely affects the efficiency of city administration. Nevertheless, political (elected), as well as administrative bodies on the level of the whole city managed to prepare and approve basic, citywide conceptual documents (Strategic Plan and City Master Plan), adopt citywide, non-discriminating measures in the field of legislation and management, and implement activities pursuing primarily the interests of the entire city/region. Special law on City of Prague (Act No. 131/2000) sets the competences and powers of the 57 city quarters (NUTS V level). Their role in SPD 3 implementation is envisaged as potential final beneficiaries or final recipients, who will be eligible to submit their projects. City quarters as such will be addressees of the information campaigns to be well prepared for relevant calls.

At NUTS 4 level, 22 administrative municipal areas (districts) perform functions transferred to the sub-national level from state authorities. Therefore these districts represent administrative units of territorial division without any executive bodies. It is assumed they will not be directly involved in projects implementation.

2.1.2 Technical Utilities and Transport in the Area

The technical infrastructure of Prague is not on a good level as debts for maintenance and development have accumulated over the past forty years. The obsolete, unsatisfactory and in some places still missing infrastructure is a significant cause of water and air pollution, slowing down the possible and necessary development in the region. The devastating floods in the summer of 2002 made the situation even worse and it will take many years to put right all the consequences.

Even though 95 % of households are connected to the water and sewerage networks, the conditions of the networks are not satisfactory and can be described as highly inefficient. The power demands of the city, mainly due to inefficient consumption of energies, are also excessively high. More than 70 % of households are connected to the gas network. Approximately 50 % of households are connected to central heating sources. Almost a fifth of households, however, still use solid fuels, including poor grade ones, for heating.

The infrastructure for data transmission is on a relatively high level. Specialised networks (incl. data networks), radio relay networks and GSM services of three providers are operated in Prague. Of the total number of about 900,000 fixed telephone stations, a third are used for business purposes. The switchover to digital exchanges was completed in 2002.

The transport infrastructure in Prague faces high demands that are frequently inadequate even in spite of the relatively dense transport network in the region. Prague features a relatively well functioning public transport system including the underground, trams and buses. The public transport system subsidised from the Prague budget transports about a billion people per year. The system of Prague Integrated Transport, which also includes suburban trains (up to a distance of about 35 kilometres from the Prague border), also covers a considerable part of the region of Central Bohemia (approximately 240 municipalities).

In spite of that, the whole of Prague is heavily burdened by motor-vehicle traffic, which often causes traffic jams. The streets in the centre with the highest increase in vehicle traffic intensity record up to four times the values from the early nineties.

The length of the road network in Prague including local roads is about 3400 kilometres. Of that figure, there are only eleven kilometres of motorway and 76 kilometres of expressway. It is especially the absence of bypasses around Prague and the inner city, which is an issue.

Prague is an important node of both inland and international railway and air transport. The river Vltava is used for transportation of both passengers and freight. Passenger transportation is only recreational in nature, rarely being used as a means of regular city transport.

2.1.3 Quality of the Environment

From the point of view of the environment, Prague ranks among the most heavily damaged regions in the Czech Republic. According to the rate of adverse factor concentration, the situation in Prague is the worst of all. On top of this the environment will remain affected for a considerable length of time in areas hit by the floods.

The biggest and most frequent environmental problem in Prague is **air pollution**, although the total production of pollutants considerably decreased during the past ten years – especially due to the reduced adverse effect of industries and due to the gasification of stationary sources of pollution. However, emissions of nitrogen oxides are increasing from the ever-growing traffic levels (about 80 % of all emissions of nitrogen oxides in the city). Today, certain parts of Prague are already reporting the highest concentration of nitrogen oxides in the Czech Republic and immission limits have been exceeded on a long-term basis there. The situation is complicated by the local conditions of the Prague valley, which are most unfavourable with regard to the dispersion of pollutants, contributing to the formation of frequent smog situations.

Prague is also the most affected Czech region with regard to **excessive noise**. Almost 50 % of Prague inhabitants are exposed to noise burden. Health disorders due to excessive noise can be expected in 7 % of Prague inhabitants. Similarly to the quality of air, road traffic is the crucial factor, adding approximately 90 % to the total noise.

Cleanness of rivers in Prague is unsatisfactory. Therefore, their water-management, environmental, as well as recreational and esthetical significance is considerably reduced. Before the floods in August 2002, the river Vltava upstream from Prague was included in category III of the general evaluation of water quality (polluted water), downstream from Prague in category IV (heavily polluted water). The hydrological image of Prague is not improved either by the river Berounka (category IV), or smaller Prague tributaries (mostly category V).

Greenery of various quality and growth covers about a third of the city's area but the decreasing area and uneven distribution seems to be a serious risk for both the microclimate in Prague and the environment in general. Green areas disappear relatively quickly in the city centre where their positive effects are needed the most. Forests covering 10 % of the city area are a specific component of Prague's greenery, though 100 % of the forests are evaluated as damaged. Prague has a total of 88 small-scale protected areas and eleven natural parks covering 20 % of Prague area.

Production of **waste** in Prague amounted in 2000 to 3.2 million tons of waste, of which 16 % stood for household waste (including waste produced by businesses), 4 % for industrial waste, and 57 % for building waste. Production of waste keeps growing, which is documented mainly by a considerable increase in the recorded amount of household and building waste. Approximately 38 % of household waste is incinerated, and 54 % disposed of in landfills. The effectiveness of sorting is currently at about 15 %.

The quality of the **urban environment** in Prague is impaired by numerous poorly maintained, unused or inadequately used areas, especially in the former, traditional industrial quarters, in the outer city and suburbs. The economic transformation also resulted in vast, inadequately used or partially deserted industrial areas, which have become a serious, urbanistic, environmental, as well as operating issue in certain parts of the capital. The areas cover almost 1.5 % of the city area (all areas designed for transformation stand for 4 %). The main problem in the efficient transformation of former industrial areas consists in high capital demands due especially to the large size of such areas and the high cost of rectification of old environmental damages. Some former industrial areas have already been revitalised, for example in the quarters of Smíchov and Karlín, where new citywide centres have simultaneously been developed.

Many social, urbanistic, traffic, and environmental problems are associated with the existence of large housing estates. Prague housing estates amount to almost 38 % of the flats in the city, being home to more than 500,000 Prague inhabitants (i.e. more than 40 % of the city's inhabitants). The basic issue is the prevailing mono-functional character of housing estates, with the residential function dominating and the sector of services mostly insufficiently dimensioned. A burning issue is the low number of job opportunities due to never implemented, originally planned production and service capacities (the South Town area), or closed down industrial areas (North Town) adjacent to housing estates. Their inhabitants have to commute to more distant quarters, especially to the centre, which considerably burdens the traffic system in the city. Anonymity, urbanistic shortages, and the social structure in large housing estates are also associated with a relatively high degree of criminality and vandalism.

In addition to the concentration of pollutants and excessive noise, the environment in the centre of Prague is also burdened with the high concentration of people due to cumulated job, commercial, and cultural opportunities, as well as tourists in the historical core of Prague (especially in the summer season).

2.1.4 Economic Activity in the Region

The region of Prague generates approximately 20 % of the gross domestic product in the Czech Republic and about a fifth of all investments in the Czech Republic are placed in Prague. The comparison with the average in EU countries indicates that although the GDP in the Czech Republic is less than two thirds of the EU average (only 60 % in 1999), the regional GDP per head generated in Prague exceeds the EU average by one fourth (124 % in 2000). In addition to the unique position of Prague as the capital, the result is probably distorted by certain factors, such as the calculation methods as stipulated by Eurostat or frequent registrations of places of business in Prague (of companies having extensive operations outside the region), or the higher price level.

Changes in national economy during the past three to five years are reflected also in the specific – highly differentiated – branch structure of Prague's economy. The Prague economic base is characterised in the long-term by the strengthening of the service sector and decrease in production branches. The structure of individual branch outputs in Prague as compared to the national average in the period 1993 through 2000 is indicated in Table 1.

Table 1: Outputs per Branch (gross added value)

Branch	Prague Share of Outputs (in %)		Branch Share of Outputs (in %)	
	1993	2000	2000	
			in Prague	in CR
Agriculture, forestry, mining	0.5	0.9	0.2	5.4
Processing industry	7.9	8.0	9.0	27.8
Generation and distribution of electricity, heat, water	14.4	10.7	1.6	3.6
Building industry	19.6	22.0	6.3	7.1
Trade, repairs	22.0	38.5	22.5	14.4
Restaurants, hotels	37.2	49.7	3.8	1.9
Transport, communications	21.5	28.1	8.4	7.4
Banking, insurance business	39.3	57.4	10.0	4.3
Commercial services, research & development	38.4	49.2	24.1	12.1
Public administration, schools, health services, social security, other public, social and personal services	23.6	21.6	14.0	16.0

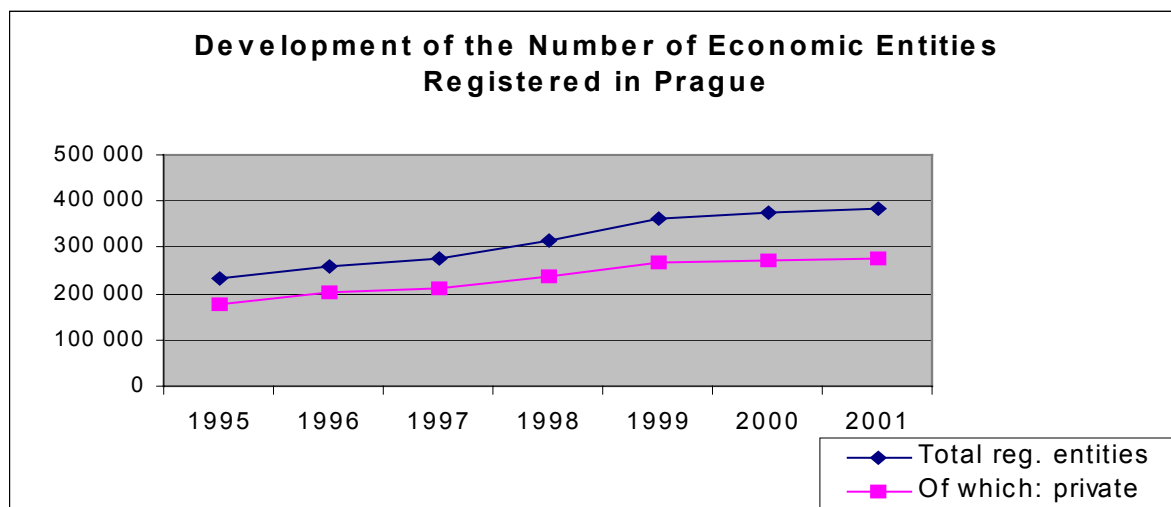
Source: City Development Authority, City of Prague

The tertiary spheres, which had developed mainly extensively, currently account for more than 80 % of the generated GDP and about three quarters of Prague employment. Although the branch structure begins to "copy" that which is usual in most Western European cities, Prague's economy should promptly take measures to improve its competitiveness. To increase productivity, it is necessary to provide a safe, transparent and attractive business environment for new investments and transfer of know-how, massive development of lifelong learning focusing on the use of advanced technologies and forms of work organisation, development of sciences and research. Further strengthening of Prague's position in innovations, new technologies etc. will create an impulse and spill over effect for the development of the rest of the country.

The sphere of industry also went through considerable transformation changes over the past decade. About 90 % of Prague industries currently belong to the private sector. Industry's share on employment and the outputs of the Prague economy has considerably decreased. The development is also confirmed by the value added indicator, which shows that industry share decreases by one percentage point annually.

Diagram 1 below shows the development of the absolute number of all registered economic entities with their places of business in Prague and the largest group of private entrepreneurs (mostly self-employed persons). In 2001, 384,000 businesses were registered in Prague, of which number 275,000 accounted for private entrepreneurs, i.e. almost 16 % of private business entities in the entire Czech Republic, although the share of private entrepreneurs registered in Prague slightly decreased recently.

Diagram 1



The group "private entrepreneurs" includes self-employed persons running their businesses as per the Trade Act, self-employed farmers, and persons running their businesses as per special regulations (especially free-lancers).

The number of registered economic entities in the entire Czech Republic increased from 1,321,000 in 1995 up to 2,122,000 in 2001, whereas in Prague the figure increased from 235,000 up to 384,000 entities in the same period. Expressed as a percentage, the Prague share was 18.1 % in 2001, which is 2.2 % more than in the entire Czech Republic. On the other hand, in comparison with countrywide data Prague reported the number of private entrepreneurs to be 10 % lower; 71.6 % of registered economic entities were self-employed persons.

Although Prague as a whole reports good indicators of the economic level, numerous weak points can be identified, which may impair the level of its competitiveness both now and in the medium-term. It should be taken into account that the effect of decades of a non-existent private sector, almost absolute directive management, as well as inadequate and to a large extent irrational centralisation of the production and service base still survives in spite of the extraordinarily fast transformation process over the past decade.

Adaptability and Entrepreneurship

The sector of small and medium sized enterprises (**SMEs** hereinafter) currently contributes significantly to the generation of the GDP, employment and exports, and the significance of SMEs keeps growing.

As of 31st December 2001, SMEs in the Czech Republic employed in all sectors 59.7 % of the total number of employees. As of the same date, SMEs share of total national economy outputs was 51.4 %, of imports 47.1 %, and of exports 35.7 %.

Although Prague as a whole can boast of favourable economic performance indicators, an array of weaknesses jeopardising its competitiveness at this time and in the mid term might be identified. A large proportion of current SME owners and managers, however, lack sufficient experience and adequate management training; in their decision-making, they often use the "try and see method". Poor awareness is mainly due to insufficient internal communication inside the business sector, which in other countries is based on traditions, contacts formed over a long period and the exchange of information within the context of professional associations. SMEs must operate in an environment burdened with excessive bureaucracy, a complicated tax system, poor ability to uphold the law, unequal positions of

the debtor and creditor, poor access to financial sources, absence of tax benefits (unlike large foreign investors), non-existence of seed and start-up capital, poor access to the results of research and development and new technologies. Also, training is unavailable for many SMEs, and that is not only due to the high cost but also because of too much work being carried out by managers who cannot be released from their work duties to attend training courses.

Another serious problem consists in the disintegration of a large part of the applied research base, which had been conducted by corporations and, above all, by state institutions. SMEs especially have difficulties in finding partners in the field of innovation intentions, even from the level of acquiring very basic information up to the level of highly structured cooperation and collaboration with the research and development base. The field also suffers from a lack of financial funds as SMEs are not able to cover the cost of research and development and, later on, the cost associated with the implementation of results. Prague entrepreneurs begin to realise that it is necessary to implement new technologies not only in the form of direct investments but also in the form of cooperation with scientific facilities. SMEs are more and more in need of a complex offer of consulting and expert services (e.g. in the fields of commerce and production, human resources and social issues, environmental and legal issues). The significance of such cooperation increases with the Czech Republic's approaching accession to the European Union. Considering the high development potential of the Prague region, the synergetic effect is expected to have a considerable impact on the whole of the Czech economic base.

Despite the above mentioned problems, the last decade saw an immensely fast transformation process giving rise to a prosperous small and medium-sized business sector which came to form an important and irreplaceable part of the economic backbone of Prague.

A rapid growth in the number of registered businesses in the second half of the nineties demonstrates the wide interest there is especially in pursuing small trade and at the same time reflects the inexperience and „immaturity„ of the competitive environment. This is manifested by a higher liquidation rate of loss-making small enterprises, which, however, are being gradually replaced by more stable ones. Small and medium-sized enterprises are gaining a foothold in all branches of industry and are forming key capacities in a number of them.

SMEs account for almost 100 per cent of companies having their head office in Prague. Currently, only 430 companies with a staff of up to 250 and more are currently registered in Prague. Yet, these large companies account for roughly 30 per cent of the total employment in Prague, i.e. the small and medium-sized sector already exceeded 2/3 of Prague's employment.

Table 2: Division of SMEs in Prague according to the number of employees as of 30 June 2003 (in thousands)

number of employees	number of businesses	%
not stated*	104 142	25,7
0	250 200	61,8
1 – 9	40 036	9,9
10 – 49	8 595	2,1
50 – 249	1 927	0,5
Total	404 900	100

Note: * as a rule companies falling into the category of „micro“- companies (according to EU-classification)

It is true for the whole SME sector both in the Czech Republic and in Prague that some existence barriers and problems standing in its way can be identified. Some of those can only be sorted out through the intervention of central legislative or executive bodies (taxation, the complexity of legislation etc.) whilst territorial administrative authorities contribute to their solution only partially and indirectly. There is, however, a significant set of problems which may well be resolved at the regional level which is why they should be dealt with in projects and activities carried out with the assistance of EU structural funds.

Cooperation Between Research & Development and the Business Sphere

Prague is not only the educational and research but also economic centre of the Czech Republic. Basic preconditions exist for using this potential for quick economic development and for Prague to play a crucial role in our country in increasing the competitiveness of the Czech economy and using the results of research and development in practice. Relations between industries and research facilities should become a pillar for the development of a so-called "new economy". Evidently, research and commercial objectives are not only compatible in this case, but can supplement and strengthen each other. Research organisations subsidised from public budgets, meaning in particular Prague universities and the Czech Academy of Sciences, should play a crucial role in the economic and social development of the Prague conurbation and, consequently, of the entire Czech Republic.

As mentioned above, Prague is a centre of learning. In addition to numerous primary, secondary and higher vocational schools, eight public universities, one state university, and eight non-university type private colleges existed in Prague in the academic year 2001/2002. The scientific capacity of Prague universities in combination with the large number of young scientists, students and PhD students is a very good basis for future technological development (see Chapter 2.2.2.1 for more details).

Prague universities (above all Charles University, the Czech Technical University, the Chemical and Technical University, and the Czech Agricultural University), non-state research institutions and the Czech Academy of Sciences facilities are important research centres. The centres focus especially on mathematics, informatics, and physics, Earth sciences, chemistry, material science, biology, medicine, ecology, history, economy, arts and social sciences. Specialised research institutions prepare analyses in their areas of competence and propose policies and measures for respective areas. The research sector went through considerable changes over the past years; numerous institutions were privatised. The number of institutions and their employees decreased. In spite of that, the remaining research institutes, as well as newly formed private research facilities can still constitute the important scientific potential of the capital.

The capital includes a strong economic base consisting of small and medium sized enterprises, as well as professional associations the most important of which is the Prague Economic Chamber. Also professional organisations in the field of development, innovations and technology transfer can be found in Prague (e.g. the Association of Innovative Business, Association of Research Organisations, etc.). Prague share in the innovative potential of the Czech Republic is approximately 60% and has a decreasing tendency. That means Prague plays an important role for the entire Czech Republic in the field of innovations, technology transfer and cooperation of universities, research organisations and the business sphere.

Currently the innovation process in the CR is more or less occasional, without integrated coordination and the transfer of technologies is at the minimum level. The main resources of innovations are (in contrast to the situation in the EU) large enterprises. These enterprises spend for the innovations approximately 2% from their turnover. Compared with the EU average it is small amount of money. The National Innovation Strategy and the Act on Innovations are being prepared at the national level.

Due to historical development, however, up until now there has been no system for efficiently transferring the results of science and research into the practice, neither an environment motivating cooperation among scientific facilities, nor mechanisms supporting the development of human resources in that area. In this context, particularly unused is the large scientific and educational potential of Prague universities where thousands of students and PhD students taking part in research projects can become important human resources in the future for the implementation of new technologies and for the establishment and development of technologically orientated companies. Cooperation between scientific facilities and the business sphere is not yet, however, understood as a key condition for the future economic and social development.

Many university professionals realise that universities should assume responsibility for the use of research and development results in practice so as to provide for the future competitiveness of economy. The establishment of the Business and Innovation Centre at the Czech Technical University (BIC ČVUT) is a good example. The centre not only offers suitable premises for starting up innovative companies and extensive services in many fields, including industrial property protection, but cooperates also in many international projects the aim of which is to help in creating a complex system supporting new technologically orientated firms and a system of human resources development. The Prague Economic Chamber is also involved in such activities.

Transferring the results of basic research into the practice is one of the priorities of the Academy of Sciences. Its Technological Centre has been operating an incubator focused on high-tech small businesses since 1994. The activities of 21 businesses established with the support of the incubator are directly connected with the Academy of Sciences' research projects. The firms in the incubator are provided with basic business services and training for discounted prices which are subsidised by a support programme of the Czech Ministry of Industry and Trade. In 2000, the Czech Academy of Sciences launched the Programme of Support for Targeted Research financed from specially allocated funds. A publication entitled "Applied Research in the Czech Academy of Sciences" was published to inform the business sphere.

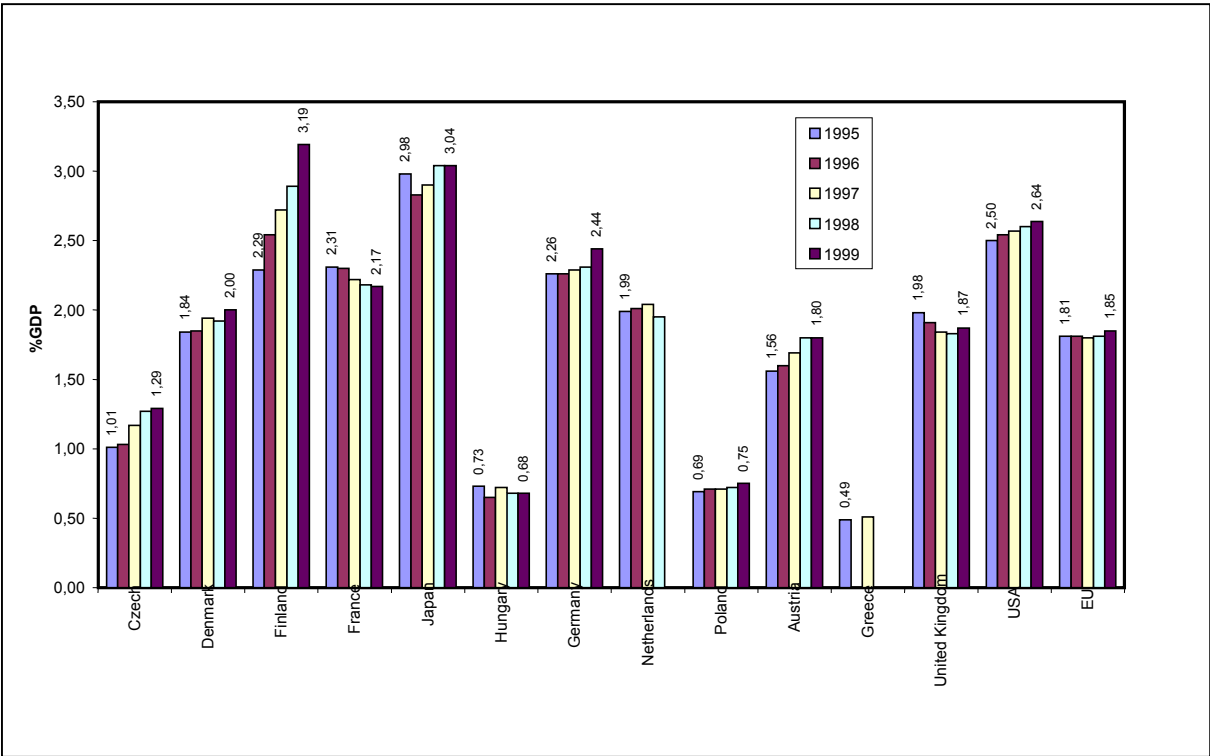
However, large scientific parks, in which innovative firms established within incubators could further develop, are missing in Prague.

Recently, attempts at deeper cooperation between universities and the Czech Academy of Sciences can be seen. It should be noted that such cooperation is more intensive in the field of preparation of new professionals rather than in the actual integration within research and development. Deeper cooperation in the field is still prevented by wrongly adjusted labour

legislation, which makes it difficult to exchange workers. The same problems also exist in the transfer of employees between universities, the Academy of Science, and industrial companies. Because of the inadequate age structure of scientists, with older persons prevailing, the institutions are not motivated to support the establishment of new technological firms just with young scientists, a fact which causes further worsening of the age structure.

The diagram below shows data about total expenditures on research and development in the Czech Republic as compared to the other countries throughout the world. The percentage share of expenditure on research and development to GDP has improved in the period 1995-1999 especially due to growing public expenditure. Nevertheless, the percentage share of total expenditure does not reach by far that amount common in developed countries, lagging behind mainly from the private sector's lack of involvement, which is down to economic reasons and lack of development capital. In comparison with other candidate countries, however, the Czech Republic's position is relatively good. Recent data, however, indicates that the increasing trend in supporting research and development from public funds stopped in the period from 2000-2002.

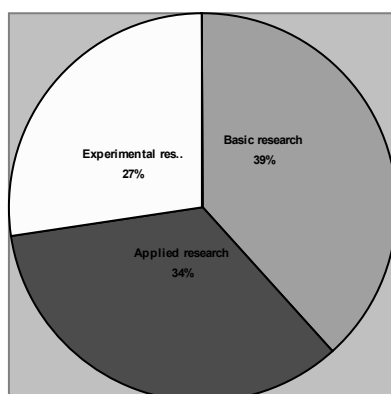
Diagram 2: Total Expenditure on Research and Development as a Percentage of GDP from 1995 -1999



Source of data: OECD - Main Science and Technology Indicators 2001/1

A total of CZK 11,035 million was spent in 2000 on science and research. The allocation from the state budget amounted to CZK 7,609 million. The support was directed to the business, state and non-profit sectors and to universities. In addition to the state budget, total expenditures were financed by recipients themselves and foreign resources. As indicated by Diagram 3, the highest proportion is spent on basic research, mainly because of high expenditures on this area in the public sector (especially the Czech Academy of Sciences). In Prague, the amount is CZK 4,244 million. Considerably fewer funds are allocated to experimental development that is closer to practical applications.

Diagram 3: Percentage of Individual Types of Research to Total Expenditures on Research and Development in Prague



As indicated by Table 3, there are 13,940 researchers in Prague, of which 4209 are females. Most researchers are employed in the government sector, whereas the business sector and universities each employ about the same numbers of persons.

Table 3: Personnel Structure in Research and Development in Prague in 2000

Sector	Researchers (as of 31/12)		Technical and equivalent employees (as of 31/12)		Auxiliary employees (as of 31/12)		Total	Incl. females
	Total	Incl. females	Total	Incl. females	Total	Incl. females		
Business	3184	896	2138	845	847	421	6169	2162
Government	6176	1899	2683	1614	1787	1058	10,645	4571
Universities*	4160	1311	1205	694	749	458	6114	2463
Non-profit	421	103	79	40	14	10	5245	153
Total	13,940	4209	6105	3193	3397	1947	23,442	9349

Note: * Including some other educational facilities

Source: Ministry of Education, Youth and Sports

The number of employees in the sector of science and research considerably increased in 2001, up to 36,498 of which 21,937 were researchers.

To achieve an efficient cooperation between research institutions and businesses, it is necessary to create a favourable environment. Recently, some improvements have been seen in the legal environment. The newly amended law on universities provides the universities with better opportunities of collaboration with the industrial sector: the know-how of the universities, for instance, can be used as a form of capital investment in newly established or existing businesses. The new law on research and development financing allows not only better cooperation between scientific institutions and businesses but also successful implementation of research and development outcomes in practice that is one of the key criteria when evaluating the institutions. On the other hand, an indirect support and motivation structure is missing both at the national and regional level. Implementation of new technologies is not understood as an indispensable part of the innovation process. With some exceptions, the issue of support for the establishment and development of small and medium technology-oriented enterprises is being ignored. Capital resources for newly established enterprises (seed and start-up capital) are missing. Financing of the so-called pre-seed stage of establishing an enterprise has not yet been considered even theoretically. A uniform concept for human resources development in this sphere has not been designed yet.

The competitiveness of small and medium enterprises is crippled as a result of malfunctioning transfer of technologies and insufficient capability to introduce innovation into the manufacturing process at a large scale. This is a problem especially taking into account the fact that the Czech Republic is about to access the European Union soon. As a result of globalisation, not only manufacturing enterprises but also the city itself face stronger competition. A failure to tackle the above mentioned issue might bring about an outflow of qualified workforce from all the fields of the „city life“, leading to a gradual urban decay.

Tourism

The volume of tourism performance increased by 300 % over the past ten years, which means that tourism ranks among the branches with the highest performance dynamics. Tourism has become a significant support to the development of the city. Revenues from tourism (in gross added value) account in Prague for almost half of countrywide revenues generated by hotels and restaurants (CZK 17 billion); tourism represents 3.8 % of Prague economy's performance.

The offer of hotel capacities or part of the material and technical base in the sector of tourism increased more than four times in the nineties. The number of permanent beds in hotel facilities (especially hotels and boarding houses) amounted to 72,000 in 2000, accounting for 15.8 % of the Czech Republic's total capacity. Besides, a further 10,000 to 15,000 (estimate) beds are offered in private houses (rented rooms, apartments, etc.). Prague exceeds Vienna, for example, in its number of beds and number of tourists staying overnight in hotels. The occupancy rate in hotels and boarding houses is above the countrywide average. In 2001, the occupancy rate was 59.2 % (50.7 % in the Czech Republic as a whole). The intensive development of new hotels and boarding houses reduced disproportions in their quality structure. Hotels and boarding houses are, however, still located unevenly and, in some cases, the level of the package of offered services does not meet international standards. The number of overnight stays in Prague per year exceeded 9 million and the average duration of stay was more than four days. Recently, the ratio of foreign visitors stabilised to 75 % (less than a half in the Czech Republic as a whole), with the dominating visitors coming from Germany, the United Kingdom, Spain, Italy, and from overseas. During the tourist season, Prague is visited on a daily basis by 50,000 up to 60,000 foreigners; in combination with domestic clients, the number of visitors totalling about 80,000.

In addition to hotels, tourism in Prague is supported by cultural and sports facilities. Whereas cultural opportunities are abundant in Prague, the number of sports centres is low if compared to the countrywide average. Prague offers 35 permanent cinemas (5 % of the Czech Republic total; the data is rather misleading as there are several multiplex cinemas in Prague which include ten or even more projection halls), 26 museums (4 % of the Czech Republic total), 93 galleries (13.4 % of the Czech Republic total), 61 theatres (28.1 % of the Czech Republic total), 24 stadiums (3 % of the Czech Republic total), and six ice hockey stadiums (2.8 % of the Czech Republic total).

Considering the intensity and contribution to the development of individual areas (city quarters), tourist activities are distributed very unevenly, being concentrated mainly in the historical core of the city.

However, the unique, attractive and exceptional localities with abundant historical monuments, as well as natural beauty spots outside the city centre, are not provided with the necessary infrastructure and suffer from a lack of marketing and coordination with activities in the region of Central Bohemia.

The field of tourism is covered mainly by small businesses (up to 20 employees). In addition to such typical economic entities, large world hotel chains also operate in Prague, such as Four Seasons, Six Continents, Accor, Radisson SAS, Marriott (about ten five-star hotels, less than 3 % of hotels in Prague or 1 % of all accommodation facilities, including private rooms, in Prague).

In the branch of tourism that is highly dependent on live work, the issue of competitiveness is not only a matter of the implementation of new technology (especially in the field of informatics and management) but also, and especially, of qualification and adaptability of workers in the field of communication with people (i.e. knowledge of languages, psychological skills, communication skills). World hotel chains operating in Prague can be expected to have no considerable problems in hiring qualified staff. In the case of other businesses involved in tourism, however, problems can be expected, generally with regard to their capital strength and position on the tourism market, which is demonstrated by the opinions of entrepreneurs in tourism on the quality of school graduates and their approach to further professional training of employees.

The competitiveness of the services and products offered in tourism is influenced by many other factors, which can hardly be controlled by entrepreneurs in tourism. Although the criminality rate in Prague is comparable with similar European capitals, that aspect still cannot be considered as positive in the field of services offered in tourism. Research conducted in 2001 and commissioned by the Prague Information Service which concerned "Tourists and Visitors to Prague" demonstrated that tourists and visitors are dissatisfied most of all with the taxi service, information services, contacts with local inhabitants, and with the overall feeling of safety. This dissatisfaction mainly applies to related services that are the responsibility of the public sector. That means there is a communication barrier of competent authorities in solving crises that may occur in places where there is a high concentration of tourists (thefts, problems with medical care in emergencies, general information, language barrier, etc.).

2.1.5 Non-governmental Organisations

Non-governmental organisations (**NGO** hereinafter) operate in various areas of community life, such as social services, health, education and research, culture and arts, ecology, community and housing development, protection of rights and interests, charity work, international activities, professional and labour relations, sports and recreation, etc. NGOs are a very strong complement to the government in the provision of services and public assets.

Prague is the place where more than a third of the foundations existing in the Czech Republic are registered, though most of them operate throughout the country. Various international foundations also have their offices in Prague. In addition to public administration, foundations form a further financial source for public associations, publicly beneficial institutions and churches. Endowment funds play a similar role to that of foundations. Together with foundations, however, they account for less than 5 % of the total number of registered NGOs in Prague.

In 2001, 7366 public associations, 175 publicly beneficial institutions, and 324 foundations and endowment funds existed in the region of Prague.

Specific features of Prague can be seen in the fact that Prague is also the seat of some umbrella organisations of NGOs which associate non-governmental organisations in the same branch. Service NGOs also play an important role as they provide information,

educational and consulting services that are necessary for the professional development of other non-governmental organisations throughout the Czech Republic.

In addition to other agencies, the Government Office also includes the Government Council for NGOs in which both Prague and regional NGOs are represented besides the regional and departmental officials.

NGOs positively influence the quality of the social environment in Prague as they often focus on work with groups of people at risk from social exclusion. NGOs also play an irreplaceable role in the fulfilling of the Government Programme of Environmental Education in Prague. With their activities NGOs cover the areas of social services that are only provided by the city to a limited extent or not at all. In many cases NGOs existence depends on grants from the City of Prague. In addition to such grants, NGOs use funds from grants provided by central administration authorities.

2.2 Human Resources

2.2.1 Demographic Characteristics

There are about 1,180,000 inhabitants living in Prague. A further 110,000 people commute to Prague to work, 60,000 foreigners live in Prague based on a permanent or temporary residence and work permit, more than 30,000 students live in Prague or commute to Prague to school, and more than a further 100,000 people per day stay in Prague on various grounds (foreign and Czech visitors, people on business trips, etc., including an estimated 10,000 foreigners not having residence permits). That means about 1,500,000 persons move in Prague on a daily basis.

Being the only city with more than a million inhabitants in the Czech Republic, Prague features the highest concentration of city people. Inhabitants, however, are not distributed evenly around the city. The density of population in the centre and housing estates exceeds 10,000 inhabitants per square kilometre, whereas certain quarters have maintained their suburban character and the density of population there is less than 200 persons per square kilometre.

Structure of Inhabitants

The adverse population situation in the Czech Republic is felt much more intensively in Prague. As compared to the Czech Republic average, Prague population is older, featuring a lower share of children and higher share of older inhabitants. A typical feature is the considerable share of seniors, especially women, living mostly alone. The share of inhabitants over 60 years of age is 20.6 % and the average age of 41.1 years is the highest of all regions. The number and share (13.4 %) of children in the population keeps decreasing. Women are choosing to wait until they are older to give birth. As forecasted, the trends will continue until at least 2010. The group of people above 60 years of age will be ever-increasing (by 4-5 %), whereas the number of people of an economically active age and the share of children will be decreasing.

Table 4: Structure of Inhabitants in Prague and in the Czech Republic in 2001

		Czech Republic			Prague		
		Total	Male	Female	Total	Male	Female
Number	Total	10,294,822	5,016,688	5,278,134	1,178,816	559,398	619,418
Share in %	0 – 14	16.2	17.0	15.4	13.4	14.5	12.4
	15 – 24	15.0	15.7	14.3	13.9	14.9	13.1
	25 – 44	28.5	29.9	27.3	27.9	29.1	26.9
	45 – 59	21.8	22.1	21.7	24.0	24.0	24.0
	60 +	18.4	15.3	21.3	20.6	17.5	23.6

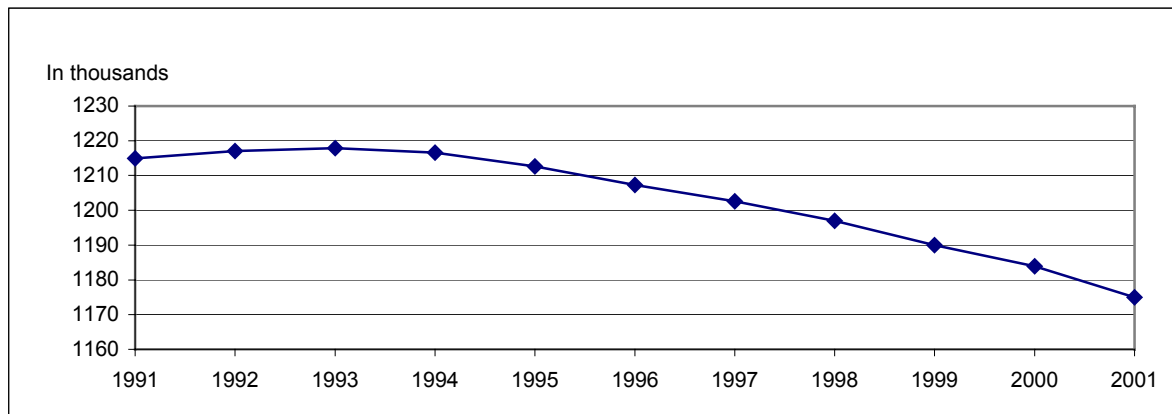
Source: Prague Statistical Yearbook

The uneven age structure of the inhabitants is also reflected in the structure inside Prague where a lower share of children and higher share of older people is typical for historical quarters (Prague 1, 2, 3, 6, 10).

Development of the Number of Prague Inhabitants

A decreasing trend in the number of inhabitants can be seen in the past ten years (from 1,215,000 in 1991 to 1,174,000 in 2001) that is due to the lower natural population growth and a reduction of new housing development.

Diagram 4: Number of Prague Inhabitants in 1991 through 2001



The number of foreigners living in Prague based on a temporary or permanent residence permit considerably increased in the past decade (60,000 persons in 2001), with nationals of the Ukraine and Russia (almost 25,000 persons), Slovakia (10,000 persons), Vietnam, China, Yugoslavia, and the United States prevailing.

From the national point of view, Prague inhabitants are quite homogeneous. According to a census in 2001, Czechs account for 92.8 %. Slovaks (1.5 %) are another important nationality. Other national groups only account for very low shares. According to expert estimates, approximately 20,000 to 25,000 Roma live in Prague.

Social integration of the Roma population is not such an issue in Prague as compared to the situation in other towns (Most, Ústí nad Labem). Large concentrations of the Roma in certain localities, however, bring tension to relations with the majority of the population.

The decreasing trend in the number of permanent residents affects most parts of the inner city, whereas certain suburbs report increases due to new development. Until 1997 the natural decrease in the number of inhabitants was made up for by people moving in. In 2000, however, the number of inhabitants moving out was 1800 greater than that of people who moved in. Not even the growing increase in the number of foreigners and migrants from other regions could stop the overall drop. The strongest former source of migration – the district of Central Bohemia – became, in recent years, the target of numerous Prague inhabitants who acquired their new homes there. The main reason is a favourable price level and sufficient supply of building lots. The largest development occurs directly behind the administrative border of Prague and in municipalities belonging to the Prague conurbation with good commuter access to Prague. In certain segments, urbanised areas of both regions merge with each other, a fact which confirms the growing intensity of mutual interconnection and, consequently, the need for a joint solution to certain problems.

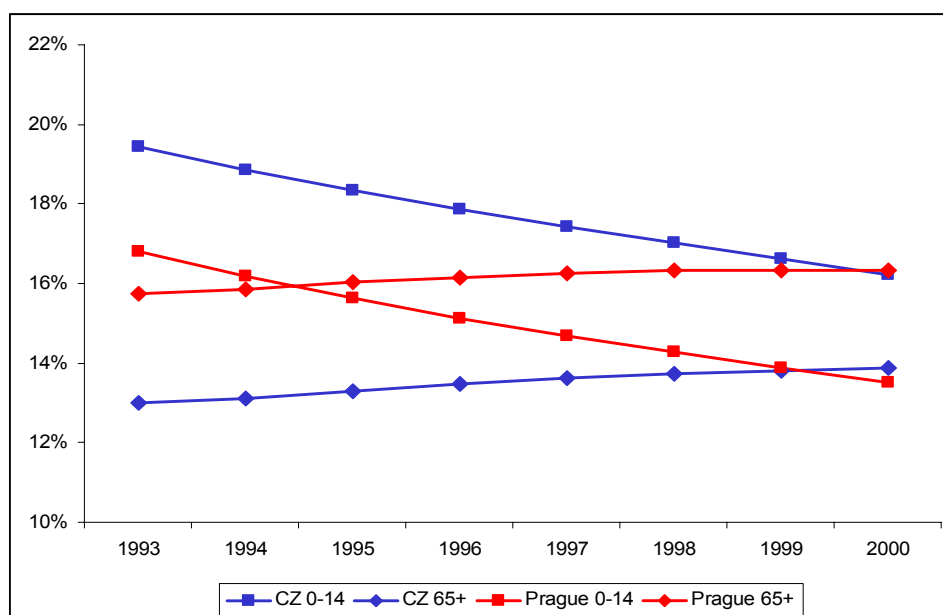
Population Ageing

In last decade (1991 – 2001) the age structure of Prague's population has substantially changed in comparison with whole country. The trends in Prague and in the rest of the country are the same - share of group of young people is decreasing while share of group of elderly people is increasing (see Diagram 5). However this process in Prague is much stronger - in 1995 the share of elderly people was higher than young people and this difference is being further deepened. In 2001 the share of elderly people was about 16 % in Prague and 14 % in CR (see Table 5).

Table 5: Development of population by age groups (in %)

Year	CZ		Prague	
	0-14	65+	0-14	65+
1993	19,45	13,00	16,82	15,74
1994	18,85	13,13	16,17	15,85
1995	18,34	13,30	15,62	16,04
1996	17,87	13,47	15,13	16,15
1997	17,43	13,61	14,67	16,27
1998	17,02	13,72	14,29	16,34
1999	16,61	13,80	13,89	16,34
2000	16,21	13,86	13,52	16,31

Diagram 5: Development of age groups



2.2.2 Lifelong Learning

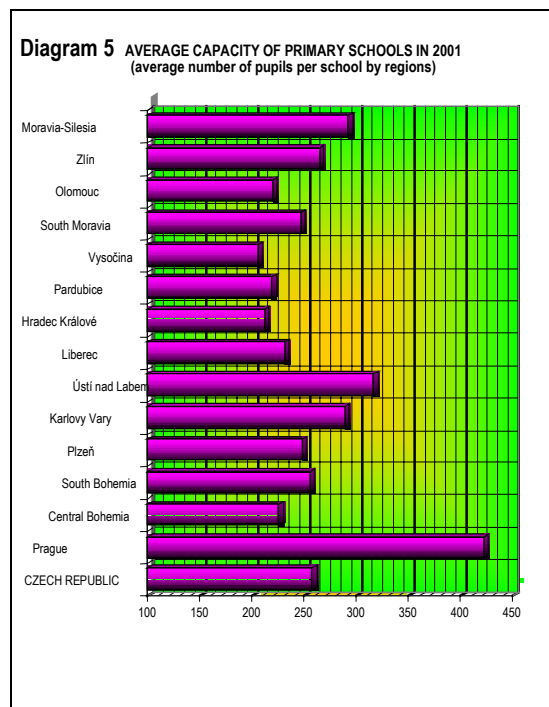
2.2.2.1 Initial Education

Pre-school Education

The advantage of institutional pre-school education consists in the expert training of children and targeted formation of suitable conditions for their development and education. Institutional pre-school education is currently organised, especially in nurseries, for children mostly from three up to six years of age. Education in nurseries is not obligatory. Because 20 % of children are born in single-parent families, there is an increasing need for pre-school care for children below three years of age in specialised facilities. Prague also features a high share of children above six years of age who attend nurseries. This is due to the exceptionally high number of parents who wish to postpone obligatory school attendance for their children. Good pre-school education leads to good results; useful, for example, are "preparatory classes" for children from not very stimulating environments (especially for Roma children it is a good way to improve their chances for successful entry to basic school) or bilingual families of minorities or immigrants, which help to level up opportunities for children.

There were 295 nurseries in Prague in 2002, attended by more than 26,000 children. The average capacity of nurseries in the Czech Republic is currently 44 up to 60 children per nursery depending on the district. Because of the density of population in Prague, the capacity of Prague nurseries is 93 children per nursery. The demand for nurseries in Prague is mostly satisfied. The demand slightly increased in the category of children below three years of age, considering the decreasing number of children in relevant population years, however, no higher capacities will be needed.

Diagram 6



Primary Education

Primary education is the stage of education, which is obligatory for all children in the Czech Republic, forming a basis for lifelong learning in the whole population. Obligatory school

attendance lasts for nine years, being divided into two levels. The aim of the new quality on level 1 (five years) is to create preconditions for lifelong learning – acquire basic skills and habits for both school and out-of-school work, create motivation for learning or receiving basic literacy as a tool for further successful education. The aim of level 2 (four years) is, above all, to give pupils the best possible grounding in general education, i.e. to equip pupils with clear relations to basic human values and prepare them for ever-increasingly specialised education and development of various hobbies. The inner differentiation in the obligatory and optional parts of education plays an important role as it provides for individual development of pupils' skills. The trend is to minimise, step by step, the exclusion of talented pupils in specialised classes for the whole duration of education, as well as minimise permanent exclusion of pupils with social, health, and learning problems.

Currently, a total of 232 primary schools, attended by more than 92,000 pupils, offer basic education in Prague. In addition to the usual primary schools, obligatory primary education can be obtained at 38 special schools or specialised schools for disadvantaged children.

The **average capacity of Prague primary schools** is higher in comparison with the countrywide average. An average primary school in Prague was attended in 2002 by 398 pupils, i.e. by 55 % more than the countrywide average (257 pupils).

Secondary General and Vocational Education

Secondary education is offered by three relatively separate types of schools: general education by grammar schools, vocational education by secondary vocational schools, and apprenticeship by secondary apprentice centres. There are still barriers persisting between individual types of schools, preventing sufficient interconnection and variability of the educational offering in compliance with various interests of students and changing requirements for further education and training, as well as the labour market. Individual types of schools always feature certain prevailing types of educational programmes and, in addition to that, educational programmes are structured as linear studies lasting for three to four years. That means pupils aged fifteen have to choose a school and branch, having very limited opportunities to change their decisions later on.

Table 6: Number of Secondary Schools Running Educational Programmes in Prague as of 30 June 2002

Grammar schools	57
Secondary vocational schools	78
Secondary apprentice centres	58
Conservatories	6
Special schools	16
Total	215

Source: City of Prague

Currently, there are 215 secondary schools in Prague that offer secondary education. As many as 45 %, i.e. 97 schools, are private or church-related. Sixteen secondary schools are designed for students with special educational needs.

In comparison with other districts the offer of secondary education opportunities in Prague is considerably higher. The number of schools in relation to the number of inhabitants in Prague is the highest of all districts but Prague schools also satisfy a considerable portion of demand for secondary education in the region of Central Bohemia. The average capacity of numerous secondary schools is, however, relatively low. Prague has the highest share of small secondary schools (less than 100 students). Therefore, so-called multifunctional schools seem to be a suitable way of increasing school capacity up to the values that are

acceptable with regard to teachers and economy. More than a fourth of schools in Prague are of this multi-functional type.

To provide for a sufficient and suitable supply of educational opportunities, it is necessary to strengthen a properly structured network of educational institutions and interconnect their study programmes in a better way with that in practice. In many schools teaching still focuses on the provision of frequently isolated facts without sufficient orientation on the development of necessary key competences. Higher involvement of social partners in the development of educational programmes and requirements for final examinations seems to be desirable.

With regard to the number of graduates, Prague features a considerably higher share of graduates continuing their studies at a higher level. The share of people that have completed an apprenticeship or an apprenticeship plus a leaving examination is lower than the Czech Republic average, whereas the share of grammar school graduates is higher. Disadvantaged people usually achieve considerably lower levels of education for different reasons; incomplete primary education, in some cases incompatibility of special and standard schools, physical accessibility of schools, insufficient special training of teachers, lack of school assistants.

Table 7: Number of Students in Secondary Educational Programmes (excl. lower grades of grammar schools) 2001/2002

	Prague*		Czech Republic	
	Total	Female Students	Total	Female Students
Grammar schools	16,381	57 %	95,180	62 %
Apprentice centres	14,617	37 %	157,007	36 %
Secondary vocational schools without leaving examination	357	43 %	1,379	58 %
Secondary vocational schools with leaving examination	28,515	55 %	199,145	58 %
Secondary vocational apprentice centres with leaving examination	3,014	27 %	29,761	31 %
Extension courses**	6,012	43 %	35,336	40 %
Total	68,896	51 %	517,808	50 %

Note: *including non-Prague students

**post-graduate studies

Source: Institute for Information in Education

Education of Children with Special Educational Needs

The growing number of children with special educational needs results in efforts to create conditions for the optimum development of all students (disabled and disadvantaged children, socially disadvantaged children, or children talented in certain branches of human activities). Recently, the trend is to integrate such children in standard classes. That is, however, difficult in practice because of, amongst other things, inadequate, both pre-graduate and post-graduate training of teachers in special pedagogy and pedagogic and psychological counselling.

The problem of integrating physically handicapped children in standard classes consists in building barriers and, to a large extent, in a lack of assistants for disabled children. Conditions should be created for the education of disabled children in special schools (public, private, and non-governmental schools) to be just a supplement to the major educational stream. The opportunity to receive education in the so-called major educational stream and acquire natural social experience is a key chance for the further integration of disabled persons in society and for the opportunity to find and maintain a job.

Gradually, the number of preparatory classes in basic schools helping children from disadvantaged backgrounds is growing at the expense of special schools etc. Special attention is given to Roma community members that are disadvantaged already in the beginning of their education path due to the socio-economic background; they often start the compulsory education unprepared.² Furthermore, major problems that influence their school results are the value of education in the life style of the Roma community, the family social status, the level of parents' education and the language handicap.³ Similarly, other minority members and migrants are faced with this problem. Establishing sufficient number of preparatory classes in kindergartens and basic schools, equipping these classes with necessary learning and didactic tools and method documents – this is a way of reducing the problems.

In the Czech Republic pupils can attend special schools for children with learning disabilities and other special schools either on grounds of a school proposal together with the parents' approval or on the basis of the parents' request. To put a pupil in a special school for children with learning disabilities there has to be, in both cases, a condition of reference from a pedagogical and psychological counselling centre or from a special pedagogical centre. Special schools are able to provide pupils with a more individualised education and there is a lower number of pupils in one class. On the other hand, the chances of individuals who attended special schools of reaching any further education are vitally lowered. Preparatory classes for children from disadvantaged background could reduce the number of children in special schools to duly justified cases.

On the other hand, there is a relatively large offer of specialised schools for talented pupils and students (sports, arts, language schools, etc.).

Tertiary Education

The interest in tertiary education keeps growing. Also in that aspect educational institutions in the region of Prague play an important role in offering study opportunities and diversification thereof, satisfying a considerable part of the needs of the whole country.

Study and educational programmes in tertiary education should be continually adapted to the quickly changing structure of the labour market and to the future professional and social positions of participants. Such changes are very frequent in the region of Prague as Prague is a region with a high concentration of industry, administration and services.

The offer of study programmes in tertiary education has considerably expanded in past years, being supported by newly established private colleges of non-university type. Higher vocational schools and their offer of educational programmes also form an important part of the tertiary sector.

² *The percentage of Roma pupils visiting special schools for children with learning disabilities and special schools cannot be accurately determined (related to personal data protection and linked prohibition against observing pupils' nationality with exception that they publicly claim the nationality). Nor the existing qualifying estimations can be generalised for the whole Czech Republic.*

³ *In the year 2001 the MoEYS adopted the Strategy for enhancing the overall situation of Roma children education, which is aimed at solving problems concerning pre-school education and preparation for successful start of school education (e.g. preparatory classes), support during the school education (e.g. Roma assistants), career counselling, support of pupils and students in secondary and tertiary education, support of rational leisure time activities, support of artistic talent of Roma children, dissemination of information about the Roma minority, toleration education, preparation of pedagogical staff etc.*

Table 8: Number of Higher Vocational Schools and Students as of 30/6/2002

	Average per Region (excluding Prague)	Prague	Czech Republic	Prague / Czech Republic Ratio
Number of schools	10	38	166	21.0 %
Number of students	1504	6200	26,605	26.4 %

Source: Institute for Information in Education

90,000 students including 9000 PhD students studied at public universities in Prague in 2001. Students were educated in 36 faculties of various specialisations. University staff members included 6000 teachers and more than 800 scientists. The most important universities include Charles University with seventeen faculties and 41,000 students, the Czech Technical University (ČVÚT) with six faculties and 21,000 students, and the University of Economics with six faculties and 14,000 students.

In addition to public universities, there is a state college under the competence of the Ministry of the Interior – Police Academy with almost 2500 students. From 1998 private colleges began to appear. There were four private colleges in Prague in the academic year 2000/2001 with 2000 students; data from 2002 reports as many as seventeen colleges. Private colleges suitably supplement the offer of tertiary education in the field of non-university type programmes.

Table 9: Number of Universities, Faculties, Teachers and Students in the Academic Year 2001 / 2002

	Czech Republic	Prague	Prague / Czech Republic
Total number of universities	41	17	41.5 %
Faculties	118	36	30.5 %
Teachers – public universities	13,641	6054	44.4 %
Students – public universities	219,514	90,422	41.2 %
Share of female students	47.9 %	45.2 %	38.9 %
Students in bachelors branches	46,120	13,650	29.6 %
Students in masters branches	155,117	62,334	40.2 %
Students in PhD branches	17,969	8,762	48.8 %
Public universities	24	8	33.3 %
Private colleges	13	8	61.5 %
State colleges under the Ministries of the Interior and Defence	4	1	25.0 %

Note: Bachelors studies – three-year programmes

Masters studies – mostly five-year programmes

PhD studies – follow-up, postgraduate studies, mostly two-year programmes

Source: Institute for Information in Education

The tables above indicate that Prague's share in tertiary education in the entire Czech Republic is considerable. Compared to approximately 10 % of the population of the Czech Republic, Prague offers education to more than 25 % of all students in higher vocational schools; what is even more significant, however, is the concentration of higher-education establishments that provide education to more than 40 % of the total number of students in the Czech Republic. The considerable share of longer study programmes is also evident as masters and PhD study programmes form on average more than 40 % of the countrywide capacity.

Table 10: Development of the Total Number of Students at Public Universities in Prague

University	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	94-01 growth
Charles University*	28,073	29,094	31,037	34,133	35,638	37,554	39,492	40,923	1.5
Czech Technical University	14,934	15,336	17,179	17,991	19,116	19,879	20,575	21,310	1.4
University of Economics*	9,601	10,479	11,125	12,246	13,440	14,256	14,103	14,344	1.5
Czech Agricultural University	4,251	4,957	5,984	6,095	6,922	7,378	8,256	8,846	2.1
Chemical-Technological University	2,750	2,742	2,861	2,971	3,139	3,240	2,873	2,988	1.1
Academy of Music and Drama	900	957	1,073	1,101	1,139	1,310	1,312	1,313	1.5
Academy of Visual Arts	208	229	234	232	236	247	276	292	1.4
College of Arts and Industries	310	327	355	358	369	398	400	406	1.3
Total	61,027	64,121	69,848	75,127	79,999	84,262	87,287	90,422	1.5

Note: * Total number of students, i.e. incl. students of faculties located outside Prague

Data for private colleges, most of which were certified only recently, is not available

Source: Institute for Information in Education

The number of students in all public universities in Prague continually increased in a significant way over the past decade. Nevertheless, the demand for university studies, especially for the arts, is still not fully satisfied. This results in a situation whereby most applicants for study apply to more schools to increase their chances of admission. The number of applications lodged at universities is twice as high as the actual number of applicants. Less than half of the applicants pass admission examinations, some of them at more universities, and that is why the final number of enrolled students differs from those admitted.

Because of demographic development, current study capacities of Prague universities more or less comply with the assumed requirements for global numbers of students. That means no extensive development is expected, especially in the case of universities. The capacity of selected branches for which the demand is not satisfied on a long-term basis will increase through development programmes.

The development of non-university colleges, which are at present mostly private schools will also continue along the route of establishing public colleges.

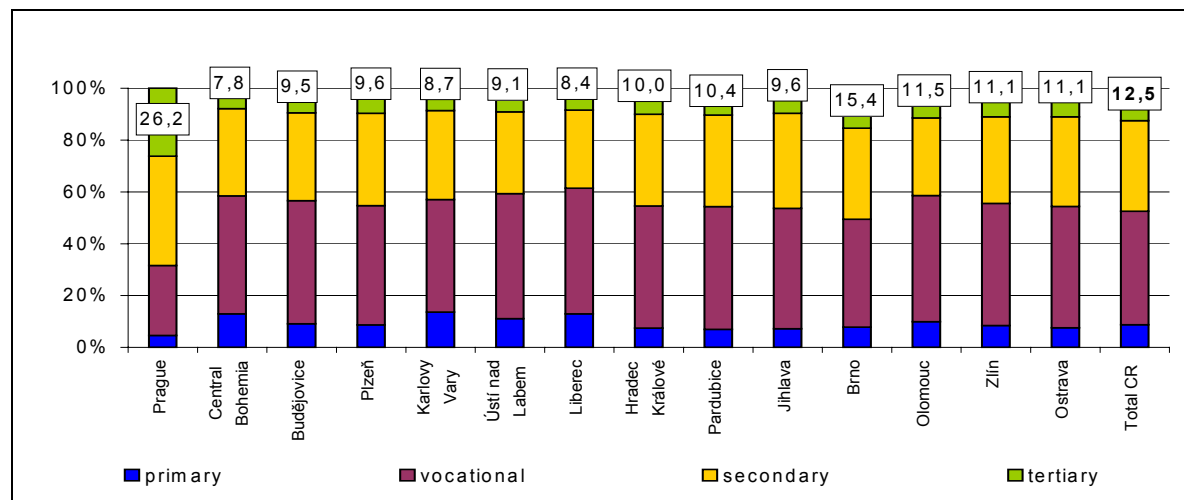
The development of the system of universities is closely connected with the qualification growth of academic staff. The quality of education, research and other creative school activities evidently depends on the quality of such professionals. The lack of staff with higher pedagogic degrees and their adverse age structure is the biggest issue in most colleges, especially the newly established ones. Now, the cardinal problem is the social and economic position of academic staff, mainly the young ones.

International cooperation calls for the improvement, extension and deepening of language preparation which will facilitate the mobility of both students and teachers. EU educational programmes, as well as other international bilateral and multilateral agreements and international programmes providing necessary material and technical conditions, are principal contributions to mobility and international cooperation. Some of the programmes are implemented by NGOs participating in the reform of education in the Czech Republic.

Although the general educational level keeps growing, significant differences in education achieved by the population exist among regions. Most people with a higher level of education

look for jobs in places where the offer of employment is sufficiently broad. That is why school graduates often stay at or move to places where they have studied. Prague is a typical example; the share of people living in Prague with tertiary education to the total number of the employed was twice as high in the second quarter of 2000 when compared to the countrywide average (26.2 % vs. 12.5 %).

Diagram 7: Share of Employed Persons according to the Achieved Level of Education in 2000



2.2.2.2 Further Education and Training

Since no statistics and reporting of any kind in the field of further education and training outside the school sector exist in the Czech Republic, no exact figures on further education and training in Prague are available⁴. According to the Ministry of Education, Youth and Sports register, further education and training is provided in Prague by 305 training institutions. Those are institutions the main activities of which focus on further education and training, plus schools providing mostly re-qualification courses in addition to their main activities in the area of initial education. Universities play an important role in further education and training in Prague. Programmes of further education and training as organised by universities were attended in 2001 by 7500 students. NGOs dealing with the training of teachers and offering a broad scale of training activities for the public are irreplaceable in that area. NGOs can also respond in a flexible way to educational needs reflecting topical themes and issues.

The number of training institutions does not fully include all in-house training facilities; furthermore, no survey exists of training facilities belonging to supranational corporations. Today registered training facilities offer a broad mix of training programmes, easily accessible in all districts in Prague.

The survey of certified institutions for adult training, which had been conducted by the Ministry of Education, Youth and Sports in 2000, provides the following data (with 34 % average return of questionnaires) in table 11.

⁴ Relevant data were not available when the programme was being prepared. Nevertheless, a workforce sample survey will cover participation of individuals in further training, apart from other issues. Thus, the data will be available for future analyses, monitoring and follow-up monitoring of programme impacts.

Table 11: Distribution of Training Institutions in the Czech Republic in 2000

Region	Number of Institutions	Number of Participants	% of Participants
Prague	89	15,118	38.3
Other regions	241	24,405	61.7
Total	330	39,520	100.0

Source: Survey conducted by the Ministry of Education, Youth and Sports

As compared to the other districts, the number of workers in Prague is 1:5.76 (more than 770,000 workers account for 15 % of the countrywide employment), whereas the number of participants in training programmes in Prague is 1:1.6 compared with the other districts, i.e. a considerably higher share.

The following can be stated:

- The training offering in Prague is much higher rather than that in other regions; the number of participants in training programmes is, however, low in comparison to EU countries;
- With regard to the infrastructure, the accessibility of further education and training is very good;
- Due to the high concentration of universities, adult training providers and their integration in international cooperation, considerable innovation and research potential is accumulated in Prague;
- As compared to the other regions, Prague labour force features considerably higher qualifications, a fact which forms a good starting position for the enhancement of competitiveness and labour market dynamics; simultaneously, however, there are many people in Prague without any qualifications at all, with low qualifications, or with such qualifications that are hardly usable on the labour market.

In spite of its quick development in the nineties, further education and training still does not contribute to the development of human resource qualifications and flexibility in a systemic way. In the sector of further education and training, a well-thought-out concept and necessary legislative and institutional conditions to direct and stimulate its development are missing. A partial breakthrough could be seen in the past two years. First conceptual documents were prepared, indicating objectives and approaches that might favourably influence further development. Those were, above all, the National Program of Education Development in the Czech Republic (White Paper) as approved by the Czech Government, and the National Plan of Employment and National Action Plan of Employment for 2002 as approved by the Czech Government. Furthermore, the draft Strategy of Human Resources Development in the Czech Republic and Implementation of the Strategy of Human Resources Development in the Czech Republic were prepared within the context of the Ministry of Labour and Social Affairs Phare programme. The documents form outputs from the programme of Human Resources Development and, upon a recommendation by the Council of Economic and Social Agreement, are to be used as documents for the Czech Government.

Missing definitions of competences and responsibilities of involved institutions and partners, an inadequate legislative environment and completely vaguely defined financing are issues preventing efficient establishment of the system. Financial funds as allocated to further education and training are not sufficient and the government's share in financing is low (except for re-qualification courses and evening classes). Incentives, such as tax allowances, are proposed in various documents, the implementation thereof is not, however, feasible because of the unclear system of financing.

There is no system of certified qualifications to interconnect the training and employment spheres; employers and other social partners are still little involved in the preparation of the

training contents and methods, as well as requirements for certification. Save for certain exceptions, certificates are issued to participants in training activities that are neither standardised, nor externally assessed and generally acknowledged. Certificates of further education and training are not equal to certificates issued within the school system; certificates of initial and further education and training are not mutually interconnected. So far, there is no system for acknowledging the competences acquired in non-formal and informal ways of training.

The offer of training courses is broad, featuring, however, different qualities. There are no good information and advisory services in practice that would facilitate orientation within the offer, especially for those who need it most, i.e. for people with low qualifications or otherwise disadvantaged on the labour market.

Further education and training providers are often small and weak firms; the involvement of schools is not sufficient. Access to good quality know-how and the experience of foreign firms is limited. That is why the enhancement and systemic expansion of the offering of training services mostly lags behind the prospective needs of businesses and the labour market. Progressive training forms and techniques are not widely used. Support is insufficient for the building of a continuous technical background for research and development in the methodology of adult education, trend mapping, development of new concepts, transferring and distribution of successful examples of experience in further education and training and international cooperation. Support for training and the development of training providers – lecturers, consultants, control and methodical workers in training – is not sufficient.

2.2.2.3 State Information Policy in Education

Czech Republic's State Information Policy in Education (SIPE) draws upon the EU "e-Europe" programme. In this programme, EU member states undertook to promote the connection of all schools to the Internet by 2002 while providing electronic access to core public services for the general public in 2003.

The implementation of the State Information Policy in Education follows the principles of the State Information Policy Action Plan specified by the Government's Resolution No. 244 of 14 March 2001. This Plan highlights the crucial importance of the fast expanding IT service segment, the role information play, the accessibility and applicability of information, new information and communication technologies, global information networks and the impact on society that is recognised by the Government. **Information literacy** is one of the key priority areas listed in this document. The aim is to achieve computer literacy of the population, a must for individual development and self-assertion in the 21st century.

Other important area is **Training SW and Information Sources**. The aim is to achieve effective integration of ICT into the teaching process, the school life and education in general through the new potential and capacity of the networks currently installed in schools, encourage the implementation of new teaching methods and work in the information environment, spread best practice, knowledge, products and tools for wider application, thoughtfully using experience from abroad, and make more teaching applications and data sources accessible to more schools.

Infrastructure project aims to make possible to all schools, i.e. all teachers and students, to access a common school network – School Intranet – by 2005. Functional infrastructure must be built to provide the whole range of services envisaged in SIPE, not only Internet connection. All basic (primary and lower secondary), upper secondary and higher professional schools totalling to 6,200 (according to the school network register) are foreseen as clients of SIPE implementation.

2.2.3 Social Integration

The level of social integration depends upon equal access to social resources for all people. The quality of participation in community life is assessed with regard to the population's economic activity, health care, schooling, housing, social protection and safety.

The social structure of Prague inhabitants reflects their income, being dependent mainly on the economic activity of household members. The economic activity of inhabitants in 2000 was as follows:

Table 12: Economic Activity of Prague Inhabitants in 2000 in %

	Total	Of which females
Total inhabitants	100.0	52.7
Employed	51.8	46.8
Unemployed	2.3	55.8
Retired	19.9	65.9
Students	8.7	47.6
Children up to 14 years of age	13.7	48.6
Other	3.6	88.0

Source: Sample survey of the labour force, Czech Statistical Office

Basically, it can be stated that the employed without dependent children represent the group in the best position (entrepreneurs and employees). On the other hand, families with young children, single parents (depending on a single income), low-qualified workers, people with long-term health problems, the unemployed and retired are on the other side of the spectrum. Single-member households of pensioners and single-parent families are groups at high risk, since their opportunities to increase their income are limited. Their expenses on housing alone account for 25.6 % and 27.2 % respectively, of their total family income (the total average per household is 17.5 %), which considerably reduces their available funds to spend on other goods and services. Socially maladjusted people, ex-prisoners, drug-addicts, and the homeless are groups at specific risk.

Medical care is provided to Prague inhabitants by both state-owned and private facilities. There are 26 hospitals in Prague (many hospitals include specialised centres for patients from the entire Czech Republic) that offer more than 10,000 beds (9 beds per 1000 inhabitants). The number of physicians in Prague is 7356 (6.2 physicians per 1000 inhabitants).

The average duration of sick leave per health insured employee is 5 % of the total number of calendar days per year. The average duration of sick leave features a growing trend which is probably not due to a higher sickness rate but to the small difference between wages and sickness benefits in low-income groups and to the fact that protection of the sick is misused whenever employees are afraid of being fired.

The existing system of medical care ensures basic health care for almost all of the population; nevertheless, the availability of medical services for certain groups is quite limited. Groups at risk include migrants not having a residence permit and work permit, the homeless, drug-addicts, single seniors, persons not paying health insurance premiums (the health insurance scheme is obligatory in the Czech Republic, premiums for registered, economically inactive persons are paid by the government – the retired, students, soldiers in basic service, the unemployed).

Education

Czech legislation stipulates obligatory schooling for children up to 15 years of age in the primary education system and free schooling in the system of public schools. The reform of the school system has, however, brought about certain risks, especially for children from socially weaker families. Often, parents have to pay for textbooks, above-standard courses, school meals, or after-school care centres. Children from socially weaker families are at a disadvantage in selecting a secondary school or university since the cost of studies is higher. Private schools, for example, are practically unavailable for such social groups. Children from minority groups or otherwise disadvantaged children are at risk due to the persisting way of the schooling process which does not sufficiently take into account the individual needs of pupils and students. Generally, ethnic minority members (especially Roma) achieve lower level education. The access to further education and training is very limited for most Roma as they leave the schooling system very early on. Their lack of interest in education also results from their different structure of values and the social environment in which the young generation is brought up. That motivates young people to stick to welfare rather than to education⁵.

Housing in Prague features several contradictory aspects. On the one hand, about a third of flats are under rent control (although still expensive for socially weak groups), on the other hand, there are flats available in Prague for which the rent is five to ten times higher rather than that for the former group. The existence of the two systems results in a black market with flats under rent control. A purchase of a new or older flat is an investment that will considerably restrict effective demand for many years. In spite of that, the trend of moving to localities with a higher standard of housing continues to grow in the group of people with higher incomes. The development of above-standard housing estates and, on the other hand, the existence of localities at social risk (e.g. some suburbs or localities with old houses where flats are of lower quality) indicates the risk of social exclusion of part of the population. Housing problems force many young people to postpone parenthood. The unavailability of flats also increases the number of homeless who left their former homes on various grounds (people who had not paid the rent, have no families, ex-prisoners, drug-addicts, young people leaving children's homes or youth custody centres). The mentioned problems are one of the consequences of the still missing mutually interconnected concept of the government social housing policy.

Social Protection

The Czech Republic is striving for the development of a strategy aimed at motivating people to take responsibility for their own lives and living standard. The government's responsibility should be limited to providing the minimum income for protecting individuals or households from poverty. Czech legislation makes it possible for the Prague population to ask for both obligatory and facultative benefits under the Czech social security system. Whether benefits will be granted is decided upon by social security authorities, employment offices, city and municipal authorities, and in the case of sickness benefits and pensions also by the Czech Administration of Social Security. In 2001, Prague inhabitants received, on a monthly basis, 44 different benefits amounting to CZK 32.5 billion. The most frequent welfare benefits in Prague include child benefits (CZK 875 million), parental benefits (CZK 714 million), social benefits (CZK 322 million), and housing benefits (CZK 148 million).

The system of financial benefits is supplemented by the existence of social care facilities including both day wards and facilities for long-term stay. Recently, a system of home care is being developed using services of NGOs.

For its elderly Prague has established social facilities for long-term stay for seniors (seniors' homes, homes with care service, lodging houses), one social care institute for people with

⁵ *Ex-ante evaluation by the European initiative EQUAL in the Czech Republic, NTF 2001*

sight disorders, and two institutes of social care. According to long-term statistics, the population includes approximately 3 % mentally disabled people. About 35-38 % of that number needs intensive assistance. No exact statistics for Prague exist. It was usual practice in the past to put mentally disabled people in large asylums with an average capacity of 50 patients. Such institutes are mostly located in border areas and do not comply with the current trends in social services. Since the institutes are not accessible by public transport during weekends, contacts with family are practically impossible. Most institutes for weekday stay are also located outside Prague, which means that contacts with family are limited. Many disabled people, especially older ones, live with their very old parents who take care of them, whereas the network of supporting field community social services, some of them provided by non-governmental organisations, is insufficient.

The operation of seniors' homes, social care institutes, specialised schools and facilities for the disabled and the City Centre of Social Services and Prevention which are located in Prague, is financed from the Prague budget.

Table 13: Number of Prague Facilities and Operating Allocations in Thousand CZK

	2000		2001	
	Number	Allocation in '000 CZK	Number	Allocation in '000 CZK
Seniors' homes	14	385,606	13	267,648
Social care institutes*	16	366,085	16	332,502
City Centre of Social Prevention		33,731		39,482
Total		785,422		639,632

* The figures include allocations to the Children's Centre Paprsek and Jedlička Institute

Being one of a few such cities in the Czech Republic, Prague is characterised by its high level of anonymity (with effects on criminality, narcotics – an open drug scene existing there, etc.). With regard to immigrants, Prague is also a point of entry to the Czech community.

Although newly established regions are beginning to be important Prague still cumulates most economic and social resources, a fact which makes it possible to lead a way of life without financial resources.

Inadequate expectations arising from economic and social sources lead to a high inflow and accumulation of homeless people and people without any social background. Prague thus becomes an asylum for people finding themselves in a life crisis who are not able to cope with their situation in their natural communities.

The way of life that such groups of people lead does not allow obtaining exact data on their numbers in Prague. Their number can only be estimated by the number of persons receiving social services. The usual figure is a tenth of the target group.

Safety

The criminality rate in Prague is comparable to that in similar European capitals. In the long-term the highest number of crimes in the Czech Republic is committed in Prague. In 2000 the number of crimes committed in Prague was 107,000, which stands for 27.3 % of all crimes committed in the Czech Republic. Besides this, the number of crimes per 1000 inhabitants was 38 in the Czech Republic in 2000, whereas the figure for Prague was 90 – 2.4-times higher. If compared to 1998, however, the number of crimes decreased by 7000. The highest number of crimes is permanently reported in the group of foreigners and, above all, illegal immigrants who do not have their own sources of income. Crimes feature an increasing level of brutality, which is brought about in particular by organised violence. The crime detection rate was 26 % in 2000; most, mainly petty, property crimes remain unpunished.

The social environment in Prague, especially in the centre of the city, is adversely affected by a high concentration of problematic groups of people, such as the homeless, often drug-addicts, without any opportunity or willingness to maintain personal hygiene. Such persons are risky for both Prague inhabitants and visitors.

2.2.4 The Roma Ethnic Group

Problems in the coexistence of the Roma and the majority community result from different cultural traditions, structure of values, level of education, and social environment. Generally, the Roma population achieves a lower level of education (see 2.2.3), which predetermines to a certain extent their position on the labour market. Their position on the labour market is also difficult because employers are generally reluctant to employ the Roma, being afraid of their poor labour habits. Traditionally, the position of Roma women in families is that of mother, not breadwinner, and that is why many Roma women do not even try to seek a job. Roma families generally have more dependent children than is common in families in the majority community. The insufficient level of education, disadvantaged position on the labour market, and higher number of persons dependent on the family supporter generally results in a lower economic level of Roma families. The difference between the average wages for low-qualified labour and average welfare benefits for multiple-member families is small, thus providing little motivation to proactively participate on the labour market.

The roots of problems in the coexistence of the Roma and the majority community lies in the forced integration of Roma families into majority community life, which has taken place over the time from the end of the W.W.II. until political changes late in the eighties of last century. At that time Roma families were moved to flats in housing estates, where their different customs caused conflict with the majority community. The schooling system not allowing for individual care excluded Roma children to special schools for problematic children and that is why Roma children were not given adequate education. Roma families had been just passive recipients of welfare benefits and the trend still persists. The traditional warm attitude to children disappeared from many Roma families and numerous Roma children are abandoned by parents and brought up in children's' homes and substitute care facilities. After coming of age, such young people without any family background often end up on the street or in communities involved in crime. Such people mostly stay in large cities, mainly in Prague, where anonymity facilitates crimes.

Therefore, social integration of the Roma is an important area of activities that should be implemented, respecting cultural differences and, most importantly, being based on motivation of the Roma population.

With regard to the Act 273/ 2001 Coll., on rights of members of ethnic minorities, it is prohibited for state authorities to gather statistics on ethnic minorities. It is thus impossible to provide statistical data related to Roma communities. In addition to this, the terms "Roma community" and "Roma national minority" do not overlap completely. A member of the Roma community is de facto anyone, whom the majority identifies as a member of this socially and ethnically defined group (e.g. persons who are not of Roma origin but who integrate into and live permanently within Roma environment). Many members of Roma communities do not declare Roma identity in a census. For the practical use of affirmative action it would be useful to have at least approximation of numbers. The Government is currently seeking solution to this problem.

Government agencies, non-profit organisations, as well as local public initiatives try to cope with the position of the Roma ethnic group in the Czech Republic. Institutional organization of Roma integration is based on governmental advisory bodies: the Government Council for Human Rights (which covers the human rights aspect of Roma issues), the Government

Council for National Minorities (covers aspects of national/ethnic identity) and the Government Council for Roma Community Affairs (covers the aspect of the wider socio-cultural perspective, initiates programmes to support the social integration of the Roma communities). There are also special expert bodies at the individual ministries. Roma regional coordinators, local advisers, assistants and other professionals employed by the state or self-government (e.g. teaching assistants, field workers) also help institutionally managed integration at a local level. However, the existing institutional arrangement still lacks sufficient instruments for regulating the approach of local authorities to the Roma communities. In Prague, there is a network of Roma coordinators who are paid by their local authorities and a Roma coordinator at the Prague City Hall.

The integration of members of Roma communities into the Czech society and preventing their further social exclusion is a pressing task that is and must be reflected in governmental policies. By governmental resolutions, a basic policy document, the **Roma Integration Policy Concept** was adopted in 2000 and updated in 2002 and 2003. The Roma integration Policy Concept deals with all aspects of Roma integration, its primary goal is to achieve peaceful co-existence of members of Roma communities with the rest of society. The priorities include removing disadvantages related to education and qualifications, social elevation and reduction of unemployment. Affirmative actions recommended in this policy concept include activities leading to an increase in the level of education and professional qualifications.

Affirmative action in the area of employment includes qualification and retraining courses (including also retraining courses for Roma assistants and advisers, courses preparing Roma for work in the state administration or service in the police force or the army). Specific programmes aimed at Roma communities are recommended, not only on the basis of ethnically neutral definition of “persons difficult to place on the labour market”.

Affirmative action in social policy requires an emphasis on working with the clients directly in Roma community. The projects “Field Social Work in Excluded Roma Communities” and “Help to Nearly-Adults” (so called “Halfway Houses”, project aimed at young people released from children’s homes and fostering facilities who are at risk of becoming homeless and who need help in order to integrate gradually into normal life) should be reinforced.

Affirmative action in education aims to change the present situation where a high number of Roma children only reach the low level of education while many of them continue to be placed in special schools. A legislative change aimed at the transformation of special schools into primary schools is desirable but not sufficient. These children need targeted assistance. One such form is the creation of “preparatory classes for children from socio-culturally disadvantaged environment”. Individual programmes and compensatory classes aimed at allowing to continue education within the standard school programme should be set up. Another opportunity lies in the extended use of teaching assistants. Individual approach to children at primary schools is crucial, but the role of teaching assistants, members of Roma community, should be extended beyond the first few years, to other levels of schooling, too. Project of schools with a full day programme, where attendance of the non-teaching part is voluntary, still not developed. Overcoming educational disadvantages also involves educating young people and adults who only attended special school or left the school system without completing basic education, which meant that any further education was closed to them. Another priority is the need to enable more Roma students to gain secondary or tertiary education.

2.2.5 Employment in the Region

Prague is the largest regional labour market in the Czech Republic. More than 770,000 workers account for 15 % of countrywide employment figures. The figure includes more than 110,000 commuters and about 60,000 foreigners with permanent or temporary residence and work permits. The two groups of "non-Prague" persons amount approximately to 20 % of the workers in Prague. The number of commuters to Prague from the region of Central Bohemia exceeded 75,000 in the first quarter of 2001, that is 10 % of the total Prague employment figure. That confirms the Prague labour market's significance for the labour force from the region of Central Bohemia.

Table 14: Branch Structure of Employment in Prague in 2001

Branch	Total (in '000 persons)	Share (in %)
Agriculture, forestry, mining	3.0	0.4
Processing industry, Generation and distribution of electricity, heat, water	103.0	13.4
Building industry	87.0	11.3
Trade, repairs	133.0	17.3
Restaurants, hotels	40.0	5.2
Transport, communications	71.0	9.2
Commercial services (incl. corporate services, sciences and research)	91.0	11.8
Banking, insurance business	38.0	4.9
Public administration, defence, mandatory insurance	56.0	7.3
Schools	49.0	6.4
Health services, social security,	48.0	6.2
Other public and personal services	51.0	6.6
Total	770.0	100.0

Source: Czech Statistical Office, Czech Police Directorate, Prague Employment Office – calculations prepared by the City Development Authority, Strategic Planning Department, City of Prague

Transformation changes were reflected mainly in the reduced number of employees in industrial businesses (a decrease of more than 70,000 persons from 1990, i.e. by 40 %). On the other hand, the development of new activities corresponding to current demand and extent thereof is reflected in enhanced employment in certain branches. Those include, for example, the development of information branches, especially telecommunications, or duplication of the number of employees in the finance industry. The increase in living standard, sales capacities, tourist activities and other services was reflected in the growing number of employees in respective branches. The trade, restaurants and hotels branches recorded more than a 50% increase. A total of 40,000 persons including 47.6 % female workers were employed in 2001 in Prague restaurants and hotels. On top of this Prague travel agencies employed 3252 persons in 2000.

Characteristics of the Labour Force

As compared to other regions in the Czech Republic, the Prague labour force features considerably higher qualifications and, along with their traditional skilfulness and professional flexibility, forms a good starting point for the enhancement of competitiveness and dynamics of the municipal economic base (the share of the population aged over 15 with secondary education is 40.2 % and with university education 20.7 %).

Table 15: Shares of Profession Groups by Classification (Residents)

Profession Classification	CR (in %)	Prague (in %)
Legislation professionals, managers	6.4	7.9
Scientists and specialised intellectual workers	10.9	23.0
Technical, medical and pedagogical workers (incl. related branches)	18.8	24.6
Junior administration workers (clerks)	8.2	11.6
Operating workers in services and trade	12.2	11.7
Qualified workmen in agriculture and forestry (incl. related branches)	1.9	0.5
Craftsmen and qualified manufacturers, processing workers, repairmen	19.9	10.9
Machine operators	13.0	5.1
Labourers and non-qualified workers	7.6	4.0
Soldiers	0.9	0.4
Unidentified	0.1	0.2

Source: Czech Statistical Office – Sample Survey of the Labour Force, Fourth Quarter of 2001

The specific role of Prague is demonstrated especially by the difference between Prague and the Czech Republic in the first three groups ("intellectual" workers). In the interest of Prague (and the entire Czech Republic) it is necessary to maintain at least the share of secondary school and university graduates on the level common in foreign municipalities, with a similar functional structure. Running of the city, however, also requires workers of other professions, the lack of which in Prague should be solved to a large extent by migration (e.g. in the building industry, trade, as well as health service).

The labour force structure according to employment position can be characterised by the data below.

Table 16: Employment Position in Sectors (in '000 persons)

Sector	Employees*	Employer	Self-Employed
Agriculture	3.6	-	0.6
Industries (incl. building industry)	98.5	5.8	29.5
Services	373.4	22.0	63.0
Total	477.2	27.8	93.8

Note: * including members of production co-operatives

Source: Czech Statistical Office – Sample Survey of the Labour Force, Fourth Quarter of 2001

Regardless of the significant (and logical) highest share of "employees", the other groups of the labour force are numerous. The scope of the "Self-Employed" accounts for as much as 15 % of the total number of employed persons (with only one or main job).

2.2.6 Unemployment in the Region

Due to the broad mix of professions, the Prague labour market was able to absorb almost all employees released during the process of transformation and the newly arriving ones (the unemployment rate in the first half of the nineties oscillated around the 1 %, a higher increase can only be seen since 1998). Recently, the unemployment rate in Prague has been developing in a similar way to the countrywide average, moving, however, around half its value.

Table 17: Development of the Unemployment Rate – Recorded Unemployment Rate and Recorded Numbers of Unemployed

Region	Unemployment Rate (in %)				
	1997	1998	1999	2000	2001
Czech Republic	5.2	7.5	9.0	8.8	8.9
Prague	0.9	2.3	3.5	3.4	3.4
	Number of Unemployed				
Czech Republic	268,900	386,900	487,600	457,400	461,900
Prague	5,442	14,580	22,556	21,832	21,632

Source: Monthly Statistics prepared by the Employment Services Administration, Ministry of Labour and Social Affairs and Employment office, City of Prague

The considerably lower rate of unemployment as compared to other regions in the Czech Republic does not, however, reveal certain important aspects about supply and demand on the Prague labour market. Relative data hide certain adverse facts that are evident, however, when expressed in absolute values even in the region-by-region comparison. Those are, for example:

- The high number of the unemployed with university education and increasing trend in the category – about 3000 persons which accounts for up to 10 % of the whole set of the unemployed, being the highest of all Czech districts;
- The high number of unemployed young job-seekers, school graduates and job-seekers with lower working capacity, and increasing trend in the category;
- The growing share of the unemployed registered for prolonged period of time – almost 45 % of the unemployed registered for more than six months;
- The high number of the unemployed not registered with the Employment Office (Prague approximately 1/3, the Czech Republic approximately 1/7).

The risky groups with regard to the labour market also include persons above 50 years of age (especially women), mothers with young children who have specific requirements for modified or shortened working hours, persons without any qualifications or with low qualifications. It can be assumed that members of ethnic minorities, above all the Roma, are a group at risk because they often cumulate multiple risk factors, such as low qualifications and repeated unemployment. With regard to the protection of human rights, this data is not monitored in the statistics as prepared by Employment Offices.

The records of Prague Employment Offices included 2781 people with lower working capacity at the end of 2001 (simultaneously, the labour market was offering only 343 jobs for such job-seekers).

The number of unemployed disabled persons is much higher than that of job-seekers with lower working capacity who are registered with Employment Offices. These are people who are quite seriously disabled, who would like to work, but they know the Employment Office cannot find suitable jobs for them.

It should be noted, however, that the pressure on the labour force associated with growing unemployment considerably increased the willingness of part of the population to look for jobs and accept employment. As compared to other regions, this is also due to the larger "free" market on which many job seekers can find a job (also of high quality) even without the Employment Office.

Basic Characteristics of the Development of Unemployment in Prague

Diagram 8: Development of the Number of Job-seekers and Recorded Vacancies in 1997 through 2001

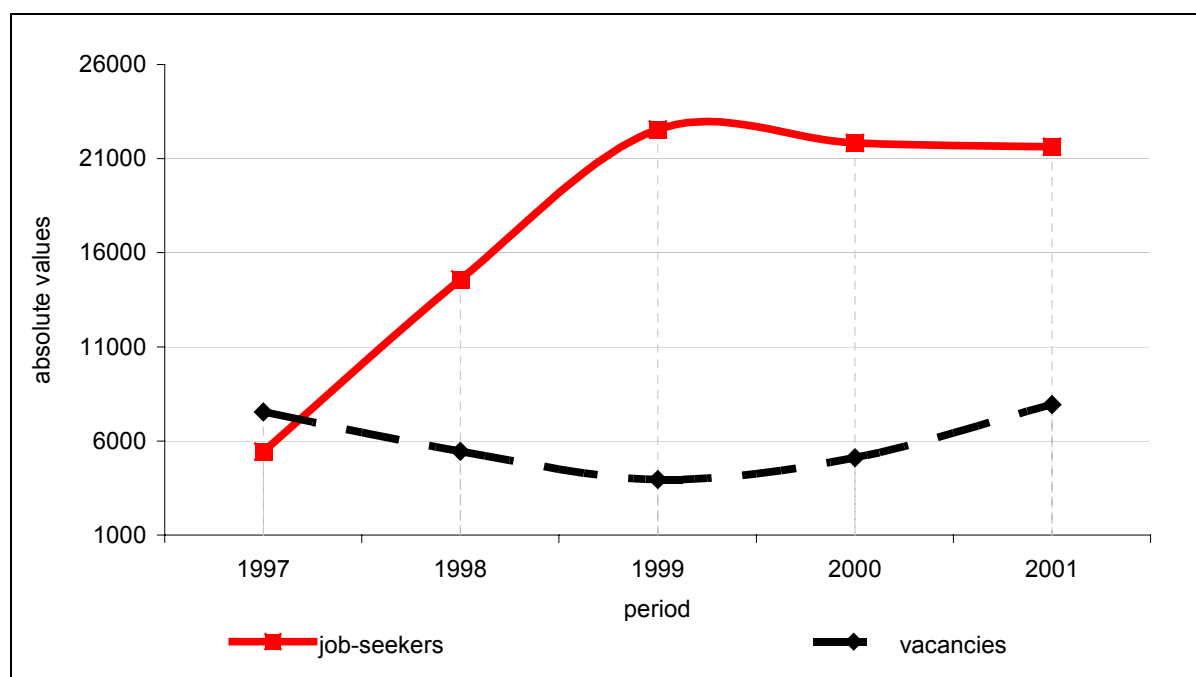


Table 18: Structure of Vacancies by the Classification of Employment⁶

Profession Class	Period	1997	1998	1999	2000	2001
Class 1 – Legislation professionals, managers		41	47	50	54	234
Class 2 – Scientists and specialised intellectual workers		437	356	489	730	962
Class 3 – Technical, medical and pedagogical workers (incl. related branches)		974	877	615	894	1246
Class 4 – Junior administration workers (clerks)		84	101	128	183	256
Class 5 – Operating workers in services and trade		958	673	931	1242	1325
Class 6 – Qualified workmen in agriculture and forestry (incl. related branches)		25	1,2	18	20	20
Class 7 – Craftsmen and qualified manufacturers, processing workers, repairmen		3079	2056	1022	1139	1880
Class 8 – Machine operators		598	486	284	431	584
Class 9 – Labourers and non-qualified workers		1350	841	421	412	1431
Class 0 – Soldiers		0	0	0	0	0
TOTAL		7546	5449	3958	5105	7938

⁶ Data for Class 1 in 2001: the increase due to the public administration reform, the establishment of NUTS 3 level (regions)

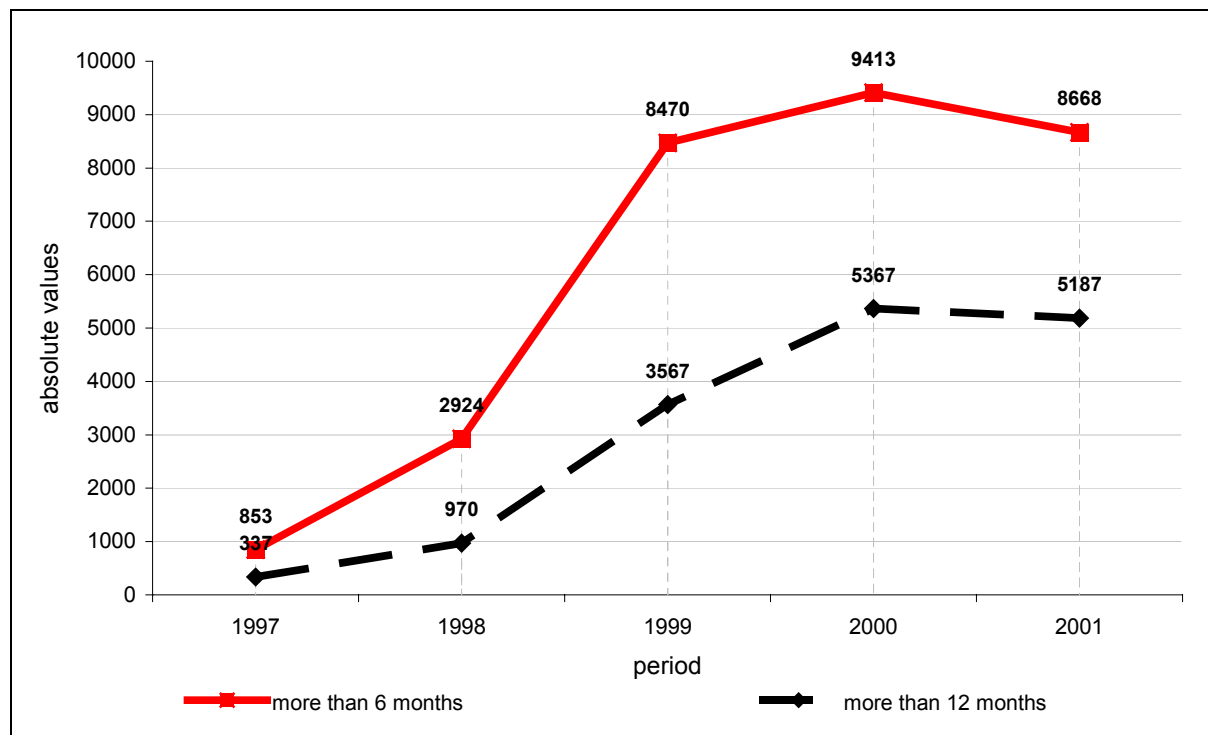
Employers are mostly interested in the following professions:

- Class 7 of the Classification of Employment – craftsmen and qualified manufacturers (practically on the level of Class 2), represented mostly by qualified machinery and building professions;
- Class 9 of the Classification of Employment – labourers and non-qualified workers; traditionally, the demand focuses on the field of ancillary building and assembly work;
- Class 5 of the Classification of Employment – operating workers in services and trade, represented mainly by the crucial block in the class, i.e. professions under code 51 (operators).

On the other hand, the (significantly) lowest demand is for professions in Class 6 of the Classification of Employment – qualified workmen in agriculture and forestry, which logically corresponds to the very low representation of the branch on the Prague labour market.

The considerable increase in the number of vacancies which started in the second half of 2001 (the number of vacancies ranged on average closely below 9000 in the first half of 2002) is due especially to the fact that work permits started to be issued to foreigners through a new SW product (OK Work). Amongst others, the product requires that all vacancies, for which foreign workers are requested or for which work permits will be issued, are entered into the system. It is the employer's responsibility to immediately notify the Employment Office of vacancies that were filled up, and the Employment Office "cancels" such vacancies. Late reporting by an employer is then reflected in a fictitious increase in the number of vacancies. Naturally, Employment Offices try to limit the phenomenon by improved cooperation with the employers.

Diagram 9: Development of the Number of Job-seekers Recorded for a Prolonged Period in 1997 through 2001



With regard to the duration of registration with the Employment Office, the highest share (35.2 %) accounts for persons recorded for up to three months. Such job seekers can find new jobs relatively easily, presenting no problem in unemployment. Unfortunately, the

adverse development continues both in the growing number and share of persons recorded for more than 12 or 24 months (13.4 % and 10.7 %, respectively).

Within the context of the aforementioned facts, it should be noted that the share of job seekers registered repeatedly is very high. 50.1 % of job seekers were recorded more than once and 24.4 % of all recorded job seekers more than three times. The average duration of registration with the Employment Office is 277 days. The structure of job seekers by Employment Classification indicates that the worst problems are in the group of technical, medical and pedagogical workers (20.6 % of all job-seekers), then in the group of labourers and non-qualified workers (19.3 %) and operating workers in services and trade (17.4 %).

The flow of unemployment is a comparison of the return of persons registered as job seekers with Employment Offices. Data in the table below indicate that the number of job seekers registered with Employment Offices is not growing; Employment Offices can help to find new jobs for more than a half of job seekers.

Table 19: Flow of Unemployment

	1997	1998	1999	2000	2001
Newly registered	15,338	30,837	46,899	46,116	46,147
Excluded from register	*	*	38,923	46,840	46,347
Employed	*	*	23,723	28,050	26,840

Note: * Data not available

Source: Data from Employment Office monthly statistics

Table 20: Job seekers by Education Structure

Period	1997		1998		1999		2000		2001	
	women	men	women	men	women	men	women	men	women	men
No education	31	20	37	32	38	67	52	67	47	61
Primary education	724	459	1685	1311	2468	2065	2460	2163	2478	2140
Vocational education	885	790	2539	2552	3935	4024	3872	4091	3665	4044
Secondary schools	1078	489	2673	1533	3963	2441	3689	2419	3499	2579
Grammar schools	278	97	613	303	805	404	654	407	677	366
Universities	312	279	684	618	1182	1164	897	1061	901	1175
Total	3308	2134	8231	6349	12391	10165	11624	10208	11267	10365

Source: Data from Employment Office monthly statistics

Table 21: Job seekers by Age Structure

Period Age	1997		1998		1999		2000		2001	
	women	men	women	men	women	men	women	men	women	men
up to 19 years	285	251	774	1015	860	1105	474	804	484	670
20-24 years	409	319	1254	1389	1871	2423	1525	2449	1502	2450
25-29 years	394	147	1072	552	1610	1060	1574	1110	1587	1365
30-34 years	397	152	921	459	1497	739	1498	751	1440	850
35-39 years	344	164	733	374	1211	685	1321	729	1249	755
40-44 years	382	227	884	547	1315	864	1227	840	1094	740
45-49 years	492	283	1125	684	1783	1068	1702	1134	1602	1091
50-54 years	552	341	1313	779	1968	1221	1988	1290	1857	1259
55-59 years	49	240	150	533	268	967	296	1048	435	1093
over 60 years	4	10	5	17	8	33	19	53	17	92
Total	3308	2134	8231	6349	12391	10165	11624	10208	11267	10365

Source: Data from Employment Office quarterly statistics

In the mid-90's, youth unemployment in Prague was a half of the EU-15 average, now youth unemployment is more or less comparable with the EU, but from the year 1999 (annual average was 28,4%) it has a decreasing character (2002 - 23,4%). Opposite situation is in the group of persons over 50 years of age, their unemployment rate has an increasing trend (in 1999 - 19,5% and in 2002 - 23,6%). The absolute amount of both is increasing.

The aforementioned fact demonstrates the problem for school-graduates on the labour market. Graduates accounted in 2001 for almost 10 % of the total number of job seekers. Their unemployment during the year is distorted by the fact that many secondary school-graduates registered at Employment Offices are preparing for entrance examinations in tertiary education in the next year. As indicated by the table below, unemployment of school-graduates changes during the year, with the highest number being recorded after the summer holidays.

Table 22: Development of the Number of Registered Graduates and Young Job-seekers by Education

ISCED97	Situation as of		
	30/ 9/2000	30/4/2001	30/9/2001
Without education	4	8	11
Primary education	138	220	148
Vocational schools	634	259	489
Secondary schools	1195	481	947
Grammar schools	179	82	102
Universities	291	121	280
Total	2441	1201	1977

Source: Data from Employment Office monthly statistics

As compared to the preceding year, in 2001 lower values were reported both in absolute terms and in the percentage of the total number of registered job-seekers, above all for school-graduates, although there were fluctuations. It can be assumed that the development was a kind of response to the introduction of obligatory nine-year school attendance and changes in the policy of subsidies due to changes in budget rules that made it possible to establish vacancies for graduates even in budget organisations and contributory organisations.

In spite of the seemingly favourable development in the number of registered graduates, the group is still highly disadvantaged on the labour market because of their lack of professional experience that is frequently associated with insufficient information about actual relations on the labour market. Whereas the typical cause of unemployment in the group of university graduates consists in the lack of professional experience, secondary school graduates and apprentices often feature a lack of motivation to look for a job, too.

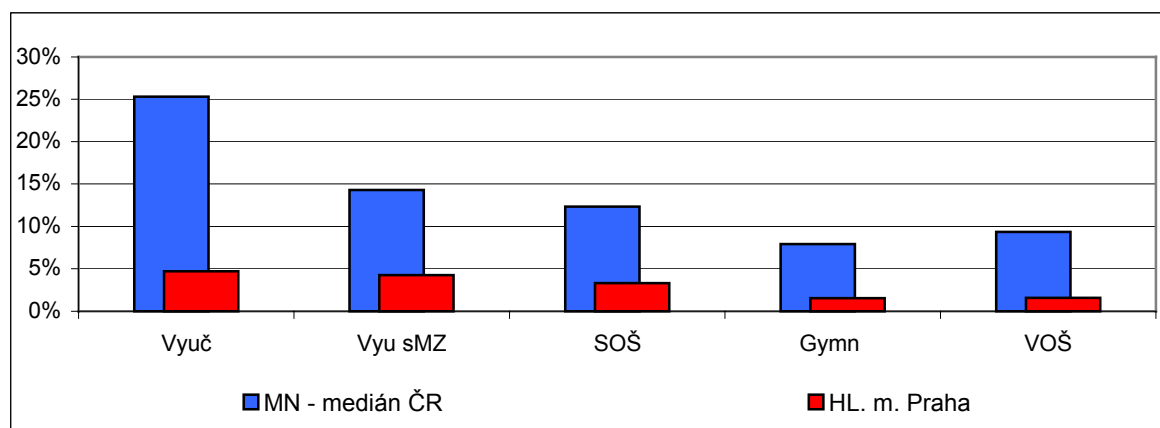
The following way of finding jobs for secondary school graduates and young people leaving primary schools was used:

- Looking for a suitable job or establishing financially subsidised jobs so that the graduate could acquire professional experience;
- Motivating graduates (and young people) to continue their studies;
- Re-qualification in case the existing branch of education cannot be used on the labour market.

Preventive measures in unemployment of graduates and young people are taken by the Information and Counselling and Career Guidance Centre that was established with the Prague Employment Office. The Centre has already provided counselling services to 582 individual clients and 1697 students from 114 classes of primary schools. The capacity of the Centre is not, however, adequate to the needs of the labour market, especially to the requirements of primary schools within the first choice of profession.

Nevertheless, the **unemployment rate of graduates** is much lower in Prague than in other regions. Similar to the situation throughout the Czech Republic, the highest unemployment rate can be seen in the group of apprentices without leaving examinations, followed by secondary school graduates. Considering the branch structure, the unemployment rate is evidently higher in technical branches than in economic branches and services.

Diagram 10: Share of the Unemployed in the Number of Graduates (April 2001)



Note: MN – Czech Republic median; Prague
 * Vyuč=Apprentices, Vyu sMZ=Apprentices with leaving examination, SOŠ=Vocational schools, Gymn=Grammar schools, VOŠ=Vocational higher schools

Source: Ministry of Labour and Social Affairs, Institute for Information in Education

In addition to school graduates, people with lower working capacity form specific groups at risk on the labour market. The following table contains the data of this specific group.

Table 23: Development of the Number of Job seekers with Lower Working Capacity

Period	1997		1998		1999		2000		2001	
	women	men	women	men	women	men	women	men	women	men
Job-seekers with lower working capacity	611	486	957	736	1300	1089	1386	1195	1531	1250
Share in the total number of job-seekers (in %)	11,2	8,9	6,6	5,0	5,8	4,8	6,3	5,5	7,1	5,8

Source: Data from Employment Office monthly statistics

There is a specific group of job-seekers who generally come across problems when looking for a job – the reasons include their limited ability to work, poor chances of finding a job, as well as the motivation to be really interested in finding a job.

Changes in the amended Employment Act (Act No. 1/1991 as per Act No. 474/2001) can be expected to positively influence the situation, though with a certain delay. The newly established measures could better motivate employers to hire workers with lower working capacity.

2.2.7 Active Employment Policy

In compliance with the Employment Act (Act No. 1/1991), the government pursues the employment policy through the mediation of the Employment Services Administration and its network of Employment Offices. The Prague Employment Office consists of the headquarters and nine branches that are located throughout Prague. The headquarters includes the following departments: director's secretariat, internal audit, mediation and consultancy, labour market, legal and controlling, economic, informatics and IT. The structure of branches is unified; each branch includes the director's secretariat, mediation and consultancy, labour market, and legal and controlling departments.

In addition to the network of public Employment Offices, private job centres operate on a commercial basis in Prague. Their operations focus mostly on the identification of top qualified workers for large, often supranational corporations.

The government's employment policy includes a passive policy (unemployment benefits paid up to registered job seekers) and an active policy (**AEP** hereinafter) that helps to support the employment environment, employment itself and job creation.

The AEP includes counselling services, motivation courses, re-qualification, subsidies to the cost of providing vocational practise for secondary school or university graduates or attainment the qualification for young workers, subsidies to the creation and operation of protected jobs in protected workshops and workplaces for disabled persons, subsidies to the creation of public beneficial works, and contributions to the creation of socially useful jobs (incentives form a separate part of the AEP). Socially useful jobs are created both by employers or job seekers themselves as self-employment positions (self-employed persons). Contributions are granted as subsidies, interest-free loans, subsidies to the interest on loans, and wage subsidies paid to employers (the latter form cannot be used in the case of self-employment).

Table 24: Number of Job-seekers Newly Hired for Created Jobs or Starting Re-qualification within the Context of the AEP (except for "protected workshops-operation") in Prague

AEP	Year	1999			2000			2001		
		Total	Men	Women	Total	Men	Women	Total	Men	Women
Socially purposeful employment opportunities – subsidies to wages		90	31	59	134	65	69	89	32	57
Socially purposeful employment opportunities – starting self-employment – subsidies		0	0	0	3	1	2	1	1	0
Socially purposeful employment opportunities – starting self-employment		2	2	0	0	0	0	1	1	0
Vocational practise for university graduates		42	15	27	58	29	29	15	6	9
Vocational practise for secondary school graduates		64	21	43	78	28	50	30	14	16
Persons with lower working capacity- self-employment		3	3	0	2	0	2	0	0	0
Persons with lower working capacity – employment		0	0	0	0	0	0	1	1	0
Publicly beneficial works		72	72	0	115	106	9	69	69	0
Requalification		361	151	210	376	115	261	521	189	332
TOTAL		634	295	339	766	344	422	727	313	414

Socially useful jobs

The application of this AEP tool to solve the situation on the Prague labour market focuses (except for several cases of financial contributions to job-seekers who start self-employment) mainly on establishing a useful job for a specific job-seeker with a financial contribution in the form of "wage subsidies" (which in this case is considered as an efficient way in relation to solving the needs of a given job-seeker and efficient spending of funds). This way was used also for finding jobs for job seekers with lower working capacity (the shares of job-seekers with lower working capacity ranged between 37 % and 50 % of all job seekers). Basically, those were always job seekers who had problems in finding suitable jobs for various reasons.

Providing Vocational practise for Graduates and Enabling the Attainment of Qualifications

This AEP tool is used for solving the situation of job seekers – graduates from universities and, above all, secondary schools of various branches (most job-seekers are secondary school graduates) who are disadvantaged on the labour market especially due to a lack of vocational practise which is frequently associated with a lack of information about actual relations on the labour market.

In the case of university graduates, this tool was used in the first two years of the period under monitoring especially to solve the situation of graduates from medical faculties – later on, however, the opportunities of acquiring vocational practise in contributory organisations controlled by the government were limited which mainly has an impact on this category of graduates.

In 2001, socially useful jobs started to be created for secondary school graduates who could acquire in this way vocational practise in contributory and budget organisations. Mostly, the jobs were in the position of "administration staff".

Publicly Beneficial Work

The tool of publicly beneficial work was developed to create short-term jobs for job seekers. It is used especially for job seekers with primary education (or incomplete education), problematic and socially non-adapted persons or persons who have difficulties in finding a job. Basically, jobs are created in ancillary professions, not requiring any qualifications, such as outdoor cleaning works, maintenance of areas of public greenery, etc. Because the works require physical strength, mainly men are placed in such jobs.

Sheltered Workshops and Workplaces

In this field, the Employment Office activities focus mainly on contributions that partially cover the operating costs of the existing workshops operating based on agreements of establishing the statute of protected workshops. In such cases, this is a form of financial assistance to employers, often NGOs, so as to maintain existing jobs for already employed persons with lower working capacity.

Re-qualification

The number of job seekers attending various types of re-qualification courses grew continually in the period under monitoring. The success rate measured by completion of courses was about 90 %. The number of job seekers who found jobs in six months after the completion of re-qualification was about 48 % over the past two years.

Implemented re-qualification activities included mainly training courses in accountancy, computer skills for basic PC operation up to computer network administration. Many courses the aim of which was to employ job seekers in the sector of services, developing their handicraft skills, e.g. shop assistant, beautician, masseur, hair-dresser, nurse, or to deepen their technical skills, e.g. fork-lift truck driver, welding, preparation for certified examinations in electrical engineering, were also organised.

To enhance the job seekers' motivation and efforts in looking for a job, non-specific re-qualification courses for graduates and persons with lower working capacity were organised, too. Practical re-qualification courses of the type "help in services or in the building industry" were designed especially for young job seekers with primary or incomplete secondary education with the aim of creating or maintaining work habits.

2.2.8 Equal Opportunities

Being the signatory of the Convention on the Protection of Human Rights and Fundamental Freedoms, the Czech Republic agreed to observe rights and freedom without discrimination of any kind whatsoever, such as the sex, race, skin colour, language, religion, political or other persuasion, national or social origin, national minority membership, property, family or other position. The principles are reflected in the Czech Constitution and whole legislation. In practice, however, certain inequalities still exist and certain individuals and groups are disadvantaged which is due to the insufficient removal of barriers and lack of information.

In the sphere of education, there is no difference in availability between genders. Prague secondary school female students account for 49.5 % (the average in the Czech Republic is 50.1 %), university female students for 43.4 % (the average in the Czech Republic is

46.3 %). Generally, it can be noted that male students are more numerous in technical branches, whereas arts are studied more by female students.

Healthy and disabled children had been strictly separated until 1989. That was the case of not only mentally disabled children whose ability of being educated is limited but also of physically handicapped children.

Fortunately, the trend has changed recently and children with various types of disability are being integrated especially in pre-school facilities and primary schools. Barriers, however, still exist which is due to the insufficient technical infrastructure, number of personal assistants and little understanding on the part of school management and parents. Removal of such shortages depends on the volume of financial funds to be invested in the system either in the form of tangible or intangible expenditures, as well as on education and informing both teachers and the public.

Differences in the approach to groups featuring various types of disadvantage and to equal opportunities for genders, however, exist on the labour market where more aspects of life are involved.

The Employment Act stipulates compensations for disadvantaged groups in the form of various tools of the Active Employment Policy. The tools focus on low-qualified persons, graduates without practice and persons with lower working capacity. In spite of that, the mentioned groups still meet with difficulties on the labour market.

Position of women on the labour market

As regards gender inequalities, that arises mainly from the fact that care for a family and its dependent members is still considered to be the woman's responsibility. The gender contract³ defines all women on the labour market as workers burdened with household duties (second shift), and that applies also to women who have selected a career instead of a family or have their household duties performed by another person. The conflict of family and career roles thus becomes significant with regard to the present high level of employment and education of women. That is because only a small group of women select either family, or career; most of them try to combine the care for family and their career. Harmonic interconnection of family and career is crucial – without limitation – for women in management positions, university graduates and entrepreneurs. In certain age categories, women seem to be disadvantaged also by their assumed future motherhood although women are not mothers at that time.

Opportunities how to reconcile family and work life – advantage and disadvantage:

Part-time work

When a pregnant woman or an employee (female or male) taking care of a child younger than 15 years so requires, the employer must allow such person to work part-time or to otherwise re-arrange working hours, unless the operating circumstances in the business would not allow for such an arrangement.

Disadvantage:

- Part-time employees enjoy less employee benefits and slower career development;
- Unless the performance requirements are exactly defined, the employee may be overloaded, i.e. doing the same work in less hours;
- Access to in-work training is more difficult for part-time employees.

³ The text draws from the bulletin "Gender, Equal Opportunities, Research" No. 2-3/2002, which is published by Gender & Sociology at the Institute of Sociology, Czech Academy of Sciences. ISSN 1213-0028. The gender contract is defined as "[a set of] implicit and explicit rules as applied and enforced in daily life that attribute different work and values and different obligations and responsibilities to women and men ..." (p. 2).

Job sharing

Two employees share one job. Apart from the obvious advantage, there is some disadvantage, too. Most important, the productiveness and efficiency is poorer compared with the traditional eight-hour job.

Flexible working hours regulated by the employee

The employee himself/herself decides when to start working and when to finish – he/she however has to fulfil his/her tasks in any case. Unless the tasks are clearly defined, there may be the same undesirable effect as in the case of part-time work.

Home working

Work is carried out elsewhere, not at the employer's premises; most often, it is at home. When ICT are used it is so-called "teleworking".

The disadvantage may consist in a loss of social contacts, strain on the employee's own resources (equipment, electricity, etc.) and, mostly in case of women, the extra burden of housework (working hours are not respected).

Assistance in caring for dependent family members

Collective forms of such care include nurseries, after-school care centres, clubs, summer camps. Collective forms of care for elderly, ill or disabled people are offered in a network of various social care institutions.

On individual level, family members may help or there are professional baby sitters, cleaning agencies, care service agencies. Self-help groups or in-house care centres can be founded, too.

Nevertheless, the women who would use such services have learnt that collective institutions with their rigid arrangements often fail to respect women's working hours and style. Paid-for individual services are rather costly, on the other hand.

Contribution to person caring for a family member or other similar dependant; support to person caring for a sick family member

The government will provide monthly monetary contributions to those who personally care on a regular basis for a person who is largely or totally disabled, for a person older than 80 years who is partly disabled, or for a child with a long-term disability and requiring special care. Employer (or the Social Security Administration) will provide monetary contribution from the sickness insurance to those who care for a sick family member or for a child younger than 10 years (here, the reasons are exactly specified: e.g. school closing down, quarantine, etc.). Such contributions are paid over the period of 9 or 16 calendar days, depending on circumstances.

Transfer to other work

When a woman returns to work less than nine months after childbirth or when she works during pregnancy, and she asks to be transferred to other work, the employer must fulfil her requirement. In case such a transfer leads to a wage decrease, a balancing contribution will be paid to the woman from the sickness insurance in order to set off the decrease.

Job protection for pregnant women and women on maternity leave

The Employment Act defines the level of legal protection of mothers and pregnant women. Apart from others, it prohibits (although not absolutely) to fire a pregnant woman or a woman on maternity leave. Also, it is guaranteed that mothers may return to their jobs after maternity leave.

Nursing breaks

Full-time employee breast-feeding a child younger than one year must be allowed two thirty-minute breaks every day to breast-feed the child. Over the next three months, one break will be allowed, and the same for a part time-worker breast-feeding a child younger than six months. Such breaks are included in the working hours and are paid for.

In spite of being obviously intended to protect mothers, the above measures may and do turn against women. Discrimination against women on the labour market stems partly from the stereotypes concerning the role of woman as a mother. The solution is not to remove the protective measures but to combat the stereotypes, for instance to strengthen the role of man as a father, to disseminate knowledge about how important and valuable the housework is (actually, staying at home has nothing to do with „holiday“ or „relaxing“). Many of the measures suggested herein will not only improve the position of women but will help other disadvantaged groups, too.

It is still women who have to solve the dilemma of career versus family, and although a group of career-orientated women is starting to appear in the Czech Republic, who decide not to have a family and develop their career only, most women will be still looking for ways of combining their career and family. In addition to the aforementioned reasons, this is also because the heads of incomplete families with children are mostly women. Of the total number of 213,721 incomplete families in the Czech Republic in 1996, 186,852 (87.4 %) were headed by women.

Table 25: Economic Non-activity Due to Care for Family in the Czech Republic in '000 Persons

Non-active persons, taking care of family, housekeeper	1993	1995	1997	1998	1999
Women	360.0	347.6	373.7	352.7	342.4
Men	8.1	4.4	4.5	4.5	4.6
Total	368.2	352.0	378.1	357.2	347.1

Source: *Men and Women in Figures*, Czech Statistical Office

Table 26: Structure of Incomplete Families in the Czech Republic

	Head of Family					
	Man			Woman		
	1988	1992	1996	1988	1992	1996
Number of households	20,013	21,797	26,869	163,033	171,809	186,852
Number of dependent children in the average number of members	1.39	1.35	1.36	1.49	1.45	1.48
Single parent (%)	1.5	2.1	3.1	6.2	6.9	7.8

Source: *Men and Women in Figures*, Czech Statistical Office

Because of the aforementioned reasons, it is more difficult for women to find a job. Employers consider especially mothers of children as more risky, preferring men or childless women. The share of unemployed women in Prague was 54.9 % in 1999 and 51.1 % in 2001.

Differences in remuneration for work between genders are partially due to the traditional, natural division of labour, undervaluation of work in typically female branches (the textile industry, schools, services) and partially associated with the more difficult position of women on the labour market. Man is taken as the breadwinner and often given (regardless of the law) higher wages for the same work as compared to woman. Because women are more involved in household duties and care for children and seniors, they often perform less responsible work, are not involved in management structures and, consequently, receive

lower pay. The average net wages of women in the Czech Republic accounts for 84 % of the average net wages and only 74 % of the average net wages of men. The highest difference can be seen in the group of female university graduates. Their net wages accounts only for 76 % of the total average wages and 64 % of the average net wages of men that reflects the low participation of women in management positions. In the specific class of "legislators and managers", the percentage is a mere 54 %. As indicated by the research conducted by the Institute of Sociology, Academy of Sciences, there are certain professions in which the difference in remuneration for work is as much as 100 %.

Statistical data for Prague is not collected separately; presumably, the shares will be the same.

Female Entrepreneurs

The Prague Administration of Social Security states that the number of self-employed persons in Prague was 164,141 in August 2002, of which 57,576 were women, i.e. 35 %.

Although the phenomenon of female entrepreneurs is not unusual, self-employed women are a minority that is a more or less stable situation (from 1995 women account for about 27 % of entrepreneurs in the civil sector in the Czech Republic). Though self-employment is not the main activity either for men, the share of women is considerably lower, as indicated by Table 26.

Table 27: Development of Positions in Main Employment in the Civil Sector in the Czech Republic

Employment in the Civil Sector		1993	1995	1997	1999
Number in '000 persons	Total	4803	4908	4884	4709
	Men	2666	2731	2737	2640
	Women	2137	2177	2148	2069
Share in %	Employees	86.8	86.0	85.9	84.3
	Men	84.0	82.8	82.4	80.3
	Women	90.2	90.0	90.4	89.4
	Employers	2.7	3.8	4.1	4.2
	Men	3.8	5.2	5.6	5.7
	Women	1.4	2.1	2.1	2.2
	Self-employed persons	6.4	7.6	8.0	9.9
	Men	8.0	9.6	10.1	12.5
	Women	4.4	5.1	5.2	6.5
	Other	4.1	2.5	2.0	1.7
	Men	4.1	2.4	1.9	1.5
	Women	4.0	2.7	2.2	1.8

Source: *Men and Women in Figures*, Czech Statistical Office

2.3 SWOT Analysis of the Human Resources Sector in the Region

2.3.1 Strengths

Lifelong Learning

- **Relatively high level of schooling (especially higher secondary schools) and qualification of the labour force**
- **Evenly distributed and well-accessible network of schools and educational and training facilities with adequate capacity**
- Good level of international cooperation among universities
- Certification mechanism for university study programmes
- Existence of legal standards for initial education
- Large number of institutions for further education and training with a broad mix of training programmes
- Development of tertiary education – institutional and programme diversification

Labour Market

- **Highly qualified labour force**
- **Relatively low unemployment rate in the region of Prague**
- **Various labour market**
- **High concentration of employers and employers applying new methods of work organisation**
- Built-up system of employment services
- Higher average wages (a higher difference between welfare benefits and average wages motivates work)

Social Integration

- **Relatively strong social stability and considerable representation of the middle class**
- **Balanced social structure in local communities**
- **High concentration of non-governmental organisations in the social sphere**
- Living standard above the Czech Republic average
- Restoration of the open city spiritual atmosphere accepting impulses from different cultures and directions

Cooperation between Research and Development and the Business Sphere

- **Built-up network of educational and research capacities**
- **Traditional cooperation between research centres and large industrial corporations**
- Good researchers and scientific teams able to succeed within international competition
- High number of students in regular programmes and postgraduate PhD programmes, who are involved in scientific projects, and a high number of young scientists
- Existence of an initial network of institutions supporting the development of innovations

Tourism

- **Traditional tourist centre of European and global significance**
- **Practically all-year operation and tourist service offering**
- Increasing accommodation capacities

Equal opportunities between women and men

- **Relatively high economic activity of women**
- High share of career-orientated women and female managers

- *De iure* guaranteed equal opportunities for men and women
- Numerous measures and policies already implemented in practice
- Increasing interest of the public in this matter
- Relatively extensive base of women's organisations covering a broad mix of issues pertaining (amongst others) to women and having information, experience and human resources

Economic environment for SMEs

- **existence of relatively strong sector of SMEs**
- **fast adaptation of firms to market requirements**
- ability and capacity of workers to be trained in new production technologies and techniques
- interest of firm for investing to information technologies and to research and development

2.3.2 Weaknesses

Lifelong Learning

- **Insufficient link between the educational system and contents of education to the labour market needs**
- **Missing general concept of further professional education and training and its link to initial education (except for the health service)**
- **Low mutual interconnection of the schooling system**
- Insufficient education of teachers in advanced technologies and using modern teaching methods
- Study programmes of vocational schools do not adequately reflect technical development
- Lack of good information systems and interconnection thereof
- Low mobility of students and teachers, especially in the domestic environment
- Low participation of social partners in the formation of the contents and organisation of vocational and further education and training
- Demand for tertiary education is not sufficiently satisfied because of a lack of financial resources
- Insufficient integration programmes for minorities
- Absence of incentives for the multi-source financing of further education and training
- High percentage of persons leaving the schooling system prematurely, especially in first grades at universities and higher vocational schools
- System of leaving examinations in secondary schools
- The network of higher vocational schools was built up in a non-systemic and inconsistent way
- High occurrence of barriers in schools, teachers not being prepared to admit handicapped children to normal schools, and a lack of school assistants (and unclear legislative regulation) prevent most handicapped persons from acquiring adequate qualifications

Labour Market

- **Increasing share of the long-term unemployed**
- **Insufficient care for the long-term unemployed**
- Weak motivation of certain groups of the population to work
- Insufficient capacities to provide for employment services in Prague
- Insufficient communication and cooperation among entities involved on the labour market
- Barriers in buildings and transport prevent many handicapped persons from acquiring such jobs for which they are qualified and which they are able to perform

Social Integration

- **Increasing criminality including the organised crime and social pathologic phenomena in general (drugs, prostitution, etc.)**
- **Worsening demographic structure of the population**
- **Growth, concentration, social exclusion and insufficient integration of certain groups of the population (Roma communities, inadaptable people, homeless persons and illegal immigrants)**
- Low co-participation of people in decision-making pertaining to public matters
- Low identification with the local community and Prague as a whole
- Neglect of children leaving school prematurely
- Existence of involuntarily excluded groups of Prague inhabitants who live in distant institutes

Cooperation between Research and Development and the Business Sphere

- **The top industries are not purposefully interconnected with research, especially at universities, and research centres are not sufficiently motivated to cooperate with the practice**
- **No clusters are created to lead to multiplication and synergetic effects in the given area (e.g. innovation and technological centres, scientific parks, etc.)**
- **Insufficient support for small and medium sized enterprises, which would absorb and commercialise the outcomes of research and development**
- **The research at universities is mostly fragmental, not being oriented towards larger projects, which could be exploited in the commercial sphere**
- Absence of national and regional innovation policies, human resources development policies and system of support for the innovation process as a whole
- The culture in research centres is mostly in opposition to the commercialisation of research; absence of qualified researchers who would provide in a systematic way for the transfer of technologies
- Information and communication barriers not only between individual sciences, but also between researchers and business people
- In general, the legislative environment is not yet favourable for the development of research and sciences and the implementation of the outcomes into practice

Tourism

- **The qualification in tourist services does not follow world trends**
- **Uncoordinated and insufficient information network in tourism**
- **Communication barriers (language and psychological)**
- Low level of partnership relations between individual tourist entities and between the public and the private sectors
- The quality of certain tourist services does not comply with international standards
- Uneven geographic distribution of tourists and visitors

Equal opportunities between women and men

- **Persisting prejudices pertaining to the maternity role of women and its reproduction in the upbringing and education**
- **Low motivation of employers to implement measures aimed at the harmonisation of family and career**
- **Persisting differences in remuneration for men and women**
- Weak partnership cooperation of the non-profit sector, political representation and social partners
- The trend of certain media to disparage the issue or make it even a subject for tabloids
- Insufficient capacity, lower financial availability and, in some cases, also commuting availability of facilities providing care for family dependants

Economic environment for SMEs

- **Low motivation of SMEs for supporting better working conditions for employees**
- **Insufficient funds for own research and development**
- **high operating costs for entrepreneurship**
- **difficult access to loans**
- Insufficient quality of industry information and services
- Low awareness of new management methods

2.3.3 Opportunities

Lifelong Learning

- **Development of educational programmes responding to labour market requirements**
- **Education of teachers, lecturers, managers and other specialised employees of training institutions**
- **Improving the availability of tertiary education**
- **Systematic verification of the quality of further education and training programmes and certification of results**
- **Using schools as multi-functional centres of scholarship for further education and training of the population**
- Implementation of lifelong learning to provide for the maximum development of each individual and corresponding changes in the structure, contents and forms of initial education and further education and training
- Optimisation of the network of schools in Prague and the neighbouring region
- As broad as possible interconnection of activities of all partners participating in education: central and local administration bodies, schools and other training institutions, pupils and students, parents, social partners
- Improving the access to education and activation opportunities for persons with special needs, disadvantaged groups and groups at risk of marginalisation and social exclusion
- Application of multiple resource financing
- Creation of a consulting and information centre for further professional and vocational training
- Alternative education of adult clients of social care institutes

Labour Market

- **Using the high qualification, education and flexibility of the labour force**
- **Complex approach to the long-term unemployed**
- Focus on graduates and young people leaving school prematurely
- As broad as possible interconnection of all partners involved on the labour market
- Increasing the number of employees in the sphere of the provision of social services
- Enhancing the Active Employment Policy programmes, especially for members of disadvantaged groups
- Differentiated approach to various disadvantaged groups

Social Integration

- **Maintaining the social mix in most residential quarters**
- **Care of groups at risk of social exclusion**
- **Reduction of criminality through the mediation of education, information, offer of leisure-time activities**
- **Enhancing the existing potential of theoretical knowledge and practical experience of Prague non-governmental organisations providing modern social services**
- Improving social care services
- Enhancement of the multicultural tradition of Prague

- Deinstitutionalisation and diversification of social care services, return of Prague's original inhabitants from out-of-Prague social care institutions

Cooperation between Research and Development and the Business Sphere

- **Creating a favourable innovation environment and, above all, conditions for the transfer of technologies**
- **Developing international cooperation and membership in the EU**
- **Support of both applied and industrial research and development**
- **Increasing the motivation of students, PhD students and young scientists**
- Enhancing the attractiveness of employment in Prague research institutions for highly qualified workers especially from the countries of the former Soviet block
- Higher involvement of private capital
- New opportunities for the support of research and development in connection with the new Support to Research and Development Act and National Programme of Research, which is being prepared
- Creating an optimum balance in basic research financing in relation to other research and development activities

Tourism

- **Improving the quality of preparation of workers, especially in the field of languages and professional approach to tourists**
- **Improving the quality of tourist services and supporting services**
- Opportunity to use tourist facilities for cultural and educational events
- Stimulating the permanent, all-year interest in the city by means of supporting reasonable tourism also out of season and programmes outside the city centre or in cooperation with the Central Bohemia Region

Equal opportunities between women and men

- **Support of programmes focused on equal opportunities between women and men**
- **Information for employers, mass media**
- Development of social services as an opportunity for the enhanced involvement of women on the labour market

Economic environment for SMEs

- **New systems of production and HRD management**
- **Implementation of further vocational education for workers**
- Development of information and communication technologies
- Development of environment friendly technologies

2.3.4 Threats

Lifelong Learning

- **Continuing insufficient interconnection between the system of professions and system of educational branches in the modernisation of the educational system and generally insufficient links between education and the labour market**
- **Insufficient motivation of teachers for their involvement in development programmes, changing their habits, improving their qualifications**
- **Lack of financial funds for the development of modern educational programmes and the absence of a systematic approach to financing of further education and training**
- **Slow transformation of the educational system**
- **Persisting absence of control of the further education and training quality and insufficient level of counselling and information systems**

- Low possibility for integrated education of handicapped pupils and students, causing a lack of social experience for their future lives
- Insufficient cooperation between city institutions and city quarters in further education and training
- Insufficient cooperation between employment services, educational and training institutions and employers

Labour Market

- **Ineffective measures for the long-term unemployed, handicapped and poorly adaptable persons**
- **Practically uncontrollable inflow of workers from abroad**
- Underestimated need of adequate personnel and technical equipment of employment services
- Ineffective sanctions towards employers who do not fulfil the mandatory quota for employment of the handicapped

Social Integration

- **Ever-increasing concentration of poorly adaptable persons and their subsequent exclusion to the fringe of society**
- **Social degradation of Prague suburbs**
- **Growing share of the population of post-productive age**
- **Growing criminality and drug-addiction**
- **Existing xenophobic attitudes and racist behaviour of part of the population of Prague**
- Growing number of persons depending on welfare benefits
- Further loss of the population's interest in public matters unless cooperation is established between municipal (local) administration and the inhabitants
- Unstable financing of NGOs providing social services
- Trend of deinstitutionalisation often declared only and not actually implemented in practice, which results in the deepening of social exclusion of certain endangered groups of the population
- Insufficient development of field services

Cooperation between Research and Development and the Business Sphere

- **Local research and development capacities are not used by foreign investors**
- **Qualified workers from universities and research institutes leaving abroad**
- **Continuing growth of costs of basic research to the detriment of applied research, industrial research and development**
- **Ever-increasing costs of and requirements on research without an adequate increase of the financial support for research and development (expressed as GDP percentage) from both public and private resources**
- **Persisting problems with the transfer of technologies from Prague to other Czech regions**
- Lack of concepts in the use of the government and regional support to the innovation process
- Competition of other regions that will be able to offer better conditions especially to young scientists
- Preference is given to short-term development objectives
- Lack of qualified managers who are able to understand the innovation process as a whole

Tourism

- **The quality of auxiliary services lags behind the world trend**
- **The city reputation in the field of safety is getting worse**
- **Stagnation of the inadequate quality of information services (especially for foreign visitors)**
- **Insufficient coverage of the mix of services**
- Visitors with specific needs (especially handicapped ones) are being paid insufficient attention
- Loss of the attractiveness of the city for tourists

Equal opportunities between women and men

- **High inertia in the reproduction of stereotypes and barriers**
- The positive action and gender mainstreaming may meet with criticism and resistance
- Some measures to reduce discrimination may paradoxically strengthen the stereotypes resulting in the discrimination

Economic environment for SMEs

- **Insufficient linkage between education and training system, lifelong learning and labour market needs**
- **Conservative approach to innovations in education and in working process**

2.4 Context of National Strategies and Policies, and Measures Taken in the Region

2.4.1 National Policies in the Field of Human resources Development

National policies in the field of human resources development are focused on the support of lifelong learning, employment and employability, and removal of all forms of discrimination and disadvantage of people in their access to education, the labour market and to relevant information.

The creation of the position of vice-premier for science, research and development and human resources when forming the new Czech Government in July 2002 was an important impulse for the coordinated development of human resources and creation of complex national policies in the area throughout the Czech Republic.

2.4.1.1 Active Employment Policy

The principles and strategies of the Active Employment Policy were adopted in 1990 when the Employment Services Administration had been established at the Ministry of Labour and Social Affairs, including a network of Employment Offices located throughout the Czech Republic, to respond to the expected wave of unemployment associated with the transformation of the economy. The Active Employment Policy was integrated in the **Employment Act** (Act No. 1/1991), as amended. Standard measures of the Active Employment Policy are described in 2.2.5.

In line with the aims of the Czech Government's Economic Strategy for accession to the European Union, the Ministry of Labour and Social Affairs prepared in 1999 the **National Plan of Employment**. The aim of the plan was to set up a mid-term employment policy that would be interconnected with the general economic, social, educational and regional policy of the government. The plan is followed up by annual action plans that implement step-by-step individual measures as stipulated in the National Plan of Employment. The **National Action Plan of Employment for 2002** adopted by the government orders the development of the existing approaches by:

- Expanding the existing concept of the Active Employment Policy by adding the services as provided by Employment Offices to job-seekers in the area of counselling, job seeking and re-qualification;
- Providing support to each unemployed person, with the greatest attention being paid to job-seekers at risk of long-term unemployment;
- Employment Office staff should concentrate the attention mainly on activities motivating job-seekers to proactively look for a job;
- The Employment Services Administration will strive for adequate personnel and material equipment;
- The level of coordination of the employment policy will increase both on the national scale and on the regional scale with the aim of achieving involvement in the implementation of various labour market activities of employers, trade unions, regional and local authorities, NGOs and other players on the labour market.

The contents of the National Action Plan of Employment are specified in eighteen directives, which are used to perform the four pillars of the European Employment Strategy (employability, entrepreneurship, adaptability, equal opportunities).

In the short-term, the Czech Republic does not have resources to fully perform EC Directive No. 1 on employment. The information system does not yet monitor and collect data

indicating all Employment Office activities (especially in the field of mediation and counselling). That is why the Ministry of Labour and Social Affairs will be collecting data in a systematic way over the coming years using various types of surveys including so-called monitoring studies. The subsequent analysis of such data will make it possible to direct resources in a better way for individual measures and to optimise the extent of measures to improve employment.

2.4.1.2 Social Integration

Care for the social environment and field of social services in the Czech Republic are regulated, above all, by existing laws and decrees including:

- Act No. 100/1988 Coll., on social security, which regulates mainly the scope of social security and parties to legal relations in social security, the extent of social care – categories of persons eligible for social care, the types of social care services, the financing of social care services, the care for heavily disabled persons and seniors, the obligations and responsibilities of persons and organisations in providing social care services, etc.
- Act No. 114/1988 Coll., on the competences of Czech authorities in social security, which regulates, amongst others, the activities, powers, functions and roles of the Ministry of Labour and Social Affairs, districts and municipalities in the sector of social care, listing social care facilities, etc.
- Ministry of Labour and Social Affairs Decree No. 182/1991 Coll., which implements the Social Security Act and Czech Authorities Competences Act in the field of social security.
- Specific responsibilities of individual local bodies are stipulated in Act No. 284/2000 Coll., on the support of regional development, Act No. 129/2000 Coll., on districts (district arrangement), and Act No. 128/2000 Coll., on municipalities (municipal arrangement).

The Government approved two basic documents resolving the concept of life-long learning of workers in social field - the White Book of Social Services and the Concept of Life-long Learning of Social Workers which will result in legal acts regulating social services provision and vocational training.

Like other candidates, the Czech Republic is gradually becoming involved in the EU social integration strategy. The **Joint Inclusion Memorandum** began to be prepared in 2002 as a governmental strategic document assessing the social situation, identifying key problems and tasks for the Czech Republic's future policy. The Joint Inclusion Memorandum has been prepared in accordance with the key tasks of the European Social Programme adopted at the EU Nice summit in December 2000. All the consultation processes for the Memorandum took place and the Czech Government is going to approve it in November/December 2003. JIM will then serve as a base document for the concept of the **National Action Plan of Social Inclusion**.

The measures and activities defined in the SPD 3 devolve mainly from the area of „Strengthening Social Cohesion“. Building on the EC strategy, the Czech Republic has identified poverty and social exclusion as the main problems to be combated. The fundamental goals of such strategy are also reflected in the measures and activities under Priority 2 Social Integration.

The **National Action Plan of Employment** includes multiple measures focused on groups that are at risk on the labour market and, subsequently, at risk of social exclusion, namely within Pillar 1 – Employability.

The measures focus on the long-term unemployed and on job seekers up to 25 years of age within the pilot programmes "New Start" and "First Opportunity". In addition to the mentioned programmes, accompanying social programmes focusing on the restructured branches, strengthening the individual approach to the unemployed and giving a second chance to those who left the educational system without any qualification will be implemented. Employment Offices will intensify their cooperation with employers and local authorities in the implementation of programmes focused on the enhancement of employment and qualification of persons difficult to place on the labour market, taking special account of members of Roma communities.

The area of equal opportunities for handicapped persons is covered by the **National Plan of Levelling out Opportunities for Disabled People**. The plan was presented in 1998 by the Government Committee for Disabled Persons and adopted by the government.

In the field of national minority issues, the initiation role is played by the Government Council for National Minorities, which presents, amongst others, annual reports on the situation of national minorities in the Czech Republic. The Act No. 273/2001, on rights of national minority members, was enacted in 2001.

Specific Roma community issues form the focus of work of the Government Council for Roma Community Affairs. Within the context of the Council activities, the Concept of the Government Policy towards the Roma Community Members to Help Their Integration into the Society was adopted by the Czech Government in 2000. This document has been updated in 2002 and 2003 as the **Roma Integration Policy Concept**. The situation of Roma communities is also described in the Analysis of Possibilities of Intensification and Increased Effectiveness of Work for the Sake of Prevention of Social Exclusion in the Roma Communities and Elimination of its Consequences by Means of an Appointed Agency, adopted in 2002. The Government resolutions concerning active policy towards Roma communities are discussed and monitored on regular basis. The Council initiates various programmes to support the social integration of the Roma minority, such as the Programme of Support for Field Social Work, Support for Roma Secondary School Students, or the Programme of Ministry of Education, Youth and Sports Support for the Roma Community in 2002.

Support by the government to the non-governmental sector is coordinated by the Government Council for Non-governmental Organisations, which prepares the Specifications of Main Areas of the Government Subsidy Policy Towards Non-governmental Organisations on an annual basis.

The Government Council for Coordination of the Anti-drug Policy tries to solve in a systematic way the drug issues. The **National Strategy of Anti-drug Policy** for 2001-2004 is the key document in the area.

2.4.1.3 Lifelong Learning

Upon an order by the Ministry of Education, Youth and Sports two crucial documents dealing with the development of education in the Czech Republic were prepared, extensively discussed and subsequently adopted by the government in 2001-2002: the **National Programme of Education Development in the Czech Republic (White Paper)** and the **Long-term Intent of Education and Development of the Educational System in the Czech Republic**. The White Paper formulates strategic lines of the educational policy and main measures for its implementation until 2005 and the Long-term Intent defines specific measures including financial estimates of their implementation. The Long-term Intent identifies the development priorities as follows:

Reform and modernisation of the objectives and contents of education

- Reform of the secondary education completion
- Care for the quality, monitoring and evaluation of the outcomes of education
- Development of the integrated diagnostic, information and counselling system in the field of education
- Optimisation of the educational offering and institutional structure of regional schools
- Improvement of work conditions for school teachers and head teachers
- Establishment of public non-university colleges and development of further forms of tertiary education
- Development of further education as part of lifelong learning

The preparation of the Long-term Intent at the national level is followed up by the preparation of similar documents at the district level.

The strategy of initial education development, including the enhancement of the research component of tertiary education, is also developed in line with previously adopted materials and specific laws:

- **Concept of Education and Development of the Educational System in the Czech Republic** (1999)
- **Concept of the State Information Policy in Education** (2000)
- **Long-term Intent of the Development of Universities** in 2000-2005, updated version for 2001 (Ministry of Education, Youth and Sports), and long-term intents of individual universities
- **National Policy of Research and Development** (1999)
- **School Act** – Act No. 29/1984, on the system of primary, secondary and higher vocational schools, as amended (hereinafter referred to as the "current School Act")
- **University Act** – Act No. 111/1998, on universities and on the change of and amendment to other acts, as amended.

The development of lifelong learning is also the subject of the **National Plan of Employment**, namely of the following measures:

- The Ministry of Labour and Social Affairs will reflect in the Employment Act a specification of competences for the support of further professional education and training;
- The Ministry of Labour and Social Affairs in cooperation with social partners will stimulate employers and small and medium sized enterprises to improve the qualifications of their employees;
- The Ministry of Education, Youth and Sports in cooperation with the Ministry of Labour and Social Affairs will prepare draft stimuli to support adult persons with primary education to improve their qualifications;
- The Ministry of Education, Youth and Sports will render more efficient support for young people who are at risk of premature termination of their initial preparation for a profession.

The **Human resources Development Strategy** was prepared in 2001 for the Ministry of Labour and Social Affairs (supported by Phare) and specifies strategic objectives of lifelong learning in the area of further education and training, specifically the improvement of human resources competitiveness in the Czech Republic:

Specifications of competences of all involved partners in various fields of further education and training;

- Establishment of a system of both financial and non-financial incentives for the development of adult education and training;
- Motivation of schools towards the more extensive use of their own capacities for further education and training;
- Preparation and implementation of complex mechanisms of educational and training programme certification in further education and training;

- Creation and interconnection of information databases of further education and training providers and programmes.

Within the context of the follow-up project **Implementation of the Strategy of Human resources Development in the Czech Republic**, the methodology for strategic management of human resources development was prepared at both the national and district levels. This methodology describes the process of implementation of the following measures:

- Interconnection of employment and business issues and education and training;
- Enhancement of the "employment and labour" circuit;
- Creation of a national coordination system for district management of human resources development;
- Creation of capacity for the forecasting of the demand for human resources – branch and sector studies;
- Creation of a system of inspiration banks of methodologies and examples of good practice in human resources development.

The strategy of human resources development was discussed in the spring of 2002 at the tripartite summit, and the Ministry of Labour and Social Affairs in cooperation with the Ministry of Education, Youth and Sports is preparing a proposal for the implementation of recommendations as given by the tripartite. The document was approved by the government resolution No 210 of 3 March 2003. This resolution also established Governmental Council for Human Resource Development. Members of the Council were appointed by the governmental resolution No 733 of 16 July 2003.

The field of further education and training is not yet covered by the legislation.

2.4.1.4 Adaptability and Entrepreneurship

Support for the establishment and development of small and medium sized enterprises is one of the crucial priorities of the government's **Strategy for Enhancing National Economy Growth**. The main objectives of the policy includes:

Increasing the share of small and medium sized enterprises in economic growth, exports, employment and regional development;

- Increasing the use of advanced technologies in small and medium sized enterprises;
- Supporting cooperation amongst small and medium sized enterprises, research and development facilities and large corporations;
- Supporting individuals in establishing small and medium sized enterprises.

When implementing the policy, considerable progress was achieved by means of numerous supporting programmes for small and medium sized enterprises as implemented by the Ministry of Industry and Trade and Ministry for Regional Development. The programmes, which are provided to small and medium sized enterprises through the medium of the Czech and Moravian Guaranty and Development Bank offer a number of options to entrepreneurs: preferential loans, preferential bank guaranties to bank loans, leasing, risk and development capital, support for the enhancement of competitiveness on both the domestic and foreign markets, support for the establishment and development of cooperation associations, consultancy support and support for job creation.

The **Concept of the Industrial Policy** was approved in 2000 within the context of the State Industrial Policy, and the **Action Programme for the Enhancement of Competitiveness of Czech Industry** set up basic objectives of industrial development.

Tourism is one of the most important components of business in Prague. The **Concept of the State Policy for Tourism in the Czech Republic** was adopted in 1999 and updated in 2002. In 2000 the government approved the **State Programme of Support for Tourism**. The Tourist Headquarters operating throughout the Czech Republic was established to support the development of the tourism.

2.4.1.5 Equal Opportunities Between Women and Men

The Czech Republic has considerably enhanced legal preconditions for equality between women and men. The enactment of explicit prohibition of discrimination by sex in the right to employment, including the prohibition of discriminating advertisements, was an important step in that direction. The prohibitions are included in the **amended Employment Act**, which came into force on 1st January 1999. Subsequently, the **Labour Code** and **Remuneration Acts** were amended and the **Rules of Civil Procedure** supplemented, with effect from 1st January 2001. The **report presented by the Vice-Premier and Government Legislative Council**⁴ as approved in April 2001 opened an opportunity to integrate positive-action measures in Czech legislation and also ordered that all government members should take into account the principle of gender equality in the preparation of legal regulations. The policy of equal opportunities is not limited only to gender equality, it also solves potential discrimination because of race, ethnic origin, age, health, sexual orientation, etc.

On the basis of the Czech Government Resolution No. 6/1998, the **Ministry of Labour and Social Affairs** was appointed to **coordinate the national policy pertaining to the position of women in society**, whereas the other ministries are obligated to provide necessary assistance. Individual ministries are responsible to the government for ensuring that the principle of gender equality in the execution of central administration be observed. At the same time, however, they should follow the government programme document entitled **Government Priorities and Procedures in the Promotion of Equality Between Women and Men**. The Ministry of Labour and Social Affairs also initiated the establishment of the **Government Council for Equal Opportunities Between Women and Men** that was approved by Government Resolution No. 1033/2001.

2.4.1.6 Information Policy

The **State Information Policy** and **The Concept of Building the Public Administration Information Systems** were approved by the government in 1999. The State Information Policy defines objectives in the following areas: information literacy, information democracy, development of public administration information systems, communication infrastructure, credibility and security of information systems and personal data protection, e-commerce, transparent economic environment, stable and safe information society. In 2001, the Czech Republic joined the action plan **Europe+ 2003**, the common commitment of EU candidate states in the area of the information society development.

The implementation of the **State Information Policy in Education** follows the principles of the **State Information Policy Action Plan** specified by the government's resolution No. 244 of 14 March 2001. This Plan highlights the crucial importance of rapidly expanding IT service segment, the role information play, the accessibility and applicability of information, new information and communication technologies, global information networks and the impact on society that is recognised by the government. **Information literacy** is one of the key priority areas listed in this document. The aim is to achieve computer literacy of the population as a need for individual development and self-assertion in the 21st century.

⁴ Czech Government Resolution No. 310 of 2001.

In 2003, the **Action Plan for Implementation of the State Information Policy** follows up the State Information Policy and Concept of Building the Public Administration Information Systems. Realization of 1st stage of the **State Information Policy** in the area of education also started in 2003 but it did not fully meet the goals set by the government (equipment of all schools by computers and PC connection). Beside this policy, the **National Programme of Computer Literacy** was started, too. In the area of e-business, an independent policy document, the **White Book on e-Business**, was successfully prepared and adopted. IT improvement in the public service system is being performed on all possible levels. On the central level, the portal **Gateway to Public Services** was successfully started. The solution of legislative questions concerning the information society is one of the main priorities of the government, whose support to the development in this area is rather intensive.

The Czech Republic, as one of EU member states, will be involved in the European action plan **eEurope 2005: Information Society for Everybody**. Thus preparation of the new unified conception till the year 2006 as an update of previous strategic documents in this field - **State Information and Telecommunication Policy** - is undergoing. The focus of this policy represents rules and principles which the government wants to apply in further development of the information society in the Czech Republic (an orientation towards building modern and secure public services available on-line, continuing liberalization of the telecommunication market, wide-spreading access to internet, determination of the legal base of the information society, support of increasing computer literacy in the population, development of e-business).

Since 1999, several crucial legal standards in the field of the State Information Policy were enacted (Act No. 106/1999, on free access to information; Act No. 101/2000, on the protection of personal data; Act No. 227/2000, on the electronic signature; Act No. 365/2000, on public administration information systems).

More effective usage of information and communication technologies, on which the State Information Policy is focused, will lead to the growth of productivity, employment and improvement of quality of provided services. Better availability of IT and increasing information literacy will also contribute to social cohesion and will support equal opportunities.

2.4.1.7 Other National Cross-Section Policies

In addition to the policies mentioned in the preceding chapters, it is necessary to respect national policies impacting the general environment in the support for human resources. Those include the concept of sustainable development and policy of science and research.

Basic principles of sustainable development are defined in the **State Environmental Policy** which was approved by the government in 2001. The document defines sustainability criteria and proposes ways of meeting the criteria. The State Environmental Policy also includes the State Programme of Environmental Education, Guidance and Promotion in the Czech Republic which was approved by Government Resolution No. 1048 in 2000. The SPD 3 also takes into account Act No. 123/1998 stipulating the right to information about the environment. Simultaneously, the environment is affected by the amount and structure of consumed energy, and that is why the Energy Policy of the Czech Republic should also be taken into account. The Energy Policy includes a clause on the reduction of power demands and savings.

The Ministry of Education, Youth and Sports is the central administration body responsible for research and development. The Ministry prepares the national policy of research and development and the national programme of research. The Council for Research and Development is the consulting body for the government in the field of research and

development that, in addition to analytical activities, also proposes budget expenditures on research and development.

The **Act No. 130/2002, on the support for research and development**, which came into force in July 2002, offers new options for the support of research and development. The legal standard defines competences of individual central administration bodies in the administration of research and regulates the way of financing research and development using public resources.

2.4.2 Regional Strategies and Policies in the Field of Human resources Development

At the level of the NUTS 2 Prague region, policies are created and implemented in fields that are stipulated by the government to be controlled at the level of districts, plus policies which are not defined at the national level. In the field of human resources development, those are especially primary and secondary education, social care and, upon the initiative of the region, also the concept of further education and training. The Prague Strategic Plan as approved by the Municipal Assembly has become the basic strategic document for regional development. Specific areas are then regulated by other documents prepared as necessary.

Prague Strategic Plan of Development

The strategic vision of future development of Prague as formulated in the Prague Strategic Plan of Development is based on the city's strengths and, amongst others, on its very good human potential.

It is Prague's intention to become a successful, competitive and respected city with a strong and modern economy, providing for good living conditions of its inhabitants and supporting the economy of both the region and the entire Czech Republic. Prague wishes to be an attractive city not only for its inhabitants but also for visitors and business entities, and perform well its function as a cultural and innovation centre in the region, the capital, and an important place where international activities meet.

The development of human resources is directly connected with the implementation of two of five parts of the Prague Strategic Plan. Strategic objectives have been defined for each:

Quality of Life – Friendly and Satisfied City

Strategic Objectives

- L1 Enhancing the traditional position of Prague as a centre of scholarship and humanity
 - Extending and improving education up to the level of an integrated European economy
 - Interconnection between universities and research facilities
 - Establishment of multicultural education as a means for the reduction of race intolerance and discrimination
 - Support for an efficient system of social work and care, respecting demographic and socio-economic trends
 - Preferring alternative ways of social care
 - Integrating handicapped people into the healthy population and handicapped children into standard schools
- L2 Accelerating the housing development and support for the maintenance and regeneration of existing flats
- L3 Creating the image of Prague as a safe city for inhabitants and visitors

- L4 Enhancing Prague inhabitants' pride, identification with their city and involvement in its development
- L5 Cultivating the city environment, supporting the diverse activities of its inhabitants and visitors

Role and Economy of Prague – Successful and Respected City

Strategic Objectives

- E1 Providing for the role of Prague as a respected capital and good neighbour
- E2 Developing Prague as an important city of new Europe, which is being formed
- E3 Using city potential to provide for its competitive economy and prosperity
- E4 Providing economic activities, which would be adequate to the municipal possibilities and needs
- E5 Providing financial resources for the implementation of municipal strategic plans

Within the context of other strategic plans, the Prague Strategic Plan of Development also focuses on other aspects of social integration, such as safety, support for the local identity and solidarity of inhabitants with the local community, cultivation of the city environment, support for the diverse activities of Prague inhabitants and visitors.

The **Long-term Intent of the Development of Education and of Educational System for Prague** is being prepared in 2002-2003 that follows up at the regional level a similar document at the national level.

Various regional strategies and policies for human resources development are defined in the following documents:

- Drug-prevention Policy for Prague
- Social Care Concept for Prague
- Prague Concept of Policy towards Minorities

2.4.3 Measures Following up National Policies

In line with regulations and policies mentioned under 2.4.1 and approved by the government, measures are taken in Prague which are financed using both national and regional funds. Most funds in human resources are directed to the financing of schools and scientific facilities and to the coverage of obligatory welfare benefits. So far, only a small part of funds in the state budget and regional budget are allocated to development programmes.

Lifelong Learning

The operation of and capital expenditures on initial education are financed from the state budget and, in the case of regional schools (except for universities), also from the regional budget. CZK 870 million from the state budget and CZK 52 million from the regional budget were spent in 2000 in Prague on the operation of secondary schools. The regional budget in 2002 is expected to cover 11.5 % of the total cost of regional schools. Higher vocational schools were subsidised in 2000 from the state budget with CZK 144 million and universities received CZK 3 934 million.

Within the implementation of the State Information Policy, the project entitled Internet to Schools is being implemented. All schools will be equipped with computer rooms connected to the Internet and teachers will be trained for work in such computer rooms. Two thousand schools in the Czech Republic had been equipped by mid-2002.

In relation to the institutional support for research and development, Prague universities acquired further financial funds based on approved projects of research intents amounting to CZK 584 million. It is not possible, however, to specify how much of the funds were allocated to the development of human resources.

Active Employment Policy

The Active Employment Policy includes expenditures on the creation of socially useful jobs, providing for vocational practise of graduates and the acquisition of qualifications by young people, publicly beneficial work, operation of protected workshops and re-qualification. The Prague Employment Office allocated the following sums to the Active Employment Policy in the preceding period:

1999 CZK 12.9 million
 2000 CZK 20.1 million
 2001 CZK 18.1 million
 2002 CZK 30.1 million (budget)

Social Integration

The Ministry of Labour and Social Affairs has been financing projects supporting activities in the set of social services for several years. Within this measure, 128 projects were supported in 2001 in Prague, amounting to CZK 168 million. The projects concerned the development of social care in asylums, day centres and day wards, homes for seniors and handicapped persons, protected flats, supported employment, personal assistance, nursing service, help in crisis, therapeutic communities, foster facilities, counselling centres for disadvantaged groups and groups at risk.

Following up the social care concept, the City of Prague allocated in 2001 and 2002 grants to support activities in the field of crime prevention, the social field and the health service. Primarily, the grants are designed for NGOs; government agencies or executive local administration bodies may, however, ask for financial support for the same purpose, too. Part of the funds is allocated to one-year grants; part to cover the annual costs of four-year grants, amounting in 2000-2003 to CZK 22,4 million per year.

Table 28: Grants Allocated by the City of Prague

Measure	Year	Number of Grants	Financial Sum in '000 CZK
Crime prevention	2001	28	5 912
	2002	16	4 309
Operation of homes for handicapped people	2001	24	6 550
	2002	16	6 750
Help to people in crisis	2001	24	5 630
	2002	34	9 490
Operation of protected flats	2001	10	4 800
	2002	8	3 310
Home care and personal assistance to seniors and handicapped people	2001	22	7 700
	2002	19	4 590
Integration programmes for handicapped people and people in crisis	2001	24	5 370
	2002	28	5 960
Support for the field health care	2001	8	1 055
	2002	12	1 105
Support for activities associated with prevention, rehabilitation and reconditioning	2001	18	3 945
	2002	21	4 745
Total	2001	158	40 962
	2002	154	40 259

Source: City of Prague

The projects implemented within the context of the subject entitled **crime prevention** are not oriented only to the prevention of various forms of criminality. The projects include, for example, care for victims of crimes and help to ex-prisoners or ex-inmates.

The projects implemented in the **social** field focus on:

1. Operation of homes for disabled people
2. Help for people in crisis
3. Operation of protected flats
4. Home care and personal assistance for seniors and disabled people
5. Integration programmes for disabled people and people in crisis

Projects in the field of **health care** focus on:

1. Support for field health care
2. Support for activities associated with prevention, rehabilitation and reconditioning

The existing way of financing social services does not ensure a stable environment for service providers which is necessary for their further development. That is also why the network of social services in Prague does not always comply with Prague inhabitants' needs. NGOs play an important role in the provision of social services. Although the Prague Strategic Plan includes deinstitutionalisation and support for modern services, the offering of alternative social service institutes is not sufficient.

Adaptability and Entrepreneurship

A network of regional counselling and information centres was built up and business innovation centres developed during the nineties with EU financial support. The centres were established to support small and medium sized enterprises with subsidised services. Some services are subsidised by the Ministry of Industry and Trade even after discontinuation of Phare programmes.

Within the programmes of support for business in the Czech Republic by the Ministry of Industry and Trade, Prague draws from two programmes in the field of human resources development that are designed for the support for small and medium sized enterprises. This is the "Consultancy" programme designed for consultations, training and support for innovation firms, and the "Marketing" programme, which supports the entry of Czech small and medium sized enterprises on foreign markets through the mediation of information and training services.

CZK 8.9 million was spent in 2001 on the "Consultancy" programme, a sum in which Prague firms participated with CZK 0.18 million. On top of this the national funds in the programme were supplemented with Phare funds amounting to CZK 20.5 million.

CZK 66.9 million was spent in 2001 on the "Marketing" programme, a sum in which 86 Prague firms participated with CZK 14.4 million.

Research and Development

CZK 11,035 million was spent in 2000 in Prague on research and development. The state budget allocated CZK 7698 million to the area. The support was directed to the business, state and non-profit sectors and to universities. In addition to the state budget, the total expenditures were covered also by beneficiaries themselves and by foreign resources. It is not possible to allocate exact figures in the mentioned data to the development of human resources.

Currently, there is no special government or regional programme to support the development of human resources in the field of cooperation between research institutions and industrial companies. The Ministry of Industry and Trade programmes "TRANSFER" and "PARK" support the implementation of new technologies and building of innovation centres (including incubators) for starting, technologically orientated firms. The Ministry of Industry and Trade "Consultancy" programme can be partially used to support human resources. The programme is open to business and innovation centres, regional information and counselling centres, and the Czech Association of Female Managers and Entrepreneurs. The programme may also be used to finance basic training courses for entrepreneurs.

Tourism

The City of Prague spent a total of CZK 66 million in 1998-2000 to support the Prague Information Service. The financial funds are also used to cover continuous further training of Prague tourist guides (with partial financial payment by individual guides).

1998	CZK 24.9 million
1999	CZK 20.4 million
2000	CZK 21.8 million

Equal Opportunities Between Women and Men

Numerous NGOs have been operating in the Czech Republic since the nineties that focus on the position of women in society, on their rights and inequality issues based on sex. Most organisations dealing with the position of women are Prague-based or have their umbrella organisations in Prague. The organisations established with foreign support are located almost exclusively in Prague. The survey conducted in 2005 indicates that about 120 such organisations operated in the Czech Republic, of which more than a third were resolving family issues, i.e. motherhood, rights of mothers and children, protection of family, etc. 11 % of the organisations focused on the issues of women's health, mostly on breast cancer. Organisations dealing with the issues of health, specifically with childbearing and motherhood, i.e. similar to the former group⁶ were also important. Associations and unions accounted for the same share (11 %), followed by organisations focusing on cultural, publication, educational and information activities. Some of the organisations followed up pre-1989 traditions and pre-war women's organisation, though most of them relied on cooperation with foreign countries, especially with the USA, Canada and, later on, increasingly with EU countries. It was only in the second part of the nineties that the national support for such institutions increased. Women's organisations acquired important pieces of knowledge and information due to their close interconnection with research. Several research and educational facilities focusing on gender issues were established at universities. The **Centre for Gender Studies** operating a library and organising education for the public was established in 1991; the research team **Gender and Sociology** specialising in research on the position of women on the labour market works in the Institute of Sociology, Czech Academy of Sciences. The project of establishment of the **National Contact Centre – Woman and Science** started in 2001 within the project EUPRO (sponsored by the Czech Ministry of Education, Youth and Sports). The Contact Centre plays the role of a coordination, information and service centre proactively supporting communication in that area and work contacts and related cooperation activities in international programmes, projects and research fellowships within the EU.⁷

⁵ JEDLICKOVA, Petra: *Developing Civil Society in the Czech Republic: Women's contra Feminist Activities*. 10 p. Conclusions of the survey presented at the international seminar in Ljubljana in 2000.

⁶ Similar to the organisations were the institutions dealing with violence to women and women trafficking. In some cases their activities mingle with those of the organisations focusing on health, as they often deal with therapy and other forms of treatment.

⁷ See <http://www.soc.cas.cz/sou/tymy/gender/proj10.htm>

2.4.4 Measures Taken with International Financial Support

The most significant share of international support is accounted for by the Czech Republic's involvement in the programme of pre-accession Phare assistance and certain community programmes and initiatives.

Within human resources development, the Czech Republic is involved in the following Phare programmes – Palmif (Pro-Active Labour Market Intervention Fund) and Support to Civic Society, Socrates (especially the sub-programmes Erasmus, Comenius, Lingua, Grundtvig, Minerva), Leonardo da Vinci, Equal.

The Prague Employment Office participated as partner in 2000 and 2001 in the implementation of the supra-regional experimental project Palmif "Verification of the Complex of Services of Supported Employment". Financial funds allocated to the project amounted to EUR 135,000; Prague's share cannot be quantified.

Projects amounting to EUR 14.4 million were implemented in the Czech Republic in 1993-2001 within the Support for the Civic Society programme; Prague's share, however, was not identified.

Prague universities used a total of EUR 4 million from the Erasmus sub-programme from 1998-2001. From 1997, 42 grammar schools, secondary and higher vocational schools were also involved in further parts of the Socrates programme.

Prague higher vocational schools received EUR 0.18 million in the same period from the Lingua Programme.

Four Prague training institutions joined the Grundtvig programme from 1998-2000 and received a total contribution amounting to EUR 0.1 million.

The Minerva sub-programme was joined by five Prague institutions who received EUR 90,000 (The Minerva sub-programme is part of SOCRATES. Other programmes are mentioned below).

Commencing from 2000, Prague schools were involved in 22 projects within the Leonardo da Vinci programme. Three mobility projects within the Leonardo programme were joined also by the City of Prague employees.

In 2002 the Czech Republic newly joined the Equal initiative. EUR 6.65 million was allocated to projects within action 2 (50 % from the Czech state budget, 50 % from the Phare budget). 177 Czech organisations, 51 of which are Prague-based, have joined the programme as a part of nine international partnerships.

2.5 Link to EU Policies and Principles

In line with Directive⁸ Article 12, the SPD 3 only supports activities that comply with the European Communities Agreement, tools as adopted under the Agreement, and Community policies and actions, including the rules for economic competition (state aid), public tendering, protection and improvement of the environment, and elimination of inequalities and levelling out of opportunities between women and men.

State aid

The provision of state aid is regulated in the Czech Republic by Act No. 59/2000, on state aid. The legal regulation is supplemented by a system of fishes for individual areas of intervention (from regional support, support of employment, support of small and medium sized enterprises to training support and de minimis rule) that lay down the rules under which state aid can be drawn. The methodical instructions are fully compatible with EU legislation. Decisions on the granting of state aid based on these instructions and based on the ceiling stipulated by the regional map of state aid intensity for 2002-2006 for NUTS 2 are made by the Office for the Protection of Economic Competition. The Office for the Protection of Economic Competition will be asked to give its decision upon a detailed specification of individual measures and target groups in the Programme Complement to SPD 3.

Public Tendering

Contracts for goods, services and works, co-financed by ESF, will be awarded in compliance with national and Community rules on public procurement and will be based on competitive tendering. In the case of open tendering, in order to ensure the widest possible competition for contracts, they will have to be advertised in the national media and in the Official Journal of the European Communities.

Public procurement in the Czech Republic is so far governed by Act No. 199/1994 Coll., on Public Procurement. In order to provide for full compliance with the European Commission rules for announcing public tenders, a new bill on public procurement is being prepared which should come into effect at the beginning of 2004. The new Act should provide transparent public procurement, eliminate any possible discrimination and stipulate preliminary conditions for rational use of resources from the Structural Funds. The new Act is a precondition for projects, which require public procurement procedures, to be financed by the Structural Funds and Cohesion Fund.

Protection and Improvement of the Environment

The projects co-financed from ESF should take into account the sustainable development principles and objectives and fully comply with both Czech and EU environmental legislation. Since the programme of human resources development is not expected to make considerable impact on the environment and upon consultations with the Czech Ministry of the Environment and European Commission, it was decided that the SPD 3 does not need a Strategic Assessment of Environmental Impacts. Nevertheless, the principles of protection and improvement of the environment will be taken into account when selecting projects for implementation in compliance with the sustainable development objectives as defined in the State Environmental Policy (approved by the government on 10th January 2001 by Resolution No. 38) and the State Programme of Environmental Education, Guidance and Promotion in the Czech Republic (Government Resolution No. 1048/2000) which is a part of

⁸ Council Regulation (EC) No 1260/1999 on Structural Funds

the implementation of Directive No. 90/313/EEC on the free access to information about the environment (see 3.4 for more details).

Equal Opportunities Between Women and Men

The projects co-financed from ESF should contribute to the fulfilling of the principle of equal opportunities between women and men. Even where projects are not directly oriented to the field of equal opportunities between women and men, the impact on equal opportunities and proportional involvement of women and men in project activities should be considered when selecting, implementing and finally evaluating the project.

The SPD 3 also respects other principles of EU policy as stipulated in the Regulation, in Chapter IV – Organisation.

Complementarity and Partnership

ESF funds are used for such activities that complement in a suitable way and expand the possibilities of the national and regional policy in the field of human resources development. The creation of the SPD 3 including financing, selection of projects to be implemented and monitoring of the implementation are based on the principle of partnership. The SPD 3 was prepared by the Ministry of Labour and Social Affairs in cooperation with the Ministry of Education, Youth and Sports, City of Prague, Prague Employment Office, NGOs and representatives of social partners (see Chapter 10 – Description of the Consultation Process for more details). The programme will be financed on the national level from central and regional sources. Projects will be selected on the level of partners, and the programme outcomes and impacts will be followed by a monitoring committee which will include partner organisations on both the national and regional levels (including social partners and NGOs).

Coordination

For the city area allocated to the Single Programming Document for Objective 2 in the region of Prague (i.e. the area with 31 % of the population), SPD 3 projects will be oriented mainly towards the activities associated with specific activities of the SPD 2. The monitoring committee for the SPD 3 will include regional partners who are directly responsible for the implementation of the SPD 2 and, therefore, will check whether the activities implemented in the given area within the SPD 3 follow up the activities implemented under the SPD 2 in a suitable way. Important also is the interconnection between the two documents, meaning that the links will be bilateral and the SPD 3 will provide impulses for the SPD 2. The link to the SPD 2 is discussed in Chapter 8.

Additionality

ESF extend the funds that are spent by the Czech Republic for the implementation of national and regional policies in the field of human resources development. ESF will not be used in any case to substitute national funds that are spent under the defined national policies. The preliminary evaluation of additionality is discussed in Chapter 9.

3. STRATEGY

The SPD 3 strategy for the Prague region has been formulated on the basis of an analysis of the economic and social situation in the NUTS 2 Prague region, with special regard to human resources (Chapter 1), identification of strengths and weaknesses, opportunities and risks (Chapter 2.3). The analysis was based on the national and regional policy in the field of lifelong learning, employment, social protection and integration, equal opportunities between women and men, research and development, entrepreneurship, sustainable development, and information policy (Chapter 2.4), in full accordance with the European Employment Strategy.

Stemming from the definitions contained in Objective 3, the SPD 3 will draw the co-financing funds from the ESF only. Therefore, only the so-called soft measures will be implemented within the framework of SPD 3, supplementing the infrastructural measures supported from the European Regional Development Fund under Objective 2, where appropriate. On the other hand, whenever the human resources measures falling under Objective 2 need to be underpinned by additional activities, such activities will be supported from the SPD 3 funds.

The SPD 3 contents were set in accordance with Article 3 of the EC Regulation No. 1780/1999 on the European Social Fund which specifies the scope of activities eligible for support from the ESF (education and training, employment and self-employment, research, science and technological development, post-graduate training, training for managers and specialists in research institutions and enterprises, developing new employment sources, including social economy, structures and systems, and additional measures interlaced with other activities).

SPD 3 takes its lead from the Policy Frame of Reference for promoting Human Resources in the Czech Republic, which was prepared by the Ministry of Labour and Social Affairs in May 2003.

3.1 Global Aim

When formulating the SPD 3 global aim, the following important aspects were taken into account:

- the need to set the global aim in such a manner so as to achieve an improvement of the social and economic situation of inhabitants,
- the need to provide all Prague inhabitants with an equal opportunity to benefit from the prosperity of the city,
- and the need to maintain harmony between economic development and the principle of sustainable life.

The programme is intended to help develop a business environment capable of creating job opportunities and efficiently and effectively using a qualified, flexible and motivated workforce. The programme will also improve the quality of education and training, as well as for those already active on the labour market; it will open wider access to the labour market for those who are excluded, and will minimise any inequality with regard to access to the labour market.

The global aim of SPD 3 as a whole is to **create an efficient labour market with qualified workforce, competitive employers, utilising the research and development potential of the region, allowing social integration of groups at risk and warranting equal opportunities while respecting the principles of sustainable development.**

3.2 SPD 3 Specific Aims

The SPD 3 specific aims stem from the key global aim of SPD 3. The aims respond to the need to support specific areas of human resources development and through synergy fulfil the SPD 3 global aim.

Therefore, the SPD 3 specific aims are the following:

1. Develop flexible labour market with special regard to groups at risk, prevent unemployment, increase employability and prevent the growth of long-term unemployment;
2. Integrate disadvantaged groups, develop institutions and quality social integration services and provide equal opportunities for women and men on the labour market;
3. Develop a lifelong learning system in order to prepare qualified and flexible workforce capable of applying the sustainable development principles;
4. Make Prague organisations more adaptable, namely by improving qualifications of staff and by developing and utilising the Prague innovation potential;

The above listed specific aims of the programme transform into global objectives on the level of priorities.

3.3 European Employment Strategy and National Action Plan of Employment

The **European Employment Strategy** is build on four pillars:

Pillar 1 – Improving employability – this line of action supports the effort to provide everyone who enters the labour market with the necessary training, skills and motivation needed to find and maintain a job;

Pillar 2 – Developing entrepreneurship, creating new jobs – create favourable conditions for establishment, operation and development of enterprises offering jobs;

Pillar 3 – Encouraging adaptability of businesses and their employees – enhance flexibility and innovation at work in order to improve effectiveness and competitiveness and therefore create sustainable jobs;

Pillar 4 – Strengthening the policy of equal opportunities between men and women – help remove any discrimination in the approach to men and women in connection with their access to any type of job and in connection with the remuneration for their work.

The progress of implementation of the European Employment Strategy in the Czech Republic in the pre-accession period is evaluated in the annual **Joint Assessment of the Employment Policy, JAP**, drawn up by the Czech Government in co-operation with the EC Directorate General for Employment and Social Affairs. The document contains the agreed set of employment and labour market targets and it stipulates priorities in the field of adapting the employment system with a view to the Czech Republic's EU accession.

The key labour market challenges identified in the document cover the following areas:

- Maintaining appropriate wage developments in line with productivity growth and co-ordination between tax and benefit systems in order to provide incentives for people to work and for enterprises to provide employment opportunities
- Promotion of occupational and geographical mobility

- Modernisation of vocational education and training in co-operation with the social partners, to make the vocational education system more transparent and focused on the needs of the labour market
- Strengthening of the public employment service to support a policy shift towards prevention and activation
- The strengthening of institutional structures needed to implement the ESF

The first progress report on implementation of the JAP priorities was elaborated in the year 2001 and was discussed with the Regional Development, Employment and Social Policy Sub-Committee in April 2002. The Joint Assessment priorities are in line with the national objectives formulated in the 2002 National Action Plan for Employment.

The second progress report, elaborated and commented on by the European Commission, was also discussed with the Regional Development, Employment and Social Policy Sub-Committee as well as the third JAP Progress Report in 2003.

A new priority was defined on the basis of the assessment in the year 2002 and it is included in the third JAP Progress Report as well:

- The support of the use of flexible forms of work along with simultaneous preservation of jobs and legal protection of the employees and their wage levels.

The interconnection between the SPD 3 specific aims and the Joint Assessment of Employment Policy is obvious in the following areas: flexible forms of employment are supported under measures 2.2 and 4.1. Due to certain specific characteristics, territorial mobility does not represent a major problem in Prague, in contrast with other regions. This is why it has not been necessary to include territorial mobility among the programme priorities. Occupational mobility, on the other hand, is an important issue in Prague. The aims under Priority 1 and Priority 4 support occupational mobility directly, while the lifelong learning concept defined under Priority 3 provides an indirect support. Priority 3 also previews an updating of the professional training system, its improved transparency and relevance to the labour market needs. Priority 1 directly addresses the need to strengthen public employment services, improve prevention and introduce active labour market measures. Intended to preserve jobs and improve flexibility of employees and employers, Priority 4 will support the achievement of the targets mentioned in the previous clause. Further information on consistency of SPD 3 strategy and JAP priorities is described in the Policy Frame of Reference. The links to the first generation European Employment Guidelines are explained in sub-chapter 3.4.⁷

The narrow links between the 2002 National Action Plan for Employment and the Joint Assessment of Employment Policy help secure the necessary interconnection with the European Employment Strategy.

Priorities concerning social inclusion and equal opportunities are not a subject of the JAP. These priorities are included in the Joint Inclusion Memorandum (JIM) – EU and Czech government strategic document that assesses social situation and identifies main problems and tasks for future policy of the Czech Republic. The JIM as a basic document for the concept of the National Action Plan on Social Inclusion was adopted by the end of 2003. Links between the JIM and the SPD 3 strategy are included in the Policy Frame of Reference.

⁷ On 22 July 2003 the Council adopted a second generation of European Employment Guidelines (2003/578/EC). This second generation reflects more accurately the Lisbon strategy but their adoption was too late to be included in this programming document.

National Action Plan for Employment 2002:

Pillar 1 – Employability (7 guidelines)

Pillar 2 – Developing entrepreneurship (5 guidelines)

Pillar 3 – Adaptability (3 guidelines)

Pillar 4 – Equal opportunities (3 guidelines).

Reference to the respective guidelines of the 2002 National Action Plan for Employment is always provided under each SPD 3 priority description (Chapter 4).

Subsequently, the SPD 3 objectives and priorities are set in accordance with the **five European Social Fund policy areas**:

- Active labour market policy
- Enhancing social integration and equal opportunities
- Supporting and improving training, education and counselling as a part of the lifelong learning policy
- Supporting qualified, knowledgeable and adaptable workforce, supporting innovation, flexible organisation of work and entrepreneurship
- Improving access to and participation in the labour market for women.

3.4 Horizontal Themes

Horizontal themes are the instruments for integration of the SPD 3 key policy priorities across the five vertical priorities of the programme. Horizontal themes must be taken into account when selecting projects, fulfilment of horizontal themes must be monitored in the implementation stage of each project, and an evaluation of their impact on human resources development must follow.

SPD 3 covers four horizontal themes:

- Equal opportunities
- Sustainable development
- Information society
- Support for local initiatives

Equal opportunities

The equal opportunities concept has been designed to tackle possible gender discrimination. In addition to the measure 2.2, Reconcile family and work life, the equal opportunities principle must be respected across the all vertical priorities, too. Therefore, projects must be assessed from the perspective of the opportunities they offer, and with regard to any additional measures aimed at removing barriers that may prevent a target group from participating in a project.

Sustainable development

The principles of sustainable development must be respected throughout the life of the whole society, in the economy, living environment issues, transport, tourism, national health, training and education, employment, social inclusion. Sustainable development builds on compromises between satisfying today's needs and leaving future generations some space for satisfying their own needs. The projects must provide opportunities to understand better the principles of sustainable development, opportunities for education, and for dissemination of best practice for sustainable development. Supporting a governmental program of environmental training and education is a suitable instrument for application in the Czech Republic (e.g. by supporting environmental education and training programs on sustainable development for various target groups, environmental consultations, etc.). Any business expansion must remain in harmony with the sustainable development principles defined in the Environmental Policy.

Information society

The rapid development of information and communication technologies (ICT) brings along deep transformation of the working and training process. As a consequence of the new development, it is becoming increasingly important for everyone to be able to handle ICT, in any sector of the national economy. ICT literacy is becoming a key skill required by employers both in the public and the private sector. The very term „computer literacy“ clearly expresses that computer skills are nowadays just as essential as reading and writing skills used to be in previous times. Not only it is important to know how to use a computer, but working with information networks is also gaining importance as well as the knowledge how to usefully combine different type and sources of information. Searching for information on the Internet and using multimedia is an everyday task for many. It is virtually impossible to keep pace unless one is able to communicate efficiently and effectively through e-mail. Therefore, every project should use ICT wherever appropriate and the participants should be taught how to use ICT both as an important working tool and as an unlimited space for

searching and disseminating information. The development of information society in Czech Republic follows common trends in Europe and reflects also the accession to the EU (and the goals of action plans eEurope+, eEurope 2005) towards increasing of education in ICT, available and secure communication services, modern on-line public services (e-government, e-procurement, e-health services) and improving the environment for e-business.

Support for local initiatives

Local initiatives with a good knowledge of the local environment are an efficient tool to promote employment. Involving local initiatives in a project provides a guarantee that project activities will continue even after the ESF financing is ended, thus supporting continuous fulfilment of the programme policy. By supporting local initiatives, competitiveness in the respective localities is enhanced as well.

3.5 Environmental Impacts

Sustainable development is one of the SPD 3 horizontal themes to be respected during the implementation of any project, under any priority or measure. Appropriate environmental protection and development are the necessary preconditions of sustainable development. Therefore, environmental impacts of any activities must be assessed before and during the implementation stage, environmental damage must be prevented and environmental improvement encouraged.

SPD 3 has been designed for the purpose of human resources development activities in Prague, for training and education, employment and social integration, not for the purpose of investments into manufacture and/or infrastructure. This is why significant environmental impacts of SPD 3 are not anticipated.

In order to eliminate any unfavourable environmental impacts and support environmental education and training, the following conditions of financing should be applied:

- Projects should be assessed consistently from the point of view of harmony between economic, environmental and social aspects;
- Training activities and newly created jobs should be located near the homes of the target groups, and if transport is necessary, mass transportation should be given preference;
- Whenever possible, activities should not take place in the historic city centre which already suffers from large concentrations of people;
- Development and implementation of training programmes for environmentally harmful sectors should not be supported, preference should be given to training programmes aimed at new power-effective technologies free of contaminants;
- New jobs should be created in environment-friendly enterprises only, preference should be given to jobs contributing to environmental improvement;
- Professional education programmes should always include a reference to environmental protection and possible environmental hazards (waste management, recycling, contaminants).

4. PRIORITIES

Stemming from the SPD 3 specific aims, the following priorities have been formulated and are to be supported from ESF within the SPD 3:

Priority 1 Active employment policy

Measure 1.1 Develop the active employment policy and enhance its targeting

Priority 2 Social integration and equal opportunities

Measure 2.1 Integrate specific groups at risk of social exclusion

Measure 2.2 Reconcile family and work life

Measure 2.3 Global Grant - Strengthening the Capacity of Social Services Providers

Priority 3 Development of lifelong learning

Measure 3.1 Develop initial education as a basis for lifelong learning, with regard to the needs of the labour market and knowledge-based economy

Measure 3.2 Develop further education and training

Priority 4 Adaptability and entrepreneurship

Measure 4.1 Improve adaptability of employers and employees to the changing economic and technological environment and thus enhance their competitiveness

Measure 4.2 Co-operation of research and development institutions with business sphere, support innovation

Measure 4.3 Development of tourism

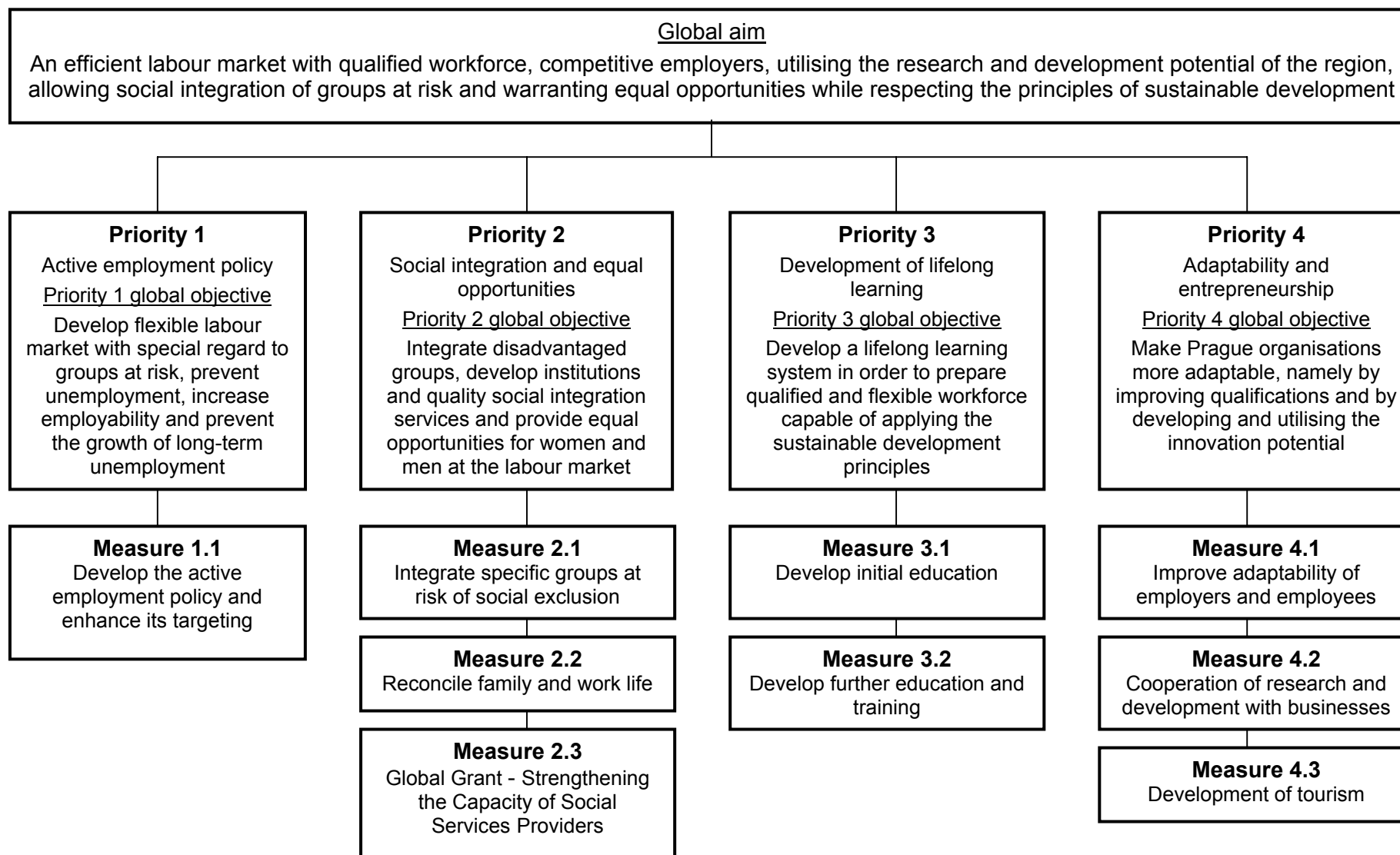
Priority 5 Technical assistance

Measure 5.1 Programme management support

Measure 5.2 Technical background

A description of individual priorities and a summary description of each measure follows. A detailed description will be provided in the Programme Complement.

Diagram 11: SPD 3 priorities and aims



4.1 Priority 1 – Active employment policy

This priority builds on the national employment policy that includes the requirement for an active employment policy. An active employment policy consists of preventive and active measures rather than the passive approach of merely paying unemployment benefits. Thus, the active employment policy relieves the national budget of a part of the costs that would otherwise be incurred as a result of the passive employment policy. It supports the search for new forms and methods how to utilise human resources, supports the desirable economic development trends, and facilitates active participation of individual job seekers groups.

An active employment policy covers a wide range of guidance and information services, mostly with regard to employment, choice and change of profession, further vocational education, namely in Job courses, motivation courses, mediation, active cooperation with employers, job creation support both to employers creating new jobs and to job seekers taking up a business, and re-qualification.

The purpose of this priority is to help remove the obstacles faced by risk groups who have difficulty entering the labour market and finding a job, to increase chances of finding a job (improving employability), to introduce new active employment policy instruments that have not been used yet. In order to enhance the preventive measures, it is necessary to target the active employment policy not only at job seekers registered at employment offices, but also at unregistered job seekers (i.e. those who are not or cannot be registered at a employment office but still face a risk of unemployment or wish to rejoin the labour market, e.g. women after a parental leave). Preference will be given to individual approach and prevention of unemployment.

The risk groups on the labour market include the long-term unemployed, people with disabilities, people above 50 (especially women), mothers with young children, unqualified or low qualified people, and graduates from primary and secondary schools.

The laws and regulations provide the employment offices with quite a large playground for implementation of specific measures tailored to local environment. When fulfilling Priority 1, special attention will be paid to the above-mentioned risk groups. Also, let us underline that the Prague Employment Office's capacities are limited; the high number of unemployed people and the understaffing make it rather difficult to implement individual approach. To care for members of risk groups, much more time, finance and expertise are needed.

When implementing Priority 1, experience from the following projects will be built on: „First Opportunity“, „New Start“, „Bridge“, and the non-specific motivation course „Hope“, the former three being implemented in other Czech regions, the latter in Prague.

Priority 1 global objective

The global objective is to **develop flexible labour market with special regard to groups at risk, prevent unemployment, improve employability and prevent the growth of long-term unemployment**. The said global objective will be implemented through one specific objective:

Priority 1 specific objective

- make the active employment policy more effective in finding employment for registered and unregistered job seekers.

Horizontal themes under Priority 1

In order to successfully implement Priority 1, it will be necessary to assert equal opportunities both in the training of the Prague Employment Office staff and in their subsequent contacts with clients who often belong to one of the disadvantaged groups.

Any training activities for employment office clients will be either fully oriented at information and communication technologies, or will if possible include an information module concerning the use of such technologies in the given field of work and its use in practice, if possible.

The sustainable development principles will be reflected mostly in training activities. In each vocational training course, the participants should be informed about the relationship between the profession and the environment, about potential environmental risks and about how to implement the newly acquired knowledge and skills in an environment-friendly manner. When creating new job opportunities, preference should be given to activities that either help improve the environment or at least are not environmentally harmful. Improving the employability of individuals is an essential component of a flexible and sustainable labour market. This priority attempts to provide a preventive approach through improving individual skills, knowledge and motivation to work in order to achieve durable employment outcomes. The priority also enables progress to be made towards the wider sustainable objectives by modernization of public employment services.

Training activities and newly created jobs should be located near the homes of the target groups, and if transport is necessary, mass transportation should be given preference; whenever possible, activities should not take place in the historic city centre which already suffers from large concentrations of people.

Local initiatives will be involved on the as-possible basis. Namely, the Employment Office will draw on its experience from working with local providers of services.

The implementation of Priority 1 will help fulfil guidelines No. 1, 2, 6 and 11 of the **National Action Plan for Employment 2002**:

- Enhance the effort to develop preventive measures and measures aimed at improving employability, namely in order to prevent long-term unemployment. The said measures will build on early identification of specific individual needs;
- Endeavour to increase significantly the proportion of unemployed and inactive persons benefiting from active measures to improve their employability with a view to effective integration into the labour market, and the outcomes, outputs and cost effectiveness of such measures;
- Enhance the employment services' capability to respond to the offer and demand conditions on the labour market;
- Strengthen the role of employment services in identifying local employment opportunities and improving the functioning of local labour markets.

Priority 1 stems from the following aim of the **Strategic Plan for Prague**:

E3.5. Establish and keep functional an open, properly structured labour market

The following measures will be implemented under Priority 1:

Measure 1.1 Develop the active employment policy and enhance its targeting

16 per cent of the total SPD 3 budget will be employed on Priority 1.

4.1.1 Measure 1.1: Develop the active employment policy and enhance its targeting

Measure code 21

Measure description

The measure is aimed at developing active employment policy, which is a part of the governmental employment policy. The purpose is to help remedy the employment handicaps faced by risk groups that prevent them from accessing the labour market, and to help them find a job or improve their employability. The risk groups on the labour market include the long-term unemployed, people with disabilities, people above 50 (especially women), mothers with young children, unqualified or low-qualified people, and graduates from primary and secondary schools.

In the Czech Republic employment offices established by the Employment Services Administration of the Ministry of Labour and Social Affairs have been implementing the active employment policy.. Prague also has its Employment Office. The policy tools are applied in consistency with the priorities set by the MoLSA, based on labour market analyses and forecasts.

Apart from various advisory activities (individual and group guidance, Job clubs, motivation courses, choice of profession), the active employment policy includes re-qualification and job creation support to employers creating new job opportunities, as well as to job seekers wishing to establish an independent business.

The key purpose of the measure is to integrate the unemployed on the labour market and to prevent unemployment of persons at risk of it. Special stress will be placed on individual approach and on selecting suitable instruments to support the individual's integration on the labour market. The measure is intended not only to implement the new AEP instruments, but also to use those instruments in favour of both the registered and unregistered job seekers (persons at risk of unemployment, persons returning to the labour market - special attention will be paid to the vulnerable group of persons over 50 years of age and to the problem of youth unemployment), and to enhance preventive measures.

To achieve this, it is necessary to enhance the quality of services provided by the Employment Office, and to improve the cooperation with external providers of services. The personnel of the Prague Employment Office and its partner organisations will undergo an intensive training and will acquire new practical and theoretical skills and knowledge that will allow them to tackle the new demanding tasks set forth by the European Employment Strategy, namely the individual approach to and motivation of clients. Development of information and monitoring systems is a must, too.

Measure 1.1 global objective

Make the active employment policy more effective in finding employment for registered and unregistered job seekers.

Measure 1.1 specific objectives

- Prevent the growth in number of unemployed people, namely by early registration of job seekers; prevent the growth in number of long-term unemployed people by targeting the

existing and new active employment policy instruments preferentially at the groups at risk of long-term unemployment⁸;

- Develop new forms of employment as one of the instruments supporting the disadvantaged groups on the labour market;
 - Make the existing active employment policy tools more efficient and keep them focused more closely on registered job seekers; enhance and orientate them on unregistered job seekers, on employees facing the threat of unemployment, and on persons returning to the labour market; introduce new active employment policy instruments;
 - Introduce new active employment policy instruments;
- Improve the qualification of employment services staff, including the personnel of partner organisations, especially the social partners and their associations, training institutions, schools, municipalities, NGO; the qualification improvement is supposed to help implement and further develop the active employment policy;
 - Provide a wider offer of counselling and guidance services aimed at unemployment prevention;
 - Develop a youth employment support system, so that the young people have an opportunity to acquire practical working skills;
 - Improve the qualification level of the Employment Office staff and partner organisations' personnel; enhance better quality and networking of information and monitoring systems.

The specific objectives may be fulfilled through the following types of activities:

- **Client-Orientated Activities**
 - Development of programmes for intermediary and advisory services and their implementation.
 - Work and balance diagnostics – one of the methods of special advisory services look for compliance between the individual's skills, qualifications and work potential and his/her realistic chances on the labour market.
 - Requalification – focused on the enhancement of qualifications and learning new skills, improving professional knowledge required on labour market.
 - Job creation – wage refunding to employers, new employment forms, creation of protected workshops and protected workplaces.
 - Support for jobs at risk.
 - Motivation activities.
 - Support for self-employment – courses for new entrepreneurs.
 - Accompanying social activities – support for persons with dependants; transport costs, accommodation and other related social activities.
- **Activities Developing the Services of Labour Offices and Cooperating Organisations**
 - Creation and implementation of educational and training programmes to enhance professional skills of Labour Offices staff and cooperating organisation employees
 - Preparation and implementation of the unified approach programme for the creation, implementation and evaluation of individual action plans
 - Development of information and monitoring systems;
 - Development of communication skills focusing on equal opportunities and the fight against discrimination.

⁸ Evidence of these risks can be found in unemployment statistics or upcoming collective redundancies..

Target groups

Registered and unregistered job seekers (e.g. persons returning to the labour market), long-term unemployed people, employees (individuals) at risk of unemployment, persons at risk of long-term unemployment, the Employment Office staff and partner organisations' personnel.

4.2 Priority 2 – Social integration and Equal Opportunities

This priority is aimed especially at helping groups and individuals at risk of social exclusion and at providing equal chances to all those wishing to participate in the life of the society and also to implement the principle of equal opportunities for men and women. This priority is intended to help integrate socially disadvantaged persons and improve their starting position when entering and maintaining a stable position in the labour market.

The intention will be achieved by providing the opportunities of participation and good-quality public services with other social resources to disadvantaged persons (e.g. accessible education, health care, housing, etc.).

In line with the principles applied in the European Union, the Czech governmental policy strives to ensure working and social activity, equilibrium and cohesion in the Czech society. The re-distribution systems must be properly tuned so that the income and property differences resulting from the market mechanisms (success at the labour market) on the one hand motivate individuals and social groups to be active and to develop their own capabilities, and, on the other hand, do not mean excessive differences between the rich and the poor with the consequent social tension and conflicts. The aim is to develop a coherent social structure in the Czech Republic, similar to the stable and self-reproducing structures in the EU Member States.

In the field of social policy, the Czech Republic follows two strategic aims: first, tackle the setbacks of the already implemented social reform measures, and second, cushion the negative social impacts of the economic transformation and crisis factors. In the anti-exclusionist social policy, a comprehensive approach will be adopted towards each social group. Organisations offering advanced social services to all groups of clients will play an important role.

Considering that the disadvantaged groups need good-quality services of social integration, methods of providing such services must be improved by specialised vocational training of social services staff. An improved system of social integration services will have a long-term favourable impact on direct services to clients at risk of social exclusion.

It is necessary to support further development of the social services network to maintain its basic quality standards. Depending on the specific needs of each target group, the network will create conditions for reintegration and for renewed economic activity. However, to develop the social services network, it is necessary to carry out continuous training of staff in institutions and organisations providing social services, may they be governmental, municipal, non-governmental, etc.

To successfully integrate disadvantaged groups, it is needed to establish programmes allowing the disadvantaged groups to gain access to the fundamental social resources: education, employment and housing.

This priority will assist youths from socially disadvantaged families and ethnic minorities, youths from immigrants families and young people released from children's homes and fostering facilities with integration into ordinary life and subsequently in the labour market. In the field of adult education and training, it is important to enhance the offer of re-socialisation and re-qualification programmes for persons difficult to place on the labour market, namely physically and/or mentally disadvantaged individuals and persons returning from prison.

Allowing easier access to the labour market and to employment is another prerequisite of efficient integration of disadvantaged groups. Here, too, the social services system must help

remove the barriers inherent in the specific characteristics of the disadvantaged groups, whose problems are largely caused by a disability, lack of social skills, loss of working habits, different cultural habits, or inability to understand the Czech legal environment.

Many negative factors exist in the area of housing, e.g. the insufficient offer of affordable or barrier-free flats. Organisations and institutions providing social services can eliminate at least some of those factors, for instance by offering emergency housing opportunities, short-term housing opportunities or sheltered housing together with services facilitating re-entering of disadvantaged people in the labour market.. Together with other support programmes, such services will prepare the disadvantaged groups for successful social integration.

This priority is also aimed at practical fulfilment of the principle of equal opportunities for men and women. Thanks to Prague's specific features (satisfactory mobility, larger and more versatile offer of jobs, better offer of services), the issue of gender equality is not so pressing as in some other regions. Nevertheless, targeted activities will be necessary to support equal social and working opportunities for women and men.

To offer equal chances on the labour market, it is needed to study the division of labour in the private sphere first. Gender inequalities in the labour market arise mainly from the fact that the care for a family and its dependent members (children, seniors, sick and people with disabilities) are still considered to be the woman's responsibility. The conflict of family and career roles thus becomes significant with regard to the present high level of employment and education of women. That is because only a small group of women select either family, or career; most of them try to combine both. Work-life balance is crucial – without limitation – for women in management positions, university graduates and entrepreneurs.

Any existing and future measures should respect the above-described “facts”. At the same time, they should help dissolve the gender determination by being open to men and women alike. If men begin to use the measures for reconciling work and family life more than before, the women, suffering on the labour market from the „motherhood handicap“, will benefit, too.

In spite of being obviously intended to protect mothers and families, some of the flexible forms of work and some measures designed with the intention to reconcile family and work life may and do turn against women. Description of such measures, including their inherent risks, limitations and potential negative impacts, is provided in the analytic section of this document. The most adverse effects include poor access to employee benefits (for instance on-the-job training), risk of excessive workload as compared with full-time workers (i.e. doing the same work in less hours), risk of losing social contacts (i.e. teleworking or long-term care for a dependent family member).

The solution is not to remove the protective measures but to combat the stereotypes concerning motherhood, parenthood and care for a family. The specific target areas will include a change of attitude at work towards greater tolerance, openness and understanding for alternative forms of work, strengthening of the position of parents at workplaces and in the entire society, strengthening of the role of the man as father, and systematic improvement of public awareness with regard to equal opportunities.

The numerous women's organisations have helped create a potential for fulfilling the gender equality requirements both de jure and de facto. Nevertheless, the requirements are being fulfilled quite slowly. The reasons include but are not limited to the following:

- Poor cooperation between organisations: their activities and the entire women's movement are rather fragmented and disintegrated;
- The women's activities remain isolated from the relevant nation-wide policies;
- Long-term strategies and aims are missing (the organisations often operate on the basis of short-term uncertain grant support and volunteer work);

- Not enough trained professional pro-active female managers, lobbyists, political activists and policy makers to represent the common, nation-wide and publicly beneficial interests of the organisations;
- Consistent evaluation of women's organisations activities and their effectiveness is missing, monitoring and feedback are unsatisfactory.

In contrast with the EU countries where many organisations from the civil, governmental and private sectors dedicate themselves systematically and over a long term to the equal opportunities issues, the Czech society has not yet developed a sufficient absorption capacity. In order to be able to use the funds effectively and efficiently both in the next programming periods and in other related support programmes, it is first needed to consolidate the non-profit and civil sectors, so that they are capable of receiving, administering and implementing the support. Special support must be given to partnership between the non-profit organisations and organisations from other sectors, so that they can implement the equal opportunities principles in practice.

Priority 2 global objective

The global objective is to **integrate disadvantaged groups, develop institutions and quality social integration services and to provide equal opportunities for women and men on the labour market**. The said global objective will be implemented through three specific objectives:

Priority 2 specific objectives

- Assist the groups at risk of social exclusion in acquiring the required skills and capabilities; create favourable conditions for their social and labour market integration.
- Support the practical (de facto) implementation of the principle of equal opportunities for women and men both in family and work life.
- Providing for equal access to education, training, employment and other self-expression in the social and work life of the members of groups at risk of social exclusion.

Horizontal themes under Priority 2

This priority devolves from the horizontal theme of equal opportunities, with particular attention to equality between men and women. Equal opportunities for various disadvantaged groups will be monitored during implementation of activities. Respecting the equal opportunities requirements is a precondition for a successful implementation of any social integration project. Within each and every project, attention should be paid to that theme. Excluded groups face a number of barriers in accessing employment. Ensuring that members of these groups, as well as men and women are given support to enter the labour market, the reconciliation of personal and professional life and equality of opportunity in employment is therefore entirely consistent with the principles of sustainable development. Basic environmental awareness should be promoted within this priority, too. Whenever possible, the sustainable development issue should be involved in projects (e.g. training programmes and vocational training of social services providers) and will be monitored as well.

The training in the area of community planning in fact means that the horizontal principle „support for local initiatives“ is being applied because more local people are involved in the decision-making process, social services are becoming more available and local sources are used more efficiently.

Efficient use of information and communication technologies will form an integral component of most of the activities. In the selection procedure, special attention will be paid to projects designed with the intention to develop IT skills of disadvantaged clients.

The implementation of Priority 2 will help fulfil guidelines Nos. 7, 16 and 17 of the **National Action Plan for Employment 2002**:

- Identify and combat all forms of discrimination in access to the labour market and to education and training;
- Develop effective preventive and active policy measures to promote the integration into the labour market of groups and individuals at risk or with a disadvantage, in order to avoid marginalisation, the emergence of „working poor“ and a drift into exclusion;
- Implement appropriate measures to meet the needs of people with disabilities, ethnic minorities and immigrants as regards their integration into the labour market.
- Develop and reinforce consultative system with gender equality bodies;
- Strengthen the efforts to reduce the gap in unemployment rates between women and men by actively supporting the increased employment of women;
- Take action to bring about a balanced representation of women and men in all sectors and occupations;
- Take positive action to ensure the application of the principle of equal pay for equal work and to achieve gender pay equality.

Priority 2 stems from the following aims of the **Strategic Plan for Prague**:

- L1.1. Enhance and improve education in order to achieve the level of an integrated European economy
- L1.3. Introduce multicultural education as a means of combating racial intolerance and discrimination
- L1.5. Support an effective and efficient social work and social care system consistent with the demographic, social and economic trends
- L1.6. Give preference to alternative social care methods
- L1.7. Integrate people with disabilities into general population; integrate handicapped children in schools

The strategic plan also contemplates the planned transformation of social care institutions located outside Prague, and a return of their clients to their native city.

The following measures will be implemented under Priority 2:

Measure 2.1 Integrate specific groups at risk of social exclusion

Measure 2.2 Reconcile family and work life

Measure 2.3 Global grant - Strengthening the Capacity of Social Services Providers

24 per cent of the SPD 3 total budget will be employed on Priority 2. Indicative allocation to each of the three measures as follows:

- measure 2.1 – 20%
- measure 2.2 – 3%
- measure 2.3 – 1%.

4.2.1 Measure 2.1: Integrate specific groups at risk of social exclusion

Measure code 22

Measure description

This measure is aimed at helping groups and individuals at risk of social exclusion and in providing equal chances to all those who wish to participate in the life of the society. The measure will provide disadvantaged people with better access to social services, while the services will be provided in accordance with advanced social work methods, and will be based on quality and partnership approach to users. To that end, development and implementation of training programmes focused on community planning and services intermediation methods will be supported, taking into account local conditions and practice. It will help to all the involved parties to develop mutual cooperation and dialogue and will strive to satisfy individual needs of people at risk of social exclusion. Groups at risk will be provided with better access to education and guidance, in order to improve their chances at the labour market and their subsequent social integration.

The purpose of the measure will be fulfilled especially by providing social services, based on promoting individual approach to clients, improving quality of services, training staff in the field of social protection and gathering and disseminating information.

Experience with ESF projects implemented in other Member States has shown that the most effective projects are those that would provide comprehensive support, especially to persons excluded from the labour market. An integrated approach with a combination of key activities and additional measures will allow individuals from the target groups to make the best possible use of the opportunities offered by such projects, and therefore will more effectively help combat social exclusion. The results of such a project are more sustainable even after the project is wound up. Such an approach requires partnership between the entities implementing individual projects aimed at comprehensive care for disadvantaged and socially excluded groups.

Support to persons, disadvantaged on the labour market on basis of their age, health, loss or absence of work habits and social situation involves both complex and individual approach to different target groups. An intensive cooperation among the city department for social care and healthcare and coordinators for the minority issues and Roma communities is being envisaged in order to achieve maximum coverage of all potential risk groups.

One of the specific potential risk groups are young people who have grown up in institution care facilities; analyses prove that the majority of them are not able to integrate successfully into the society and tend to increase the ranks of members of some groups endangered by social exclusion (homeless people, people with criminal past, etc.). Improved social services concentrated on endangered families and children in order to prevent the need for institutional care as well as services and projects assisting adaptability of young people, released from institutional care, are highly desirable.

Another target area represents a complex support to homeless people in Prague. Until now, the existing services have been concentrated mainly on support in wintertime, providing beds and meals. In future, a partnership among organizations providing services to homeless people is envisaged, while their services should become more complex and more integration-oriented.

Another great challenge is the development and capacity building of social services with the aim to change the whole social services system. This will lead also to a more effective providing of services on accompanying measures. To ensure efficient and adequate social

services in Prague, training in the area of community planning and in the area of quality and availability of services is essential. Being trained in community planning, social services commissioners can engage the general public, users and providers of social services, representatives of city quarters, etc. in the decision-making process.

Last but not least, the training of workers in social services is clearly envisaged. A system of professional education and training of all groups of employees of all institutions will be established in order to improve qualification of both the staff providing the direct services and the management, to increase effectiveness and availability of these services. The system of training will be developed and put into practice in close cooperation with both the expert organizations and the city administrative units, who then will be able to apply the system in their own institutions.

Measure 2.1 global objective

Assist the groups at risk of social exclusion to acquire adequate skills and capabilities, and create conditions allowing such groups to integrate socially and on the labour market.

Measure 2.1 specific objectives

- Enhance and develop skills, knowledge and abilities that would allow the members of risk groups to integrate socially and on the labour market; provide such people with access to education and training;
- Support entities and organisations providing social integration programmes to socially excluded persons and to persons at risk of social exclusion;
- Provide the framework of support for people facing social exclusion. This will include the preparation of improved professional qualifications and their delivery to workers in this field. Development and extension of existing social service provision into more targeted and tailored professional help. These measures should greatly assist people with multiple disadvantages access or remain in the labour market.
- Take measures to fulfil the quality standards required from social services by training trainers and subsequently service commissioners, managers and providers; introduce a system of training for workers in social services;
- Collect and analyse detailed information to map social needs; disseminate such information;
- Develop and implement adequate training to encourage a community planning system in order to make the services more available to persons at risk of social exclusion.

The specific objectives may be fulfilled through the following types of activities:

- Direct services to members of disadvantaged groups or to those at risk of social exclusion (personal assistance, homecare, supported employment, sheltered housing, crisis centres, advice services, day-care centres, contact work, field social work in Roma communities, assistance to homeless people, etc.).
- Projects of "Help to Nearly-Adults" aimed at adaptability of young people, released from children's homes and fostering facilities into normal life (so called "Halfway Houses").
- Supporting the development of organisations offering services to disadvantaged groups (life-long staff training, ensuring the services quality development and meeting quality standards, transformation of residential services, capacity building, etc.).
- Building a new and better way of providing social services leading to their improvement by development and implementation of programmes of vocational training of social services staff (training in the area of community planning, implementation of quality standards, information and advice services, etc.).

ESF money cannot be used to fund the building of housing, training and social service facilities. For these investments money from the ERDF will have to be used which is available in the territory of Prague covered by the Objective 2 SPD. This restriction applies also to the proposed activities mentioned under the measures of Priorities 3 and 4.

Target groups

- Persons disadvantaged in their access to the labour market on the ground of:
 - age (young, old);
 - health (especially people with physical disabilities, mental handicapped);
 - loss or absence of work habits (especially long-term unemployed persons, ex-prisoners, ex-inmates, long-term patients);
 - social situation (above all, single parents, victims of crimes and domestic violence, commercially abused persons, homeless persons, persons at risk of addiction, victims of a large-scale disaster, members of Roma communities, migrants and those from ethnic minorities).
- Workers in public administration and the non-profit sector in social sector: Those include non-government non-profit organisations staff, local and central Prague municipalities' employees.
- Social service providers – in the Czech Republic, those are non-government non-profit organisations (civic associations, public beneficiary association, church charities) , contributory organisations of the Prague City Hall and municipal offices, and associations and umbrella organisations of social service providers for system projects.

4.2.2 Measure 2.2: Reconcile family and work life

Measure code 25

Measure description

Measures aimed at harmonising family and work life will certainly bring along a positive impact on the overall economic competitiveness. An appropriate modification of working hours will allow using more efficiently the potential of working age employed parents. A network of family and dependants care services and institutions will not only generate new jobs but it will also remove the barriers to career advancement of women (parents). Measures facilitating the return of mothers to the labour market, e.g. by supporting renewal or establishment of social contacts or by lifelong learning, will help the human resources development, thus enhancing the individuals' ability to compete on the labour market.

The measure will be aimed at removing barriers that hinder women from full access to the labour market, while respecting the women's natural family interests. Activities under this measure will be aimed at strengthening the position of individuals who care for a dependent family member and still wish to work. Particular attention will be paid to female entrepreneurs, especially to those who newly establish a business, and to women in demanding occupations, e.g. in research, development and managerial positions. Considering the high concentration of research institutions in Prague, activities aimed at equalising women's chances in research and development will be welcome.

Last but not least, the activities under this measure must be accompanied with additional measures facilitating access to the projects to persons who care for dependent family members.

Measure 2.2 global objective

Support the practical (de facto) implementation of the principle of equal opportunities for women and men both in family and work life.

Measure 2.2 specific objectives

- Influence general conditions, environment and organisation of work with the aim of establishing equal chances for persons caring for dependent family members compared with other players on the labour market;
- Support career opportunities for women in research and development, based on analyses of underlying reasons; tackle the lack of knowledge about women's position in science and research;
- Support partnership and networking among organisations involved in equal opportunities issues and in reconciling family and work life;
- Undermine the existing prejudice against and biased attitude towards women; enhance the general awareness of the importance of women in the entire society and in work life.

The specific objectives may be fulfilled through the following types of activities:

- Testing of working conditions arrangements and work organisation which respect the needs of people taking care for a dependent family member, their evaluation and sharing experience.

- Equalising women's chances in research and development in business, governmental, university and non-profit sectors (special grants and programmes for parents returning to their scientific career, support networking and experience sharing, etc.).
- Supporting employment of persons returning to the labour market after parental leave or after taking care for a dependent family member; improve their adaptability to labour market changes, in particular with regard to the utilisation of information and communication technologies.
- Improving co-operation of organisation engaged in equal opportunities of men and women, building of partnerships.
- Improve management of the non-profit organisations dealing with equal opportunities.
- Publicity of equal opportunities of men and women, sharing good practice.
- Accompanying measures aiming to reinforce the female participation and the participation of persons taking care for dependant family members in the labour market and facilitate their access to projects under this measure by enabling them to use relevant services providing care for pre-school children, seniors and individuals requiring special care (e.g. covering childcare costs for the children of project participants, etc.).

Target groups

Individuals caring for a dependent family member, persons returning to the labour market after parental leave or after caring for a dependent family member, male and female employees, social partners, women involved in research and development, non-governmental organisations dealing with equal-opportunities issues, media.

4.2.3 Measure 2.3: Global Grant - Strengthening the Capacity of Social Services Providers

Measure code 22

Measure description

The main aim of the Global Grant is to support the development of existing and building new capacities of NGOs, which perform in the field of integration of population groups socially excluded or at risk of social exclusion. Activities implemented through the mechanism of Global Grant are to help the improvement and stabilisation the level and availability of services provided for specific target groups, which requires focused field work and an individual approach. This type of activities is often provided by small organizations that do not have an appropriate capacity to manage and administer projects under the SPD 3 standard procedures.

NGOs are frequently the main upholders (as the social services providers) and mediators (as the trainers, educators, consultants) of new approaches and methods of work with clients and providers' staff and they can observe if the clients' rights are kept. NGOs supported under this measure can help to promote standards and quality of social services and training and contribute with their particular activities to solve broader problems on the labour market.

Contrary to Measure 2.1 this measure intends to support solely NGOs, so although the target groups may overlap the delivery mechanisms are different.

Measure 2.3 global objective

Providing for equal access to education, training, employment and other self-expression in the social and work life of the members of groups at risk of social exclusion.

Measure 2.3 specific objectives

- Strengthen the capacity and quality of the entities implementing programmes for social integration of socially excluded persons or those at risk of social exclusion;
- Expand the offer and availability of social services according to the needs of persons at risk of social exclusion;
- Transform the residential services and expand the capacities of field services.

The specific objectives may be fulfilled through the following types of activities:

- Introduce standards of quality of social services, develop organizations.
- Establish partnerships between the non-profit sector and the public administration institutions.
- Support the cooperation among NGOs, governmental agencies and business entities in the field of social integration.
- Training of social services providers.
- Transfer the useful know-how, practice and lessons from other countries.
- Develop the programmes of social services providing.

Target Groups

NGOs providing services to population groups socially excluded or at risk of social exclusion
Establishment of partnerships between NGOs and local administration bodies in the project implementation is assumed.

Implementation Arrangement

The Foundation for the Civil Society Development (NROS) will be the intermediate body for Measure 2.3 Strengthening the Capacity of Social Services Providers.

4.3 Priority 3 – Lifelong Learning

This priority is intended to develop the educational system and ensure that the system covers the needs of individuals with regard to the quality of their work during their whole working life. Priority 3 covers initial education and further education and training, the links between the two and their mutual complementarities. Initial education must be designed in such a manner as to prepare young individuals not only professionally, but also teach them how to solve working problems flexibly and how to educate themselves on an ongoing basis and develop their skills and knowledge throughout their life. Further education and training, especially the vocational one, must respond to the needs of the labour market and must build on the knowledge acquired in the course of initial education. Certificates acquired in the further vocational training should provide employers with a sufficient guarantee of skills and should be of a value comparable with initial education certificates, whenever further training is in lieu of initial education.

Three closely intertwined areas of interest can be found within the Lifelong Learning Priority: first, the effort to create a basis for lifelong learning, especially by improving and updating primary, secondary and higher vocational education. Second, it is necessary to create and enhance mutual interconnection between learning and work, thus facilitating the transition from school to work and making individuals more easily employable. Third, there is the need to develop university education and further education and training as the two factors that strongly influence the quality of social life in general.

Apart from narrowing the gap between the current school system and the further education and training sector, stress is placed on linking this priority with the employment policy and social policy, with the aim of a maximum social integration. The social partners are expected to play a significant role in fulfilling the aims. A new point of view on the traditional school system was taken as the starting point when this priority was being formulated, as it is the school system, which is supposed to build the tools and motivations so that the students themselves, out of their own interest, strive to achieve the highest possible level of knowledge and skills.

Like in other regions, the issue of disadvantaged individuals has been long neglected in Prague. It is therefore necessary to create opportunities for people with disabilities, socially disadvantaged people, ethnic minorities, etc., so that they can better participate in the mainstream education. The integration of disadvantaged children into the education mainstream has been enforced with great emphasis. The effort is to increase the number of special schools “under one roof” with other types of schools and to increase the numbers of preparatory classes and compensatory classes in order to enable the disadvantaged children to join the standard basic education system. Training teachers and teaching assistants to work with such individuals is a necessity. Support should be also provided to those who for whatever reasons failed to complete primary education and thus cannot continue in acquiring appropriate qualification.

On the other hand, more attention should be paid to talented individuals, too, as it is them who will contribute to future development of certain sectors and of the entire economy. Both the initial and the further education and training should cover the sustainable development factor. Thus, environmental education is an important aspect of both measures under Priority 3 and it will be included at the level of separate activities in the Programme Complement.

Tertiary education includes higher vocational schools, universities and colleges and other training institutions. Tertiary education is gaining ever-increasing importance. This is why Priority 3 will involve activities aimed at expanding the current offer of such education, step-by-step restructuring of university study programmes, and designing of a three-level

university study system consisting of variable modules. Credits system (like in the EU countries) will be used as an instrument for facilitating students' mobility. All the above listed activities will be based on the idea of creating a common European space for university education. Tertiary education development must stem from the identification of labour market needs. Regarding the nation-wide importance of Prague universities, the nation-wide labour market must be taken into account, too. It takes some time before a change of the educational system reaches the labour market (first it is necessary to design study programmes and give the students time to complete their studies). This is why labour market forecasts must involve long-term prognoses of qualification needs in various fields, including a view to the international economic development. Universities often lack the necessary link with practical life; the teaching remains too „academic“. This is why collaboration between schools and potential future employers must be enhanced.

A systematic preparation of future scientific workers remains one of the key tasks of universities, although this task has been rather neglected recently, though many universities have slightly improved the offer of post-graduate programmes. To improve the quality of teaching, the quality of teachers who not only teach but also participate in the design of educational programmes needs to be improved.

Further education and training plays a very important role in the lifelong learning concept. Further education and training takes place at schools, in adult education institutions or as on-the-job training. The offer of training courses is wide, the quality rather unbalanced. There are no reliable information and guidance services which are missed especially by those who need advice most of all, i.e. under-qualified people and individuals otherwise disadvantaged on the labour market.

Prague needs to support the development of a further education and training system, i.e. the design and development of systematic instruments and mechanisms, methodology, structures and links. Also, it is necessary to enhance the capacity of organisations involved in the design and support of the further education and training system. All the key partners and players need to be involved in the process of designing the system – apart from the education providers, it is necessary to involve the representatives of social partners, public administration, employment services, research institutions, professional associations, etc.

Various adult education institutions are active in Prague, covering the current demand. Nevertheless, the offer does not correspond to the needs. The contemporary rather unregulated environment needs to be transformed into a conceptual and systematic one. Lifelong learning and development opportunities must be offered to all adult groups, with the aim of improving competitiveness and urban prosperity. With a systematic approach, conditions will be created for easily available, quality and properly recognised further education and training, which will be of use to individuals on the labour market.

To that end, financial and non-financial incentives to motivate the further education and training players need to be introduced to make them develop the system. It can be drawn on the vast experience from other countries, as well as on the specific situation in the Czech Republic in general and in Prague in particular. A consistent system of trainers' certification needs to be implemented. It is necessary to design training programmes and support training institutions that would offer various quality forms of adult education and would provide for a more consistent and transparent certification of the acquired knowledge and skills. Establishment and networking of guidance and information centres need to be supported, as well as creation of readily available databases on further education and training opportunities, training programmes and other information facilitating access to further education and training to both institutions and individuals. The high concentration of scientific and research capacities in Prague can be used for design and development of advanced further education and training forms and methods, design and development of new

educational and teaching programmes, and subsequent systematic development of further vocational education and training. Therefore, Priority 3 will involve not only the supporting of new training programmes, improvement of qualification of teachers and educational institutions' management, but also an overall systematic support of the further education and training system, so that the Czech Republic gradually reaches the European level. The changes to be implemented in Prague under Priority 3 will entail long-term positive impact on nation-wide level.

Neither the curricular reform nor any other changes in the education and training system are possible without the adequate human resource development in education and training. Currently the teachers certification system based on requirements defined by state is being prepared. A new concept and promotion of teachers' initial education and in-service teachers training as well as systematic support to teachers' work is therefore necessary. Future initial and further education of teachers and lecturers must be focused on e.g. modernisation of education programmes or approach to students with special educational needs. The SPD 3 will therefore help to establish good conditions for the enhancement of the professional prospects of teachers, trainers and lecturers, including their initial education and in-service training. This activity will be coordinated with a similar activity in OP HRD; i.e. at the national level.

Priority 3 global objective

The global objective is to **develop a lifelong learning system in order to prepare qualified and flexible workforce capable of applying the sustainable development principles.** The said global objective will be implemented through two specific objectives:

Priority 3 specific objectives

- Improve the quality of the initial education system;
- Develop a system of further education and training which is usable, broadly recognised and of high quality.

Horizontal themes under Priority 3

To achieve equal opportunities for all, it is advisable to support tools aimed at involving all the disadvantaged individuals in quality education, thus helping them overcome the barriers to satisfactory working life.

The sustainable development principle, environmental protection and active environmental development must be involved across educational programmes, whenever feasible.

New educational programmes must be based on new technologies, including a large-scale use of information technologies. Distance education programmes are virtually unfeasible without the new technologies.

When evaluating projects, preference must be given to those that would involve local initiatives thus creating a better background for continuous development of project activities.

The implementation of Priority 3 will help fulfil guidelines Nos. 4, 5 and 6 of the **National Action Plan for Employment 2002**:

- Equip young people with the basic skills relevant to the labour market and needed to participate in lifelong learning;
- Improve young and adult literacy and reduce substantially the number of young people who drop out of the school system early. Particular attention should also be given to young people with learning difficulties and educational problems. Member States will in this context develop measures aimed at halving by 2010 the number of young people aged 18 to 24 with only lower-secondary level education who are not participants of further education or training;
- Promote conditions to facilitate better access of adults, including those with atypical contracts, to lifelong learning, so as to increase the proportion of adult working-age population (25-64 years olds) participating at any given time in education and training;
- Strive to make e-learning available to all citizens;
- Enhance the functioning of labour market by improving databases on jobs and learning opportunities.

Priority 3 stems from the following aims of the **Strategic Plan for Prague**:

- L1.1. Enhance and improve education level so as to achieve the level of an integrated European economy;
- L1.2. Establish links between universities on one part and scientific and research institutions on the other part;
- L1.3. Introduce multicultural education as a means of combating racial intolerance and discrimination.

The following measures will be implemented under Priority 3:

Measure 3.1 Develop initial education as a basis for lifelong learning, with regard to the needs of the labour market and knowledge-based economy

Measure 3.2 Develop further education and training

29 per cent of the SPD 3 total budget will be employed on Priority 3. Indicative allocation to each of the two measures follows:

measure 3.1 – 14.5%

measure 3.2 – 14.5%.

4.3.1 Measure 3.1: Develop initial education as a basis for lifelong learning, with regard to the needs of the labour market and knowledge-based economy

Measure code 23

Measure description

The measure will be aimed especially at developing key skills required for practical implementation of theoretical knowledge and for communication with others. Quality of teaching at primary and secondary schools depends on the quality of teachers who not only teach but design educational programmes, too. Therefore, the measure will support projects aimed at initial and further education and training of teachers.

Taking into account the increasing number of individuals with special educational needs, support will be given to activities improving educational opportunities for any disadvantaged individuals and helping integrate such individuals into mainstream education programmes (among others measure will support the preparatory classes that facilitate the language handicap, eventually handicap caused by disadvantaging social and cultural background; successful transfer of Roma pupils from special schools for children with learning disabilities to basic schools; individual programmes; compensatory classes aimed at allowing to continue education within the standard school programme). Overcoming educational handicaps also involves educating young people and adults who only attended special school or left the school system without completing basic education, which meant that any further education was not accessible to them.

In compliance with the objectives which are mentioned in the White Book and the Long-Term Plan, it is necessary to establish an integrated care system for talented individuals, particularly to establish differentiated offer of activities (intellectual, musical, artistic, linguistic, technical, sport etc.) in which these individuals could manifest their talent (for example due to optional subjects at school or due to the special school orientation). Issue, which is connected with talented children, should be more integrated into teachers' educational programmes at higher educational institutions.

Overcoming educational handicaps also involves educating young people and adults who only attended special school or left the school system without completing basic education, which meant that any further education was closed to them.

From all the regions, Prague has seen the strongest rise in pathological social behaviour among children and youth. This circumstance must be taken into account when preparing educational programmes and must be reflected in professional training of today's and future teachers.

In what concerns tertiary education, the measure will support activities aimed at developing various types of study programmes. Attention will be paid to one of the key and momentarily rather neglected functions of a university, i.e. the preparation of future scientific workers. Though many universities have recently expanded their offer of post-graduate study, the interconnection between the school and the practice remains unsatisfactory.

Measure 3.1 global objective

Improve the quality of the initial education system.

Measure 3.1 specific objectives

- Improve the educational process at primary schools, secondary schools and higher vocational schools, including an improvement of conditions for the training of students with special educational needs;
- Enhance quality and develop the initial education and further education and training of teachers and other school workers;
- Expand and diversify the offer of training at universities;
- Enhance distance training and combined forms of study;
- Improve IT and environmental literacy among students at primary schools, secondary schools and higher vocational schools.

The specific objectives may be fulfilled through the following types of activities:

- Integrating disadvantaged students in normal classes (preparatory classes for children from socio-culturally disadvantaged environment, individual programmes for people with disabilities, compensatory classes aimed at allowing children from special schools to continue education within the standard school programme) and prevention of their premature departure from the educational system.
- Preparing and implementing pilot educational programmes (stressing the improvement of foreign language teaching, enhancement of information literacy, support for civic, intercultural and environmental education).
- Programmes for young people and adults who only attended special school or left the school system without completing basic education, which meant that any further education was not accessible to them, to complete their basic education.
- Projects of schools with a full day programme, where attendance of the non-teaching part is voluntary.
- Developing wider vocational profile for each field of study.
- Improving the quality of practical training and vocational practice at secondary vocational schools and higher vocational schools.
- Implementing external and internal evaluation systems in schools.
- Further education and training of teachers, school managers, school inspectors and public administration workers involved in the educational sphere.
- Supporting cooperation among schools to innovate teaching.
- Optimising numbers of students, improving quality of study programmes at universities.
- Human resources development in the field of distance education infrastructure.
- Support for the development of bachelor studies and PhD study programmes.
- Developing cooperation among universities in the Prague region.
- Supporting the adoption of the Bologna Declaration (e.g. bringing about a better international compatibility between university studies across the EU).
- Supporting the so-called „corporate chairs“ concept.
- Supporting the development of consulting and expertise capacities.
- Support for the environmental education in schools.

Target groups

Primary schools, secondary schools, higher vocational schools, universities, institutions cooperating with universities, research institutes educating prospective scientific workers, social partners, non-governmental organisations, free-time centres, pedagogic centres.

The following groups will benefit directly from the activities: young and adult people with disabilities, disadvantaged youth and adults, socially disadvantaged people, other young disadvantaged people (low-qualified due to attending special schools or by dropping out from schools without achieving basic education or adequate qualification, drug addiction, homelessness, staying in reformatory institutions), extraordinarily talented students, ethnic minorities and asylum seekers, foreigners, pupils and students of primary, secondary, and higher vocational schools and universities, school teachers and managers, other professional workers in the educational system, under-qualified individuals, people seeking opportunities of further study at a secondary school or a higher vocational school.

4.3.2 Measure 3.2: Develop further education and training

Measure code 23

Measure description

Further education and training does not contribute systematically to the development of qualified and flexible human resources. The further education and training sector lacks a clear concept, as well as the necessary legislative, institutional and financial mechanisms and conditions to enhance and regulate its development.

This measure is aimed at developing the further education and training offer systematically, and at implementing the key system mechanisms in this field.

Prague needs to implement appropriate tools and methods to develop the further vocational education and training system so that adults can acquire qualifications based on the local labour market needs. Social partners and other entities must be motivated to participate in designing the contents and methods of further education and training, the certification system, and a formal system of cooperation among all the further education and training players in Prague.

To enhance the further vocational education and training offer, a network of educational and training centres for further vocational education and training of unqualified or under-qualified people or people whose qualification is of little or no value at the labour market needs to be established. The high concentration of research institutions, universities and secondary vocational schools in Prague can serve as a basis for establishing educational centres with further education and training programmes in the field of new technologies, thus providing better training opportunities to the ever-growing group of young unemployed graduates from universities and secondary schools and young graduates facing the risk of unemployment. Methods need to be developed for education of under-qualified and unqualified people, training of teachers, methodologists and managers of educational and training centres.

To improve the quality and availability of further education and training opportunities, it is necessary to develop supporting services, in particular information and advice, to help those who need help most of all, i.e. the under qualified or otherwise disadvantaged individuals on the labour market. To achieve an effective development of further education and training system, Prague needs to build an institutional framework and develop professional capacities for labour market needs forecasting, regional qualification potential evaluation and educational needs analysis. It is needed to establish a system of support for innovation in the field of education, using the existing considerable educational, research and development potential. Innovation and research networks need to be created in the sphere of further education and training. The scheme of cooperation between selected institutions and experts involved in further education and training innovation and research activities must be designed and test-run. An effective information system needs to be supported so as to enhance dissemination of innovation and research outputs and international cooperation in further education and training.

Expected needs of enterprises and the labour market in general must be reflected in the offer of further education and training. To achieve that, an effective, efficient and systematic support is required, namely with regard to the development of new further education and training programmes, dissemination of advanced educational forms and techniques, and continuous improvement of qualification of those who provide further education and training – teachers, lecturers, trainers, managers, administrative workers in adult education.

Measure 3.2 global objective

Develop a system of further education and training which is usable, broadly recognised and of high quality.

Measure 3.2 specific objectives

- Build up an infrastructure⁹ for further education and training development in accordance with the specific needs of the labour market in Prague;
- Improve access to information about further education and training opportunities, and provide information about further education and training opportunities in Prague by establishing an effective and efficient advisory and information system;
- Establish a formal co-operation system between the providers of training and people seeking training opportunities, with the aim to improve quality and enhance targeting of further education and training;
- Establish a system for supporting innovation activities and research in the field of further education and training;
- Expand the offer of further education and training (new programmes with elements of environmental education and information technologies, distance study, e-learning, better forecasting of employers' needs);
- Improve the professional and teaching qualities of trainers, consultants, teachers, methodologists and managers active in the field of further education and training.

The specific objectives may be fulfilled through the following types of activities:

- Create a further education and training system.
- Filling the gaps in the educational infrastructure.
- Developing support services for the further vocational education and training system (information, analytical, consultancy, diagnostic services).
- Establishing a formal co-operation system between the providers of further education and training and people seeking further education and training opportunities (information system for decision-making and harmonisation of supply and demand with the labour market requirements, etc.).
- Establishing a system for innovation activities support (network for innovations and research in the field of further education, establish an efficient information system for the dissemination of innovation activities and research products; etc.).
- Expanding further education and training offer in consistency with the labour market needs (support cooperation of businesses and educational institutions, develop distance and combined forms of education, develop e-learning programmes of further education, etc.).
- Training and professional development of trainers, consultants, examiners, teachers, methodologists and managers in the sphere of further education and training (support associations of educational and consultancy institutions, etc.).

⁹ The term „infrastructure“ describes the facilities that provide for economic functions and overall system functioning.

Target groups

Trainers, consultants, people working in advice services, teachers, methodologists and managers of Prague schools and adult training institutions, including non-governmental organisations, participants in post-graduate study programmes, Prague public administration workers, experts from research institutions, Prague employment services staff, personnel officers, entrepreneurs and employers in Prague, experts of employers' associations and trade unions, training and advice institutions, entities implementing the state environmental education programme, professional associations and chambers.

4.4 Priority 4 – Adaptability and entrepreneurship

This priority is aimed at enhancing the competitiveness of Prague's economy and at supporting the features that are unique on the nation-wide level and may influence the development of the country as a whole.

Employment structure has changed in many sectors on a nation-wide scale but it is Prague that has seen the most significant industrial drop-down and a migration to the services sector. Services and tourism have become the most dynamic sector of economy in Prague.

Human resources quality in Prague is rather different than in other regions, the qualification structure being the aspect where the differences are most obvious. Although the quality of human resources in Prague is evaluated as above average, some general setbacks are still present. One of them is the low flexibility of workforce, which is not prepared to ensure Prague's economic competitiveness. This concerns virtually everyone from top managers through manufacturing enterprises' employees, administrative workers, through „micro“ businesses consisting mostly of self-employed individuals. It is the small enterprises and self-employed individuals who should be addressed by entities involved in the designing of methodical, legislative and economic procedures and rules and should be provided with general skills and capabilities so that they can cope with new impulses and improve their competitiveness.

The above-mentioned changes and trends must be taken into account when designing the form and contents of vocational education and training, together with the specific features of each sector and each job. The contents of any training activity must be consistent with the actual work an individual is involved in.

To adapt themselves to the rapidly changing and developing IT environment, Prague enterprises must establish close cooperation with the research and development base. Prague's considerable human resources potential has not yet been fully exploited in this respect. The reasons are mostly historical, as the former regime placed stress on education aspects of university programmes, while scientific capacities were developed mostly in the Academy of Sciences. Thus, a gap has appeared between universities and the research work. Cooperation between universities and industry remains limited to large enterprises. Small and medium enterprises need to be involved, too. The cooperation between universities on the one part and small and medium enterprises, especially the technology-oriented ones, is developing without any systematic support from the government or the municipal institutions. A functioning technology transfer system is still lacking, and the same concerns support for new innovative businesses established mostly by young scientists and university students. It is necessary to build up a consistent educational system, so that would-be entrepreneurs have an opportunity to acquire fundamental knowledge and skills, particularly with regard to the technological development. Removal of the above listed barriers and setbacks will be one of the tasks under Priority 4.

Prague has a unique chance to become not only an important tourist destination in Central Europe, but also in the whole EU. Tourism represents an important sector of economy in Prague. Thanks to its importance and its potential tourism will receive special attention. In order to improve the quality of tourism services in Prague, special attention should be paid to the skills and capabilities of people working in the tourism including a system for improving communication and language skills in tourism services and related fields. This will be achieved by developing a network of advice and training services for both the existing and new entrepreneurs in tourism, by encouraging partnership in the entrepreneurial and public

sectors and by improving knowledge and support the utilisation of modern technologies in the field of providing comprehensive information service to tourists and visitors in Prague.

Priority 4 global objective

The global objective is to **make Prague organisations more adaptable, namely by improving qualifications of staff and by developing and utilising the Prague innovation potential**. The said global objective will be implemented through three specific aims.

Priority 4 specific objectives

- Provide for effective organisational management and prepare qualified flexible workforce as a guarantee of high and stable employment rate and economic competitiveness of Prague economics;
- Improve the quality of cooperation between business sphere and research and development institutions;
- Contribute to the further development of the tourism potential, namely by improving qualification of workers in tourism.

Horizontal themes under Priority 4

Equal opportunities will be respected when selecting participants for training programmes, in order to eliminate any possible barriers hindering the participation of disadvantaged individuals.

Using advanced technologies is one of the manners how Czech organisations can become more competitive. The new technologies are mostly energy-effective, raw-materials-effective, and therefore environment-friendly. This is why it is so important to prepare qualified workforce capable of using the new technologies. Sustainable development principles will be built into educational programmes whenever possible as an essential condition of improving quality of involved organisations.

Support for small enterprises will naturally translate into a more intensive involvement of local initiatives.

The implementation of Priority 4 will help fulfil guidelines Nos. 8, 9, 10, 13 and 15 of the **National Action Plan for Employment 2002**:

- Encourage greater entrepreneurial awareness across society and in educational curricula, by providing a clear, stable and predictable set of rules and regulations and by improving the conditions for the development of, and access to, risk capital markets;
- Promote education for entrepreneurship and self-employment, targeted support services as well as training for entrepreneurs and would-be entrepreneurs;
- Innovative enterprises must find a supportive environment. A considerable potential exists in particular in the services sector;
- Implement agreements to modernise the organisation of work, including flexible working arrangements, with the aim of making undertakings productive and competitive;
- Conclude agreements on lifelong learning to facilitate adaptability and innovation, particularly in the field of information and communication technologies.

Priority 4 stems from the following aims of the **Strategic Plan for Prague**:

L1.2. Establish links between universities and research and development institutions;

E3.1. Speed up restructuring, enhance economic efficiency and effectiveness;

E3.2. Prague as a national innovation and initiative centre;

E3.3. Enhance the profile of Prague as a reliable economic partner; create business-friendly environment;

E4.2. Find a balance between the development of tourism and its impact on the urban environment.

The following measures will be implemented under Priority 4:

Measure 4.1 Improve adaptability of employers and employees to the changing economic and technological environment and thus enhance their competitiveness

Measure 4.2 Co-operation of research and development institutions with business sphere, support innovation

Measure 4.3 Development of tourism

26 per cent of the SPD 3 total budget will be employed on Priority 4. Indicative allocation to each of the three measures follows:

measure 4.1 – 10.4%

measure 4.2 – 10.4%

measure 4.3 – 5.2%.

4.4.1 Measure 4.1: Improve adaptability of employers and employees to the changing economic and technological environment and thus enhance their competitiveness

Measure code 24

Measure description

Improved adaptability to significant internal and external changes (in particular the EU accession and the necessity to cope with its economic rules) is a must if Prague's economy is to remain competitive in the globalised world. The preparation for EU integration may bring along a significant impact on the economic position of small business.

Employers should receive support with special regard to the development of management structures in their organisations, including personnel management systems, development and implementation of modern entrepreneurial approaches. Special attention will be paid to SMEs and newly established businesses. Information is what employers need most of all in their decision-making processes. This is why trade organisations, professional associations, chambers of commerce and economic chambers will be supported and their services improved. Support should be also given to various forms of cooperation among organisations, networking, etc., with special attention to small entrepreneurs. Cooperation between small and large organisations is also necessary, in particular in management and human resources development area.

Adaptability of employees will be supported in line with the new technological development, manufacturing changes and new organisational forms of work. Trade unions development should also serve as a tool for employees support.

Improving business morals and corporate culture is a prerequisite for long-term success of Czech organisations.

Measure 4.1 global objective

Provide for effective organisational management and prepare qualified flexible workforce as a guarantee of high and sustainable employment rate and economic competitiveness of Prague economics.

Measure 4.1 specific objectives

- Employers and employees will acquire specialised knowledge and skills needed to tackle occupational, structural and technological changes; professional associations will provide the necessary expertise;
- Establish standard and transparent management systems in organisations, including human resources management;
- Encourage new forms of employment;
- Provide better information to employees and employers by establishing specialised information and advisory centres and developing partnerships;
- Issue certificates to staff and to enterprises, in accordance with standards recognised at the European level; quality focused approach;
- Develop training programmes reflecting EU accession, especially for small entrepreneurs;
- Implement regional programmes of co-operation between small businesses and large enterprises.

The specific objectives may be fulfilled through the following types of activities:

- Providing training and counselling support to SMEs (increase the awareness of the economic and business environment, promote the interest in the establishment and management of small businesses, increase the interest in self-employment, support the activities of business incubators, training in business establishment, financial analyses, marketing, human resources management, crisis management, advice services, etc.).
- Support to training in organisations (training in basic business skills, new methods of management, business negotiations, sustainable development, IT use, establishing partnerships, etc.).
- Support to the development of trade organisations, professional associations, and chambers of commerce.

Target groups

Employers, employees, professional associations, associations of entrepreneurs, trade unions, chambers of commerce.

4.4.2 Measure 4.2: Co-operation of research and development institutions with business sphere, support innovation

Measure code 24

Measure description

Cooperation between research and development institutions and business sphere, together with rapid practical implementation of new findings, is one of the preconditions for further improvement of the economic competitiveness of Prague. Under this measure, support should be aimed at establishing system for human resources development in this field as well as direct support of people working in research and development.

The considerable scientific and educational potential of Prague universities remains largely unused. Thousands of under-graduate and post-graduate students participate in research projects at universities. In future, the students may become an important human factor in introducing new technologies into practice and in establishing and developing technology-oriented businesses. The various institutions of the Czech Academy of Sciences should also create conditions for better practical utilisation of research and development outcomes and should tailor their research activities to the needs of those who are expected to use the outcomes of the research.

On the other side, it is desirable to support a more active involvement of entrepreneurs, so that they learn how to define their needs and cooperate with research institutions on research projects. Particular attention will be paid to sustainable development and to the information and communication technologies. Better position of women in science and research will be supported under this measure, as well as under measure 2.2.

Measure 4.2 global objective

The global objective of this measure is to improve the quality of cooperation of research and development institutions with business sphere.

Measure 4.2 specific objectives

- Provide employers and employees with knowledge needed to tackle the problems connected with the introduction of new technologies, thus improving the competitive capacity of both groups;
- Establish a basis of training system with special regard to students, post-graduate students and young scientists, in order to provide them with the knowledge needed for the establishment of new technology-oriented businesses;
- Establish a basis of training system for managers in the field of research and development, in industrial enterprises and professional organisations, so that they have an opportunity to acquire the professional knowledge they need to be able to manage the innovation process;
- Establish and further develop an information system for accelerated practical implementation of research and development outputs;
- Support joint innovation programmes of universities, research institutions and enterprises, including a mechanism for the transfer of technologies, know-how and experts;
- Establish in Prague a basis of an effective and efficient system of training and advisory centres and entrepreneurs' incubators in order to help fulfil the above-mentioned objectives.

The specific objectives may be fulfilled through the following types of activities:

- Enhance the involvement of employers in improving their own qualification and their employees' qualification (support educational activities on all business levels that are responsible for the implementation of innovations, new technological procedures and management methods).
- Motivate universities and research institutions to develop a comprehensive system supporting the establishment of spin-off businesses (system supporting the creation of technologically orientated firms by students and young scientists).
- Practical implementation of research and development results (information system of the supply and demand in the field of advanced technologies).
- Activities aimed at the promotion of new technologies.
- Study visits and professional training of personnel to support the pro-innovation activities.
- Support for the existing and newly established consulting companies.
- Support for the establishment and development of technology-oriented businesses (consultancy in the project assessment, preparation of business and financial plans, creation of SME networks, business incubator activities).
- Establishment of new technology-oriented spin-off businesses (especially by students, PhD students and young scientists).
- Create partnerships between research and development facilities and businesses (organisation of joint conferences, seminars and workshops, support for both short-term and long-term research fellowships, etc.).

Target groups

Under-graduate students, post-graduate students, young scientific workers, managers, employees, individuals planning to establish a new technology-oriented business, non-governmental non-profit organisations.

4.4.3 Measure 4.3: Development of tourism

Measure code 24

Measure description

Thanks to its history and geographic location, Prague has a unique chance to become not only an important tourist destination in Central Europe, but also a centre of the Central and Eastern European countries awaiting their EU accession. In order to improve the quality of tourism services in Prague, special attention should be paid to the skills and capabilities of people working in the tourism. Striving to improve the quality of services and to guarantee a safe tourist destination, a system for improving communication and language skills in tourism services and related fields needs to be built up to enhance the overall quality of tourist services and to tackle the specific needs of Prague tourism. To achieve that, a network of advice and training services for both the existing and new entrepreneurs in tourism will be developed. Generally, partnership in the entrepreneurial and public sectors will be encouraged, knowledge will be improved and the utilisation of modern technologies in the field of providing comprehensive information service to tourists and visitors in Prague will be supported. Also, it is necessary to keep the providers of tourist services informed about new trends on a timely basis, so that they can innovate their services accordingly. Understanding advanced know-how in the field of tourist safety and learning how to use the know-how is another important requirement. Considering the poor state of living environment in Prague, the sustainable development principle must be respected across this measure, both in the strategic decision-making process and in the stage of implementation of projects.

Measure 4.3 global objective

Contribute to the further development of tourism potential by improving qualifications of workers in tourism.

Measure 4.3 specific objectives

- Improve the quality of tourism services, create a safe tourist environment;
- Improve communication and language skills in tourism services and related fields;
- Be able to identify in time new trends in tourism and respond to them;
- Train the entities operating in the tourism to work as partners, including networking;
- Improve the knowledge and utilisation of information technologies in the field of providing a comprehensive information service to tourists and visitors in Prague;
- Understand advanced know-how in the area of tourist and visitors safety, learn how to use the know-how.

The specific objectives may be fulfilled through the following types of activities:

- Communication and language skills training courses.
- Training for tourism marketing specialists.
- Re-qualification training courses on tourism services.
- Consultancy services for businesses and starting businesses in tourism.
- Training in the use of new security technologies in tourism and training in dealing with critical situations.
- Training of employees of information centres and creating programmes for their further education.
- Organising workshops and meetings.

Target groups

Employees in tourism, individuals wishing to set up a business in tourism, businesses operating in tourism, entities operating in related fields, public administration, professional associations.

4.5 Priority 5 – Technical Assistance

The global objective of technical assistance is to **ensure proper implementation of SPD 3** by providing reliable and effective services for programme management and administration. Technical assistance includes activities allowing preparation, implementation and subsequent evaluation of SPD 3. Also, it serves as a tool for the exchange of experience and best practice examples. Technical assistance will be available for publicity purposes and as a form of expert assistance to the programme Managing Authority – the Ministry of Labour and Social Affairs (MoLSA).

This will be for the first time that the Czech Republic and the Prague region receive assistance from the structural funds. Other regions have acquired some experience thanks to Phare programme within the framework of the pre-accession assistance but Prague has never taken part in Phare aimed at economic and social cohesion. Therefore authorities in Prague lack practical experience in this field.

As stipulated by Articles 2 and 3 of Rule No. 11 of Commission Regulation (EC) No 1145/2003, the scope of services provided within the framework of technical assistance may include the following:

1. Preparation, selection, assessment and monitoring of programmes and projects, including related documentation and reports;
2. Establishment of monitoring committees and sub-committees for the purpose of programme implementation, meetings of such committees and sub-committees;
3. On-the-spot checks and audits;
4. Studies, seminars;
5. Information campaign;
6. Programme implementation evaluation;
7. Installing a computer system for programme management and monitoring.

Two measures will be implemented under this priority:

Measure 5.1 Programme management support

Measure 5.2 Technical background

5 per cent of the total SPD 3 budget will be employed on priority 5. Indicative split-up between the two measures:

Measure 5.1 – 2.5%

Measure 5.2 – 2.5%.

4.5.1 Measure 5.1: Programme management support

Measure code 411

Measure description

This measure will enable provision of reliable and effective managerial and specialised services for management and administration of the Programme.

The activities will comprise everyday operational management of the programme, from preparation and administration in the projects selection stage, through drawing up of contracts, monitoring, elaboration of reports and keeping electronic records in the monitoring system, financial management (except decision-making with regards to projects selection, approval of payments and payments).

A detailed list of beneficiaries and description of activities is given in the SPD 3 Programme Complement. The Technical Assistance in managing and administering the Programme will be provided to Managing Authority and Intermediate Bodies by a Technical Assistance offices and where appropriate by individual staff.

Measure 5.1 global objective

Support programme implementation by strengthening administrative structures involved in programme management both at the level of the Managing Authority and at the level of intermediate bodies.

Measure 5.1 specific objectives

- Preparation, selection, assessment and monitoring of programmes and projects, including related documentation and reports;
- Establishment of monitoring committees and sub-committees for the purpose of programme implementation, meetings of such committees and sub-committees;
- On-the-spot checks.

Target groups

Managing Authority, intermediate bodies.

4.5.2 Measure 5.2: Technical background

Measure code 412, 413, 414

Measure description

The purpose of this measure is to develop information materials, analyses, studies, evaluation reports, recommendations for the drawing up of programming documents for the next programming period, and to inform prospective applicants about possible uses of ESF funds, and to disseminate information about outputs and best practice examples deriving from ESF implementation. Also, this measure will open space for regular updates of the electronic monitoring system in line with experience gained when using the system for ESF management purposes.

A detailed assignment will be elaborated for each activity under this measure.

Activities under this measure will cover other expenditures under technical assistance as defined in the Commission Regulation (EC) No 1145/2003, Rule No 11, point 3.

Measure 5.2 global objective

Provide technical support for successful programme implementation, help disseminate information about preparation, results and evaluation of the programme.

Measure 5.2 specific aims

- Studies, seminars;
- Information campaign;
- Evaluate programme implementation;
- Install a computer system for programme management and monitoring.

Target group

Managing Authority.

4.6 Information on State Aid

Based on the letter of the chairman of the Office for the Protection of the Competition, issued on 23rd January 2003, it was indicated that some measures of SPD 3 would be a subject of regulation according to State Aid rules. The 4 below-mentioned measures (out of total 9) would be assessed by the Office for the Protection of the Competition. The assessment will be based on the more detailed information on individual measures specified in the Programme Complement which is being sent to the Office. It is envisaged all state aid measures will fall under one of group exemption regulations (Commission Regulation (EC) No 2204/2002 of 12 December 2002 on the application of Articles 87 and 88 of the EC Treaty to State aid for employment, Commission Regulation (EC) No 68/2001 of 12 January 2001 on the application of Articles 87 and 88 of the EC Treaty to training aid, Commission Regulation (EC) No 70/2001 of 12 January 2001 on the application of Articles 87 and 88 of the EC Treaty to State aid to small and medium-sized enterprises). After receiving the statement of the Office, the table on State Aid is to be completed and sent to the Commission.

Table 29: Information on state aid

Measure number	Title of the State aid scheme or ad hoc State aid (°)	State aid number (*)	Approval letter reference (*)	Duration of the scheme (*)
1.1	Development active employment policy and enhance its targeting		No state aid	
2.1	Integrate specific groups at risk of social inclusion		No state aid	
2.2	Equal opportunities		No state aid	
2.3	Enhancing the Capacity of Social Services Providers		No state aid	
3.1	Development of initial education as the basis for the life-long learning from the point of view of the labour market needs and the knowledge based economy		No state aid	
3.2	Develop further education and training		<i>Further consultation with OPEC is needed on basis of detailed description of measure to asses if state aid is involved or not</i>	
4.1	Increasing the adaptability of entrepreneurs and employees to economic and technological change, support of competitiveness		<i>Further consultation with OPEC is needed on basis of detailed description of measure to asses if state aid is involved or not</i>	
4.2	Co-operation of research and development institutions with business sphere, support innovation		<i>Further consultation with OPEC is needed on basis of detailed description of measure to asses if state aid is involved or not</i>	
4.3	Development of Tourism		<i>Further consultation with OPEC is needed on basis of detailed description of measure to asses if state aid is involved or not</i>	
5.1	Programme management support		No state aid	
5.2	Technical background		No state aid	

5. LINKS TO OTHER STRATEGIC DOCUMENTS

5.1 Links Between SPD 3 Measures and the Priorities of the European Employment Strategy

EU employment guidelines for the year 2002	Single Programming Document measures for Objective 3
<i>I. IMPROVING EMPLOYABILITY</i>	
<p><u><i>Tackle youth unemployment and prevent long-term unemployment:</i></u> Every unemployed person will be offered a new start before reaching six months of unemployment in the case of young people, and twelve months of unemployment in the case of adults in the form of training, retraining, work experience, a job or other employability measure, including, more generally, accompanying individual vocational guidance and counselling with a view to effective integration into the labour market.</p>	<p>Measure 1.1 Develop the active employment policy and enhance its targeting Objectives:</p> <ul style="list-style-type: none"> • Prevent the growth in number of unemployed people, namely by early registration of job seekers; prevent the growth in number of long-term unemployed people by targeting the existing and new active employment policy instruments preferentially at the groups at risk of long-term unemployment; • Improve the qualification of employment services staff, including the personnel of partner organisations, especially the social partners and their associations, training institutions, schools, municipalities, NGO the qualification improvement is supposed to help implement and further develop the active employment policy. <p>Measure 2.1 Integrate specific groups at risk of social exclusion Objective:</p> <ul style="list-style-type: none"> • Enhance and develop skills, knowledge and abilities that would allow the members of risk groups to integrate socially and on the labour market; provide such people with access to education and training.
<p><u><i>A more employment-friendly approach:</i></u> Each Member State will: Review and, where appropriate, reform its benefit and tax system to reduce poverty traps, and provide incentives for unemployed or inactive people to seek and take up work or measures to enhance their employability and for employers to create new jobs; Endeavour to increase significantly the proportion of unemployed and inactive persons benefiting from active measures to improve their employability with a view to effective integration into the labour market, and will improve the outcomes, outputs and cost effectiveness of such measures;</p>	<p>Measure 2.1 Integrate specific groups at risk of social exclusion Objectives:</p> <ul style="list-style-type: none"> • Enhance and develop skills, knowledge and abilities that would allow the members of risk groups to integrate socially and on the labour market; provide such people with access to education and training; <p>Measure 3.2 Develop further education and training Objectives:</p> <ul style="list-style-type: none"> • Improve access to information about further education and training opportunities, and improve information about further education and training opportunities in Prague by establishing an effective and efficient advisory and information system; • Expand the offer of further education and training (new programmes with elements of

<p>Promote measures for unemployed and inactive people to acquire or upgrade skills, including IT and communication skills, thereby facilitating their access to the labour market and reducing skill gaps. To this end, each Member State will fix a target for active measures involving education, training or similar measures offered to the unemployed thereby aiming at gradually achieving the average of the three most advanced Member States, and at least 20 per cent.</p>	<p>environmental education and information technologies, distance study, e-learning, better forecasting of employers' needs).</p>
<p><u>Develop a policy for active ageing</u> Member States, and if appropriate also with social partners, will therefore develop policies for active ageing with the aim of enhancing the capacity of, and incentives for older workers to stay longer at work, in particular by: Adopting positive measures to maintain the working capacity and skills of older workers, not least in a knowledge-based labour market, in particular through sufficient access to education and training, to introduce flexible working arrangements including, for example, part-time work if workers so choose, and to raise employers' awareness of the potential of older workers; Reviewing tax and benefit systems in order to reduce disincentives and make it more attractive for older workers to continue participating in the labour market.</p>	<p>Measure 4.1 Improve adaptability of employers and employees to the changing economic and technological environment and thus enhance their competitiveness Objectives:</p> <ul style="list-style-type: none"> • Encourage new forms of employment; • Employers and employees will acquire specialised knowledge and skills needed to tackle occupational, structural and technological changes; professional associations will provide the necessary expertise.
<p><u>Developing skills for the new labour market in the context of lifelong learning</u> Member States are therefore called upon to improve the quality of their education and training systems, as well as the relevant curricula, including the provision of appropriate guidance in the context of both initial training and lifelong learning, the modernisation and greater effectiveness of apprenticeship systems and of on-the-job training, and promote the development of multi-purpose local learning centres, in order to: Equip young people with the basic skills relevant to the labour market and needed to participate in lifelong learning; Reduce youth and adult illiteracy and reduce substantially the number of young people who drop out of the school system early. Particular attention should also be given to young people with learning difficulties and with educational problems. Member States will in this context develop measures aimed at halving by</p>	<p>Measure 3.1 Develop initial education as a basis for lifelong learning, with regard to the needs of the labour market and knowledge-based economy Objectives:</p> <ul style="list-style-type: none"> • Improve the educational process at primary schools, secondary schools and higher vocational schools, including an improvement of conditions for the training of students with special educational needs; • Develop the initial education and further education and training of teachers and other school workers; • Expand and diversify the offer of training at universities; • Enhance distance training and combined forms of study; • Improve IT and environmental literacy among students at primary schools, secondary schools and higher vocational schools. <p>Measure 3.2 Develop further education and training Objectives:</p>

<p>2010 the number of 18 to 24 years olds with only lower-secondary level education who are not in further education and training;</p> <p>Promote conditions to facilitate better access of adults, including those with atypical contracts, to lifelong learning, so as to increase the proportion of adult working-age population (25-64 years olds) participating at any given time in education and training;</p> <p>In order to facilitate mobility and encourage lifelong learning Member States will pay attention to factors such as teaching of foreign languages, and will improve the recognition of qualifications, knowledge and skills acquired by education, training and practice;</p> <p>Member States will aim at developing e-learning for all citizens. In particular, Member States will continue their efforts to ensure that all schools have access to the internet and multimedia resources and that, by the end of 2002, all the teachers needed are skilled in the use of these technologies in order to provide all pupils with broad digital literacy.</p>	<ul style="list-style-type: none"> • Improve access to information about further education and training opportunities, and improve information about further education and training opportunities in Prague by establishing an effective and efficient advisory and information system; • Establish a formal co-operation system between the providers of training and people seeking training opportunities, with the aim to improve quality and enhance targeting of further education and training; • Establish a system for supporting innovation activities and research in the field of further education and training; • Expand the offer of further education and training (new programmes with elements of environmental education and information technologies, distance study, e-learning, better forecasting of employers' needs); • Improve the professional and teaching qualities of trainers, consultants, teachers, methodologists and managers active in the field of further education and training; • Build up an infrastructure for further education and training development in accordance with the specific needs of the labour market in Prague. <p>Measure 4.1 Improve adaptability of employers and employees to the changing economic and technological environment and thus enhance their competitiveness</p> <p>Objectives:</p> <ul style="list-style-type: none"> • Provide employers and employees with knowledge needed to tackle the problems connected with the introduction of new technologies, thus improving the competitive capacity of both groups; • Establish in Prague a basis of an effective and efficient system of training and advisory centres and entrepreneurs' incubators.
<p><i>Active policies to develop job matching</i> and to combat emerging bottlenecks in the new European labour markets</p> <p>Member States will, as appropriate with the social partners, step up their efforts to identify and prevent emerging bottlenecks, in particular by:</p> <p>Developing the job-matching capacities of labour offices;</p> <p>Developing policies to prevent skills shortages;</p> <p>Promoting occupational and geographical mobility within individual member states and within the framework of the EU;</p> <p>Enhancing the functioning of labour markets by improving databases on jobs and learning opportunities which should be interconnected at the European level, making use of modern information technologies and experience already available at the</p>	<p>Measure 1.1 Develop the active employment policy and enhance its targeting</p> <p>Objective:</p> <ul style="list-style-type: none"> • Improve the qualification of employment services staff, including the personnel of partner organisations, especially the social partners and their associations, training institutions, schools, municipalities, NGO; the qualification improvement is supposed to help implement and further develop the active employment policy. <p>Measure 3.1 Develop initial education as a basis for lifelong learning, with regard to the needs of the labour market and knowledge-based economy</p> <p>Objective:</p> <ul style="list-style-type: none"> • Improve IT and environmental literacy among students at primary schools, secondary schools and higher vocational schools.

<p>European level.</p>	<p>Measure 3.2 Develop further education and training</p> <p>Objectives:</p> <ul style="list-style-type: none"> • Build up an infrastructure for further education and training development in accordance with the specific needs of the labour market in Prague; • Improve access to information about further education and training opportunities, and improve information about further education and training opportunities in Prague by establishing an effective and efficient advisory and information system; • Expand the offer of further education and training (new programmes with elements of environmental education and information technologies, distance study, e-learning, better forecasting of employers' needs). <p>Measure 4.2 Co-operation of research and development institutions with business sphere, support innovation</p> <p>Objectives:</p> <ul style="list-style-type: none"> • Establish a basis of training system with special regard to students, post-graduate students and young scientists, in order to provide them with the knowledge needed for the establishment of new technology-oriented businesses; • Support joint innovation programmes of universities, research institutions and enterprises, including a mechanism for the transfer of technologies, know-how and experts.
<p><u>Combating discrimination and promoting social inclusion by access to employment</u></p> <p>Each Member State will:</p> <p>Identify and combat all forms of discrimination in access to the labour market and to education and training;</p> <p>Develop effective preventive and active policy measures to promote the integration into the labour market of groups and individuals at risk or with a disadvantage, in order to avoid marginalisation, the emergence of „working poor“ and a drift into exclusion;</p> <p>Implement appropriate measures to meet the needs of the people with disabilities, ethnic minorities and migrant workers as regards their integration into the labour market and set national targets where appropriate for this purpose.</p>	<p>Measure 2.1. Integrate specific groups at risk of social exclusion</p> <p>Objectives:</p> <ul style="list-style-type: none"> • Enhance and develop skills, knowledge and abilities that would allow the members of risk groups to integrate socially and on the labour market; provide such people with access to education and training; • Support entities and organisations providing social integration programmes to socially excluded persons and to persons at risk of social exclusion. • Provide the framework of support for people facing social exclusion. This will include the preparation of improved professional qualifications and their delivery to workers in this field. Development and extension of existing social service provision into more targeted and tailored professional help. These measures should greatly assist people with multiple disadvantages access or remain in the labour market. • Collect and analyse detailed information to map social needs; disseminate such information • Take measures to fulfil the quality standards required from social services by training trainers and subsequently service commissioners, managers and providers; introduce a system of training for workers in social services;

	<ul style="list-style-type: none"> • Develop and implement adequate training to encourage a community planning system in order to make the services more available to persons at risk of social exclusion. <p>Measure 2.2 Reconcile family and work life</p> <p>Objective:</p> <ul style="list-style-type: none"> • Influence general conditions, environment and organisation of work with the aim of establishing equal chances for persons caring for dependent family members compared with other players on the labour market.
II. DEVELOPING ENTREPRENEURSHIP AND JOB CREATION	
<p><i>Making it easier to start up and run businesses</i></p> <p>Member States will give particular attention to reducing significantly the overhead costs and administrative burdens for businesses, in particular when an enterprise is being set up and when hiring additional workers. Also, Member States should, when drafting new regulations, assess their potential impact on such administrative burdens and overhead costs for businesses. Member States will encourage the taking up of entrepreneurial activities:</p> <p>By examining, with the aim of reducing, any obstacles which may exist, especially those within tax and social security regimes, to moving to self-employment and the setting up of small businesses;</p> <p>By promoting education for entrepreneurship and self-employment, targeted support services as well as training for entrepreneurs and would-be entrepreneurs;</p> <p>By combating undeclared work and encouraging the transformation of such work into regular employment, making use of all relevant means of action including regulatory measures, incentives and tax and benefit reform, in partnership with the social partners.</p>	<p>Measure 4.1 Improve adaptability of employers and employees to the changing economic and technological environment and thus enhance their competitiveness</p> <p>Objective:</p> <ul style="list-style-type: none"> • Encourage new forms of employment; • Develop training programmes reflecting EU accession, especially for small entrepreneurs. <p>Measure 4.2 Co-operation of research and development institutions with business sphere, support innovation</p> <p>Objective:</p> <ul style="list-style-type: none"> • Establish a basis of training system with special regard to students, post-graduate students and young scientists, in order to provide them with the knowledge needed for the establishment of new technology-oriented businesses. • Establish a basis of training system for managers in the field of research and development, in industrial enterprises and professional organisations, so that they have an opportunity to acquire the professional knowledge they need to be able to manage the innovation process; • Establish in Prague a basis of an effective and efficient system of training and advisory centres and entrepreneurs' incubators in order to help fulfil the above-mentioned objectives.
<p><i>New opportunities for employment in the knowledge-based society and in services</i></p> <p>Member States will remove barriers to the provision of services and will develop framework conditions to fully exploit the employment potential of the full range of the services sector to create more and better jobs. In particular, the employment potential of the IT and the environmental sector should be tapped.</p>	<p>Measure 3.1 Develop initial education as a basis for lifelong learning, with regard to the needs of the labour market and knowledge-based economy</p> <p>Objective:</p> <ul style="list-style-type: none"> • Improve IT and environmental literacy among students at primary schools, secondary schools and higher vocational schools. <p>Measure 3.2 Develop further education and training</p> <p>Objective:</p>

	<ul style="list-style-type: none"> Expand the offer of further education and training (new programmes with elements of environmental education and information technologies, distance study, e-learning, better forecasting of employers' needs). <p>Measure 4.1 Improve adaptability of employers and employees to the changing economic and technological environment and thus enhance their competitiveness Objectives:</p> <ul style="list-style-type: none"> Encourage new forms of employment; Develop EU-accession-related programmes, especially with regard to small businesses. <p>Measure 4.2 Co-operation of research and development institutions with business sphere, supporting innovation Objectives:</p> <ul style="list-style-type: none"> Provide employers and employees with knowledge needed to tackle the problems connected with the introduction of new technologies, thus improving the competitive capacity of both groups; Establish an information system for accelerated practical implementation of research and development outputs; Support joint innovation programmes of universities, research institutions and enterprises, including a mechanism for the transfer of technologies, know-how and experts. Establish a training system with special regard to students, post-graduate students and young scientists, in order to provide them with the knowledge needed for the establishment of new technology-oriented businesses. <p>Measure 4.3 Development of tourism Objectives:</p> <ul style="list-style-type: none"> Improve communication and language skills in tourist services industry and related fields; Improve the knowledge and utilisation of information technologies in the field of providing a comprehensive information service to tourists and visitors in Prague;
<p><u>Regional and local action for employment</u> Member States will: Take into account, where appropriate, in their overall employment policy the regional development dimension; Encourage local and regional authorities to develop strategies for employment in order to exploit fully the possibilities offered by</p>	<p>Measure 1.1 Develop the active employment policy and enhance its targeting Objective:</p> <ul style="list-style-type: none"> Improve the qualification of employment services staff, including the personnel of partner organisations, especially the social partners and their associations, training institutions, schools, municipalities, NGO; the qualification improvement is supposed to help implement and further develop the active employment policy.

<p>job creation at the local level and promote partnerships to this end with all the actors concerned, including the representatives of civil society;</p> <p>Promote measures to enhance the competitive development and the capacity of the social economy to create more jobs and to enhance their quality, especially the provision of goods and services linked to needs not yet satisfied by the market, and examine, with the aim of reducing, any obstacles to such measures;</p> <p>Strengthen the role of labour offices at all levels in identifying local employment opportunities and improving the functioning of local labour markets.</p>	<p>Measure 2.1. Integrate specific groups at risk of social exclusion</p> <p>Objective:</p> <ul style="list-style-type: none"> • Provide the framework of support for people facing social exclusion. This will include the preparation of improved professional qualifications and their delivery to workers in this field. Development and extension of existing social service provision into more targeted and tailored professional help. These measures should greatly assist people with multiple disadvantages access or remain in the labour market; • Develop and implement adequate training to encourage a community planning system in order to make the services more available to persons at risk of social exclusion. <p>Measure 3.2 Develop further education and training</p> <p>Objectives:</p> <ul style="list-style-type: none"> • Build up an infrastructure for further education development in accordance with the specific needs of the labour market in Prague; • Expand the offer of further education and training (new programmes with elements of environmental education and information technologies, distance study, e-learning, better forecasting of employers' needs) <p>Measure 4.1 Improve adaptability of employers and employees to the changing economic and technological environment and thus enhance their competitiveness</p> <p>Objective:</p> <ul style="list-style-type: none"> • Implement regional programmes of co-operation between small businesses and large enterprises <p>Measure 4.2 Co-operation of research and development institutions with business sphere, support innovation</p> <p>Objective:</p> <ul style="list-style-type: none"> • Establish in Prague a basis of an effective and efficient system of training and advisory centres and entrepreneurs' incubators in order to help fulfil the above mentioned objectives <p>Measure 4.3 Development of tourism</p> <p>Objective:</p> <ul style="list-style-type: none"> • Improve the quality of tourism services, create a safe tourist environment
<p><u>Tax reforms for employment and training</u></p> <p>Each Member State will:</p> <p>Set a target, if necessary and taking account of its present level,</p>	

<p>for gradually reducing the overall tax burden and, where appropriate, set a target for gradually reducing both the fiscal pressure on labour, and on non-wage labour costs, in particular on relatively unskilled and low-paid labour. Such reforms should be undertaken without jeopardising public finances or the long-term sustainability of social security systems; Provide incentives and remove tax obstacles to investment in human resources; Examine the practicability of and design options for using alternative sources of tax revenue, inter alia energy and pollutant emissions, taking into account the experience with environmental tax reforms in several Member States.</p>	
<p>III. ENCOURAGING THE ADAPTABILITY OF BUSINESSES AND THEIR EMPLOYEES</p>	
<p><i>Modernising work organisation</i> The social partners are invited: To negotiate and implement at all appropriate levels agreements to modernise the organisation of work, including flexible working arrangements, with the aim of making undertakings productive, competitive and adaptable to industrial change, achieving the required balance between flexibility and security, and increasing the quality of jobs. Subjects to be covered may, for example, include the introduction of new technologies, new forms of work and working time issues such as the expression of working time as an annual figure, the reduction of working hours, the reduction of overtime, the development of part-time working, access to career breaks, and associated job security issues; Within the context of the Luxembourg process, to report annually on which aspects of the modernisation of the organisation of work have been covered by the negotiations as well as the status of their implementation and impact on employment and labour market functioning. Member States will, where appropriate in partnership with the social partners or drawing upon agreements negotiated by the social partners: Review the existing regulatory framework, and examine proposals for new provisions and incentives to make sure they will contribute to reducing barriers to employment, to facilitate the introduction of modernised work organisation and to helping</p>	<p>Measure 4.1 Improve adaptability of employers and employees to the changing economic and technological environment and thus enhance their competitiveness Objectives:</p> <ul style="list-style-type: none"> • Establish standard and transparent management systems in organisations, including human resources management; • Encourage new forms of employment. <p>Measure 4.2 Co-operation of research and development institutions with business sphere, support innovation Objectives:</p> <ul style="list-style-type: none"> • Provide employers and employees with knowledge needed to tackle the problems connected with the introduction of new technologies, thus improving the competitive capacity of both groups; • Establish a basis of training system for managers in the field of research and development, in industrial enterprises and professional organisations, so that they have an opportunity to acquire the professional knowledge they need to be able to manage the innovation process <p>Measure 2.2 Reconcile family and work life Objective:</p> <ul style="list-style-type: none"> • Influence general conditions, environment and organisation of work with the aim of establishing equal chances for persons caring for dependent family members compared with other players on the labour market

<p>the labour market adapt to structural change in the economy; At the same time, taking into account the fact that forms of employment are increasingly diverse, examine the possibility of incorporating in national law more flexible types of contract, and ensure that those working under new flexible contracts enjoy adequate security and higher occupational status, compatible with the needs of business and the aspirations of workers; Endeavour to ensure a better application at the workplace level of existing health and safety legislation by stepping up and strengthening enforcement, by providing guidance to help enterprises, especially SMEs, to comply with existing legislation, by improving training on occupational accidents and diseases in traditional high risk sectors.</p>	
<p><u>Supporting adaptability in enterprises as a component of lifelong learning</u> The social partners are invited, at all relevant levels, to conclude agreements, where appropriate, on lifelong learning to facilitate adaptability and innovation, particularly in the field of information and communication technologies. In this context, the conditions for giving every worker the opportunity to achieve information society literacy by 2003 should be established.</p>	<p>Measure 3.1 Develop initial education as a basis for lifelong learning, with regard to the needs of the labour market and knowledge-based economy Objective: <ul style="list-style-type: none"> Enhance distance training and combined forms of study. Measure 3.2 Develop further education and training Objective: <ul style="list-style-type: none"> Expand the offer of further education and training (new programmes with elements of environmental education and information technologies, distance study, e-learning, better forecasting of employers' needs). Measure 4.1 Improve adaptability of employers and employees to the changing economic and technological environment and thus enhance their competitiveness Objective: <ul style="list-style-type: none"> Employers and employees will acquire specialised knowledge and skills needed to tackle occupational, structural and technological changes; professional associations will provide the necessary expertise. </p>
<p>IV. STRENGTHENING EQUAL OPPORTUNITIES POLICIES FOR WOMEN AND MEN</p>	
<p><u>Gender-mainstreaming approach</u> Therefore, the Member States will adopt a gender-mainstreaming approach in implementing the Guidelines across all four pillars: Developing and reinforcing consultative systems with gender equality bodies; Applying procedures for gender impact assessment under each guideline;</p>	<p>Measure 2.2 Reconcile family and work life Objective: <ul style="list-style-type: none"> Support partnership and networking among organisations involved in equal opportunities issues and in reconciling family and work life; Undermine the existing prejudice against and biased attitude towards women; enhance the general awareness of the importance of women in the entire society and in work life </p>

<p>Developing indicators to measure progress in gender equality in relation to each guideline.</p>	
<p><u>Tackling gender gaps</u> Member States will, where appropriate with the social partners: Strengthen their efforts to reduce the gap in unemployment rates between women and men by actively supporting the increased employment of women, and consider setting national targets in accordance with the objectives set out in the conclusions of the Lisbon European Council; Take action to bring about a balanced representation of women and men in all sectors and occupations, at all levels; Take positive steps to achieve gender pay equality and tackle the pay gap in both the public and private sectors; Consider an increased use of measures for the advancement of women in order to reduce gender gaps.</p>	<p>Measure 2.2 Reconcile family and work life Objectives:</p> <ul style="list-style-type: none"> • Influence general conditions, environment and organisation of work with the aim of establishing equal chances for persons caring for dependent family members compared with other players on the labour market; • Support career opportunities for women in research and development, based on analyses of underlying reasons; tackle the lack of knowledge about women's position in science and research; • Undermine the existing prejudice against and biased attitude towards women; enhance the general awareness of the importance of women in the entire society and in work life.
<p><u>Reconciling work and family life</u> Member States and the social partners will: Design, implement and promote family-friendly policies, including affordable, accessible and high-quality care services for children and other dependants, as well as parental and other leave schemes; Consider setting a national target, in accordance with their national situation, for increasing the availability of care services for children and other dependants; Give specific attention to women, and men, considering a return to the paid workforce after an absence and, to that end, they will examine the means of gradually eliminating the obstacles to such a return.</p>	<p>Measure 1.1 Develop the active employment policy and enhance its targeting Objective:</p> <ul style="list-style-type: none"> • Prevent the growth in number of unemployed people, namely by early registration of job seekers; prevent the growth in number of long-term unemployed people by targeting the existing and new active employment policy instruments preferentially at the groups at risk of long-term unemployment <p>Measure 4.1 Improve adaptability of employers and employees to the changing economic and technological environment and thus enhance their competitiveness Objective:</p> <ul style="list-style-type: none"> • Encourage new forms of employment. <p>Measure 2.2 Reconcile family and work life Objective:</p> <ul style="list-style-type: none"> • Influence general conditions, environment and organisation of work with the aim of establishing equal chances for persons caring for dependent family members compared with other players on the labour market.

5.2 Links between the SPD 3 priorities, the national policies and the Prague Strategic Plan of Development

To assess the links between the SPD 3 and the key strategic documents both at the national and regional levels, the evaluation team have elaborated a table describing the relationship between the SPD 3 priorities and the master strategic documents. Relevant national policies and the Prague Strategic Plan of Development are reflected on the respective lines in the table, while the SPD 3 priorities are shown in columns. Priority 5 Technical Assistance has not been included, given its nature. The table offers a summary view of the influence each priority will have upon the fulfilment of aims covered by the respective sectorial or cross-section documents. The influence may be either direct, when an SPD 3 priority and the policy objectives are more or less the same, or indirect, when a priority is expected to have a positive effect upon fulfilment of the respective policy in spite of the fact that the general purpose of the priority is different. Direct links are marked with asterisks in the respective boxes, indirect links are marked with crosses. A dash is used when no link exists between a priority and a policy.

Table 30: Matrix of links between the SPD 3 priorities, the national policies and the Prague Strategic Plan of Development

NATIONAL POLICIES	Priroty 1	Priroty 2	Priroty 3	Priroty 4
National Plan of Employment	*	*	*	*
National Action Plan of Employment 2002	*	*	*	*
Concept of Governmental Policy towards Members of the Roma Community with the Aim of Supporting Their Social Integration/Roma Integration Policy Concept	*	*	*	-
National Plan of Equal Opportunities for People with Disabilities	X	*	*	-
Governmental Priorities and Procedures for Equality between Men and Women	X	*	X	X
National Plan of Education Development	-	-	*	X
Long-term Intent of Education and Development of Educational System	-	-	*	X
State Information Policy in Education	-	-	*	X
Strategy for Strengthening National Economic Growth	X	X	X	*
Industrial Policy	-	-	-	*
Small and Medium Enterprises Support Policy	-	-	-	*
State Programme of Environmental Education	-	-	X	*
State Environmental Policy	-	-	-	*
Concept of State Policy of Tourism	-	-	-	*
State Information Policy	X	X	X	X
State Information Policy Implementation Action Plan	X	X	X	X
Research and Development National Policy	-	X	*	X
Non-profit Sector Development Strategy	X	*	X	*
Prague Strategic Plan	*	*	*	*

Note: * The priority is aimed directly at the fulfilment of the key objectives of the respective policy
 x The priority is not aimed directly at the fulfilment of the key objectives of the respective policy but it supports their achievement indirectly
 - There is no link between the priority and the respective policy objectives.

The table shows very clearly that the closest links exist between the SPD 3 and the three decisive documents, namely the National Plan of Employment, National Action Plan of Employment 2002, and the Prague Strategic Plan. Each and every priority directly

contributes to the fulfilment of the objectives defined in the three plans. Being the most heterogeneous one, Priority 4 shows the greatest number of links with national policies.

5.3 Coherence with other financial instruments

The SPD 3 represents just one part of the whole framework of the assistance from structural funds and, naturally, has links to other programmes and financial instruments. The closest links exist, of course, to the other programme applied in the Prague region: the Single Programming Document Objective 2 (SPD 2), developed for the Objective 2 area that is a part of the Objective 3 area covered by SPD 3. Other significant links exist to programmes that address similar issues: the Human Resource Development Operational Programme (HRD OP) developed for the Objective 1 area and the EQUAL Community Initiative Programme (CIP EQUAL). A strong coordination of these three programmes is being ensured by having established the Department for ESF Management within the Ministry of Labour and Social Affairs fulfilling the function of three Managing Authorities for these ESF co-financed programmes. Another programme where co-ordination is envisaged is the Single Regional Operational Programme (SROP), developed for the Objective 1 area and designed as a multifund programme using both the ERDF and ESF resources. Its measure 3.2 (Support of Social Integration in Regions) is aimed at supporting local human resource initiatives, which corresponds with the SPD 3 measure 2.1. The Managing Authority of SROP is the Ministry of Regional Development that is also responsible for coordination of the SPD 2 and the whole framework of the assistance from structural funds.

5.3.1 Links and coordination with the Single Programming Document Objective 2

SPD 3 is a sectoral programme and it covers the whole territory of Prague, while the Single Programming Document Objective 2 (hereinafter the SPD 2) covers a territory which houses almost 31 per cent of Prague residents. The territory is defined as nine NUTS 4 out of the total number of twenty two NUTS 4. More specifically, it comprises the Prague districts 1, 8, 9, 12, 14, 15, 19, 20, 21.

The key mission of the SPD 2 is to tackle the most serious weaknesses and development barriers in the region, namely by improving the city environment and by developing the city's potential so that Prague is able to fulfil in future its role as a dynamic capital of a European Union Member State.

To carry out the said global mission, three priorities and nine measures were set forth under the SPD 2:

Priority 1 Revitalisation and development of the city environment

Measure 1.1. Transport systems supporting the transformation of the city environment

Measure 1.2. Regeneration of damaged and unsuitably used areas

Measure 1.3. Public infrastructure improving the quality of life especially in large housing estates

Priority 2 Creating conditions for future prosperity of selected areas

Measure 2.1. Enhancement of the quality of partnership between the public and private sector, not-for profit sector, science and research

Measure 2.2. Support for small and medium-sized enterprises; a favourable business environment

Measure 2.3. Development of strategic services in support of the information society in Prague

Priority 3 Technical assistance

Measure 3.1. Technical assistance I

Measure 3.2. Technical assistance II

The SPD 2 does not count on the ESF funds. Wherever possible and feasible, measures from both programmes will be implemented in close interaction with each other so as to provide for the synergetic effect of combined investment in both the infrastructure and human resources. Therefore, human resources investment needs in the SPD 2 territory will be covered by the SPD 3 with regard to any SPD 2 activities aimed at developing economic activity, employment, professional education and influencing outflow of residents from specific areas. Many of the SPD 3 activities can be successfully located in areas supported within the framework of SPD 2. In order to minimise social exclusion in the given areas, SPD 3 activities will concentrate on supporting the problem groups and thus preventing the crime too. The concentration of the SPD 3 funds to the SPD 2 territory is expected as 35 per cent and an increased utilisation of funds especially under Priorities 1, 2 and 4 is anticipated.

The necessary coordination will be ensured via the Committee for SPD for Objective 2 and Objective 3 of the Prague City Council, by a consistent application of the partnership principle and by the Monitoring Committees.

Table 31: Expected effects of synergy between selected measures under the SPD 2 and SPD 3

Synergy effects between SPD 2 and SPD 3		SPD 3							
		1.1	2.1	2.2	3.1	3.2	4.1	4.2	4.3
SPD 2	1.1.	-	-	-	-	-	-	-	-
	1.2.	-	-	-	-	-	-	-	-
	1.3.	-	+	-	-	-	-	-	-
	2.1.	+	-	+	++	++	++	+++	-
	2.2.	++	+	+	-	++	+++	++	++
	2.3.	++	++	+	++	+++	+++	++	++

Note: +++ strong direct link, ++ medium direct link, + weak direct link, - indirect link

The greatest synergy effect between the SPD 3 and SPD 2 at the level of measures is expected between activities under the following measures:

3.2 SPD 3 (Develop further education) and 2.3 SPD 2 (Development of strategic services in support of the information society in Prague)

Projects implemented under measure 3.2 SPD 3 in area selected for SPD 2 support focusing on training development in accordance with the specific needs of the labour market in Prague, improving access to information about further education and training opportunities by establishing an effective and efficient advisory and information system; establishing a system for supporting innovation activities and research in the field of further education and training will be supported and coordinated by relevant projects under measure 2.3 SPD 2. SPD 2 projects could provide extended information and communication possibilities for public administration, entrepreneurs, especially small and medium enterprises and for public.

4.1 SPD 3 (Improve adaptability of employers and employees to the changing economic and technological environment and thus enhance their competitiveness) and 2.2 SPD 2 (Support for small and medium enterprises; a favourable business

environment), as well as 2.3 SPD 2 (Development of strategic services in support of the information society in Prague)

Implementation of projects under measure 2.2 of SPD 2 could create needs for specific actions that could be implemented in SPD 3 under measure 4.1 in SPD 2 selected areas. Employers and employees supported under SPD 2 could require specialised knowledge and skills needed to tackle occupational, structural and technological changes. SPD 3 actions such as establish standard and transparent management systems in organisations, including human resources management, new forms of employment could support enhancement of business environment, especially SMEs and innovative potential of selected areas. Similar links are envisaged between measure 4.1 of SPD 3 and measure 2.3 of SPD 2.

4.2 SPD 3 (Co-operation of research and development institutions with business sphere; support innovation) and 2.1 SPD 2 (Enhancement of the quality of partnership between the public and private sectors, not-for-profit sector, science and research).

Measure 4.2 of SPD 3 and measure 2.1 of SPD 2 are focused on research and development. SPD 3 actions will provide employers and employees with knowledge needed to tackle the problems connected with the introduction of new technologies, establish a basis of training system with special regard to students, post-graduate students and young scientists, support joint innovation programmes of universities, research institutions and enterprises, establish a basis of an effective and efficient system of training and advisory centres and entrepreneurs' incubators. These actions will be supported in selected SPD 2 areas by establishment of new technological and scientific parks, incubators, innovation centres and advisory centres.

On the other hand, however, potential human resources development projects in the Objective 3 territory cannot be supported by investment into infrastructural improvement, unless the respective territory falls under Objective 2 at the same time.

5.3.2 Links and coordination with the Operational Programme Human Resource Development

The SPD 3, as well as the Operational Programme Human Resource Development (OP HRD), has been prepared in the cooperation of the Ministry of Labour and Social Affairs and its partners using working groups established for this purpose. It enabled the coordination of both programme documents content in the phase of programming. The SPD 3 is supposed to contain similar types of activities, in the area of Prague, like OP HRD does in all other regions of the Czech Republic. Mutual interconnection of both programmes strategic focus is ensured considering the fact that both programmes are based on identical strategic documents (Policy Frame of Reference for Promoting Human Resources, European Employment Strategy, Joint Assessment Paper, Memorandum on Lifelong Education, National Employment Plan 1999, National Action Plan of Employment 2002, National Programme of Education Development in the Czech Republic, Long-term Plan on Training and Educational Framework of the Czech Republic). The SPD 3 also focuses on Prague specific areas, which very often make the development basis for the entire Czech Republic (support of universities, research and development capacities). Trends in supporting these areas, specified in regional documents, respect both national and European strategic documents.

In the phase of realization, the coordination of both programs will be ensured at two levels. At the level of Managing Authority, the Ministry of Labour and Social Affairs administrates both programmes which should ensure effective central exchange of important information. Similar cooperation is also expected between both programs' Monitoring Committees chaired by the MoLSA. In the area of active employment policy the coordination at the level of Intermediary Bodies will be ensured by the Employment Service Administration that acts

as an Intermediary Body for both programmes' particular measures. In other SPD 3 measures, for which the Prague City Hall is an Intermediate Body, the information exchange will be provided in cooperation with particular Intermediate Bodies for OP HRD and through Monitoring Committees.

5.3.3 Links and coordination with the EQUAL Community Initiative Programme

The SPD 3 also has links to the EQUAL Community Initiative Programme (CIP EQUAL). CIP EQUAL has been prepared by the Ministry of Labour and Social Affairs, too. Its Managing Authority (at MoLSA) will ensure that sufficient information about the implementation of the CIP EQUAL is available to all the bodies involved and that necessary coordination exists. Significant links exist between the CIP EQUAL Priority 1 (Employability) and the SPD 3 Priority 1 and Priority 2, the CIP EQUAL Priority 2 (Entrepreneurship) and the SPD 3 Priority 2, the CIP EQUAL Priority 3 (Adaptability) and the SPD Priority 3 and Priority 4, the CIP EQUAL Priority 4 (Equal opportunities) and the SPD 3 Priority 2. In addition to this, CIP EQUAL has not only a close relationship to SPD 3, but also to OP HRD and even to OP Industry and Enterprise and SROP. On the other hand, the difference between CIP EQUAL and relevant mainstream forms of assistance is stressed in the main objectives of these programmes and different types of activities will be supported within these programmes. CIP EQUAL is a laboratory for development and testing of new and innovative approaches to be subsequently supported within the mainstream forms of assistance during the next programming period.

6. FINANCIAL FRAMEWORK

The financial framework for SPD 3 has been designed on the basis of Articles 28 and 29 of the Council Regulation (EC) No 1260/1999 and it builds on the data defined in compliance with the Copenhagen agreements and subsequently incorporated in the National Development Plan – the values are expressed as millions of CZK and millions of EUR, respectively, in current prices.

The financial framework indicates the total volume of funds available for SPD 3. Each priority is allocated certain part of the total sum. Allocation of funds among measures under will be set forth in the SPD 3 Programme Complement. The assistance to be provided from the structural funds under Objective 3 will be financed from the ESF only.

Table 32: Structural funds and Objective 3 ESF allocations

(million EUR)				
	2004	2005	2006	Total
SF total	410.0	560.9	714.1	1,685.0
Objective 3	19.2	19.6	20.00	58.8
(million CZK)				
	2004	2005	2006	Total
SF total	12,710.0	17,387.9	22,137.1	52,235.0
Objective 3	595.2	607.6	620.0	1,822.8

Source: Community Support Framework Czech Republic 2004 – 2006; exchange rate 31 CZK/EUR.

The allocation for SPD 3 in the shortened programming period 2004 – 2006 amounts to EUR 58,8 million. Translated into the Czech currency, the ESF structural fund contribution to SPD 3 amounts to CZK 1,822.8 million.

National and European financing ratio for SPD 3 is 50:50, pursuant to Article 29(3)(b) of the Regulation.

SPD 3 covers the development of Prague as a whole, so the programme will address the areas that are of key importance for Prague. Specific volumes of allocations to individual priorities (see following table) were set on the basis of the characteristics and needs of the NUTS 2 region Prague, provided in analytical chapter and summarised in the SWOT analysis, and on the basis of expert assessments. The ratios were discussed with the representatives of the ministries concerned, with the social partners and with experts involved in SPD 3 preparation.

Table 33: Allocations to SPD 3 priorities (in %)

PRIORITY	ALLOCATION
1	16
2	24
3	29
4	26
5	5
Total	100
Objective 2 concentration	35

Almost one third (29 %) of SPD 3 funds is allocated to priority 3 - Lifelong Learning considering investments in education are of key importance for future prosperity bearing in mind Prague's position in tertiary education. Prague has a significant concentration of schools, namely universities, training institutions, scientific and research centres, many of them of national importance. Compared to approximately 10 % of the population of the Czech Republic, Prague offers education to more than 40 % of the total number of university students. Actions foreseeing under this priority will have substantial positive spill-over effect for the rest of the country. Concentration of funds for educational system support is supposed to have a long-lasting positive effect on qualification level and the structure of population.

26 % of SPD 3 funds is allocated to priority 4 - Adaptability and entrepreneurship in order to enhance the competitiveness of Prague's economy and support the features that are unique on the nation-wide level and may influence the development of the country as a whole, improve the quality of cooperation between business sphere and research and development institutions and improve qualification of workers in tourism as one of important part of Prague's economy.

In Prague there are concentrated not only economical and political activities but also negative social phenomena. Because of this fact and Prague's social structure 24 % of funds is allocated to priority 3 - Social integration and equal opportunities. This priority is aimed especially at helping groups and individuals at risk of social exclusion and at providing equal chances to all those wishing to participate in the life of the society and also at practical fulfilment of the principle of equal opportunities for men and women.

Although active employment policy is one of areas of the EC priorities, 16 % of funds is allocated to priority 1 – Active employment policy because of low unemployment rate in Prague. This priority will contribute to developing of flexible labour market with special regard to groups at risk, preventing unemployment, improving employability and preventing the growth of long-term unemployment.

5 % of funds will go to technical assistance (Priority 5). Programme management support measures will receive 2.5 % of the SPD 3 funds as allowed by the Council Regulation No. 1145/2003.

The concentration of funds to the Objective 2 territory (31 per cent of Prague population) is expressed as 35 per cent. The territory faces some social conversion problems and an increased utilisation of funds under Priorities 1, 2 and 4 is anticipated.

SPD 3 shall be co-financed by the EU (ESF) and the Czech Republic with allocations of 50 and 50 per cent. The ESF contribution is related to the total public expenditure costs. The co-financing from national sources will be provided by the MoLSA (43,31 %) and by the Prague City Council (6,69 %).

Table 34: Financial Table for Single Programming Document for Objective 3 by priority and year (EUR)

Priority/Year	Total Cost	Public										Private	Cohesion Fund	Other financial instruments	EIB loans	
		Total	Community participation					National public participation								
			Total	ERDF	ESF	EAGGF	FIFG	Total	Central	Regional	Local					Other
Priority 1	18 813 876	18 813 876	9 406 938	0	9 406 938	0	0	9 406 938	9 406 938	0	0	0	0	0	0	0
2004																
Total ERDF related																
Total ESF related	6 147 522	6 147 522	3 073 761	0	3 073 761	0	0	3 073 761	3 073 761	0	0	0	0	0	0	0
Total EAGGF related																
Total FIFG related																
2005																
Total ERDF related																
Total ESF related	6 270 472	6 270 472	3 135 236	0	3 135 236	0	0	3 135 236	3 135 236	0	0	0	0	0	0	0
Total EAGGF related																
Total FIFG related																
2006																
Total ERDF related																
Total ESF related	6 395 882	6 395 882	3 197 941	0	3 197 941	0	0	3 197 941	3 197 941	0	0	0	0	0	0	0
Total EAGGF related																
Total FIFG related																
Priority 2	28 220 812	28 220 812	14 110 406	0	14 110 406	0	0	14 110 406	11 006 641	3 103 765	0	0	0	0	0	0
2004																
Total ERDF related																
Total ESF related	9 221 282	9 221 282	4 610 641	0	4 610 641	0	0	4 610 641	3 596 471	1 014 170	0	0	0	0	0	0
Total EAGGF related																
Total FIFG related																
2005																
Total ERDF related																
Total ESF related	9 405 708	9 405 708	4 702 854	0	4 702 854	0	0	4 702 854	3 668 401	1 034 453	0	0	0	0	0	0
Total EAGGF related																
Total FIFG related																
2006																
Total ERDF related																
Total ESF related	9 593 822	9 593 822	4 796 911	0	4 796 911	0	0	4 796 911	3 741 769	1 055 142	0	0	0	0	0	0
Total EAGGF related																
Total FIFG related																

Priority/Year	Total Cost	Public											Private	Cohesion Fund	Other financial instruments	EIB loans
		Total	Community participation					National public participation								
			Total	ERDF	ESF	EAGGF	FIFG	Total	Central	Regional	Local	Other				
Priority 3	34 100 152	34 100 152	17 050 076	0	17 050 076	0	0	17 050 076	13 470 166	3 579 910	0	0	0	0	0	0
2004																
Total ERDF related																
Total ESF related	11 142 384	11 142 384	5 571 192	0	5 571 192	0	0	5 571 192	4 401 440	1 169 752	0	0	0	0	0	0
Total EAGGF related																
Total FIFG related																
2005																
Total ERDF related																
Total ESF related	11 365 232	11 365 232	5 682 616	0	5 682 616	0	0	5 682 616	4 489 468	1 193 148	0	0	0	0	0	0
Total EAGGF related																
Total FIFG related																
2006																
Total ERDF related																
Total ESF related	11 592 536	11 592 536	5 796 268	0	5 796 268	0	0	5 796 268	4 579 258	1 217 010	0	0	0	0	0	0
Total EAGGF related																
Total FIFG related																
Priority 4	30 572 552	30 572 552	15 286 276	0	15 286 276	0	0	15 286 276	14 369 254	917 022	0	0	0	0	0	0
2004																
Total ERDF related																
Total ESF related	9 989 724	9 989 724	4 994 862	0	4 994 862	0	0	4 994 862	4 695 221	299 641	0	0	0	0	0	0
Total EAGGF related																
Total FIFG related																
2005																
Total ERDF related																
Total ESF related	10 189 518	10 189 518	5 094 759	0	5 094 759	0	0	5 094 759	4 789 125	305 634	0	0	0	0	0	0
Total EAGGF related																
Total FIFG related																
2006																
Total ERDF related																
Total ESF related	10 393 310	10 393 310	5 196 655	0	5 196 655	0	0	5 196 655	4 884 908	311 747	0	0	0	0	0	0
Total EAGGF related																
Total FIFG related																

Priority/Year	Total Cost	Public											Private	Cohesion Fund	Other financial instruments	EIB loans
		Total	Community participation					National public participation								
			Total	ERDF	ESF	EAGGF	FIFG	Total	Central	Regional	Local	Other				
Priority 5	5 879 334	5 879 334	2 939 667	0	2 939 667	0	0	2 939 667	2 675 141	264 526	0	0	0	0	0	0
2004																
Total ERDF related																
Total ESF related	1 921 100	1 921 100	960 550	0	960 550	0	0	960 550	874 115	86 435	0	0	0	0	0	0
Total EAGGF related																
Total FIFG related																
2005																
Total ERDF related																
Total ESF related	1 959 522	1 959 522	979 761	0	979 761	0	0	979 761	891 597	88 164	0	0	0	0	0	0
Total EAGGF related																
Total FIFG related																
2006																
Total ERDF related																
Total ESF related	1 998 712	1 998 712	999 356	0	999 356	0	0	999 356	909 429	89 927	0	0	0	0	0	0
Total EAGGF related																
Total FIFG related																
Total	117 586 726	117 586 726	58 793 363	0	58 793 363	0	0	58 793 363	50 928 140	7 865 223						
Total ERDF related																
Total ESF related	117 586 726	117 586 726	58 793 363	0	58 793 363	0	0	58 793 363	50 928 140	7 865 223	0	0	0	0	0	0
Total EAGGF related																
Total FIFG related																
For Obj. 3: the share for Obj. 2 regions	41 155 354	41 155 354	20 577 677	0	20 577 677	0	0	20 577 677	17 824 849	2 752 828	0	0	0	0	0	0
Transitional support																
Regions not receiving transitional support																
Regions receiving transitional support																
Total																
Regions not receiving transitional support																
Regions receiving transitional support																

Note: The ESF contribution is related to the total public expenditure costs.

7. MONITORING INDICATORS AND TARGETS

A system for measurement of the fulfilment of SPD 3 objectives in the area of human resources development was designed in accordance with Article 36 of the Regulation. The system is based on the principle of setting forth measurable indicators for the monitoring of programme implementation and performance in the view of the set targets. The indicators have been set both at the level of the programme and for each priority separately.

A similar split-up of indicators and targets among individual measures under each priority will be contained in the Programme Complement. The whole system will be submitted to the Programme Monitoring Committee for approval. Changes in the system of indicators have to be approved, based on the Managing Authority suggestion, by the Monitoring Committee.

Context indicators were also set up at the programme level characterising the environment in which the programme activities will be realized. Context indicators were specified for economic, demographic, educational sphere and for employment. Baseline values of context indicators (provided by Czech Statistical Office – CZSO) will be compared to new values at the end of the programme period to identify social-economic environment changes.

Table 35: Context indicators for SPD 3

Indicator	Unit	Baseline (up to 2002)	Source
GDP per capita (purchasing power parity)	\$	30 667 (2001)	CZSO
Economic activity rate • gender division	Share of labour force in total population 15+ (%) (division by gender)	62,5 • 70,9 (M) ¹ • 55,2 (F)	CZSO (LFSS)
Economic activity rate in the age group over 50 • gender division	Share of labour force in total population 50+ (%) (division by gender)	46,3 • 58,6 (M) • 36,9 (F)	CZSO (LFSS)
Structure of employment by sector (including gender division) • 1 st sector • 2 nd sector • 3 rd sector	Share of employees in the specified sectors in total employment (%) (division by gender)	• 0,5 (0,4 M; 0,7 F) • 21,2 (30,1 M; 10,9 F) • 78,3 (69,5 M; 88,4 F)	CZSO (LFSS)
Share of entrepreneurs	Share of entrepreneurs in the total employment (%)	22,5	CZSO (LFSS)
Structure of population by age • 0 -14 • 15 – 59 • 60 +	Share of population in specific age groups in total population (%)	• 13,1 • 70,9 • 16,1	CZSO (LFSS)
Structure of population by the highest reached education level (including gender division) • primary • secondary • tertiary	Share of population 15+ in specified groups in total population 15+ (division by gender)	• 13,1 (9,8 M; 15,9 F) • 65,4 (63,8 M; 66,8 F) • 21,5 (26,4 M; 17,3 F)	CZSO (LFSS)

Pursuant to the EC indicative methodical requirements, four types of monitoring indicators have been designed for the SPD 3 – (1) inputs, (2) outputs, (3) results, and (4) impacts.

¹ M-male, F-female

Input indicator – indicates the sum allocated to specific priorities/measures, expressed in EUR and an indicator of eligible expenses disbursed.

Output indicator – indicates the volume of activities that can be monitored already in the course of the project. Most often, it will be expressed as a number of persons, institutions and projects receiving assistance.

Result indicator – indicates immediate positive effects, e.g. number of persons successfully completing a training, number of persons getting a new job, or number of newly created training/information products.

Impact indicator – provides an assessment of the long-term influence of a project, evaluates sustainability and net-effect of the support. Impact indicators will be monitored over a longer period of time after the aid provision ended (12 months). With regard to individuals, **specific impacts** on their future career will be monitored, e.g. maintaining newly gained job 12 months after the aid provision ended, improvement of the working position, etc.

On the programme level, **global impacts** will be monitored, such as the unemployment rate, share of long-term unemployed persons in the overall unemployment rate, share of self-employed persons in the overall employment rate, the rate of participation in further education and training.

Such indicators are being statistically monitored at the regional level. Obviously, they cannot be considered as net effects of the programme. They depend on the overall economic situation in the region, and on other influences. With the methodical instruments currently available, it is unfeasible to quantify net impacts of the programme.

For the purpose of a **detailed monitoring of outputs and results**, indicators concerning individuals will be always split-up among men and women. Clients and providers of services, respectively, will be monitored separately. The reason is the high proportion of systematic measures under the programme, and the considerable amount of individuals about to receive training within the measures.

Specific groups of clients will be defined for the monitoring purposes. The structure will build on the common core indicators. Groups will be defined mainly in accordance with their respective position on the labour market. A detailed common specification is provided under each table of monitoring indicators. But only relevant groups will be monitored under each priority.

The number of supported organisations will be monitored separately from various points of view, namely depending on whether it is a SME, an institution offering services, etc.

At the result indicator level, the efficiency of project activities will be measured by placement rates, in the case of services clients, the summary indicator is a share of successfully supported services clients “A successful support means taking up of a job, self-employment, maintaining of a job, , continuing education and training or integration programmes, advancement to a better qualified working position. In the case of services providers, successful support means successful completion of a training course or a study visit.

Efficiency of training courses and the effectiveness of this kind of support in relation to individual target groups will be monitored on the basis of relationship between the respective output and result indicators with a matching structure (number of course participants – services clients; and number of successfully trained persons– services clients). This will provide an opportunity to evaluate the success rate of various types of courses in relation to various target groups of clients and to tune up any future programmes more precisely.

The impacts at the priority level will be monitored through the indicator: “Sustainability of positive results of assistance to individuals” (Total number of persons gaining employment, getting self-employed, keeping up the employment, keeping up educational or integration programmes, thanks to the assistance, and keeping this position within 12 month after the assistance completion) in the case of priorities 1, 2 and 4. The definition mentioned implies that the impact indicator is in fact composed by several sub-indicators according to the focus groups. In the case of priority 3 impacts will be monitored through the “Number of students in newly developed/innovated educational programmes” (total number of participants in newly developed/innovated educational programmes 12 month after the assistance completion). Detailed definitions of all indicators at the level of programme, priority and measure will be done in Operational Manual for JPD 3.

Data acquisition

Source of data for input, output and result indicators will be the application forms for the project and regular monitoring and final reports of intermediate bodies/final beneficiaries. The applicants choose the indicators already in the application form and they will report them during the project implementation.

Impact indicators at priorities and measures levels will be assessed on the basis of data acquired through monitoring studies and specific research provided by the evaluation unit. Global impact indicators at the programming level will be assessed from current statistical data monitored by the Czech Statistical Office.

Data collection frequency will depend on the monitoring needs and on the availability of relevant data in such a short programming period. Input indicators (financial data) and output indicators will be collected quarterly because the data in these two groups undergo the most rapid change. Result indicators will be collected on a yearly basis in connection with annual reports preparations. Impact indicators generally depend on the data from monitoring studies. Therefore, impact indicators will be collected from the end of 2005 up to the middle of 2007.

Data preservation

Data will be kept in a central electronic database MSSF (Monitoring System of Structural Funds) that is common for all programmes financed from Structural Funds and the Cohesion Fund. Intermediary Bodies and Designated Final Beneficiaries will use a part of MSSF - Monit for projects monitoring. Selected data from all the projects will be transmitted into a part of MSSF – Central available to the Managing Authority. Within the structure of the Managing Authority, the appropriate consideration will be given to the provision of tasks connected with monitoring, information monitoring system and assurance of the connection between monitoring and evaluation. The Managing Authority will also ensure maximum flexibility for obtaining information from the MSSF database in random time cross-sections, flexible structures and according to chosen monitoring aspects, including requirements for evaluation process.

Core indicators

Core indicators represent certain minimum group of output indicators for which uniform methodology, measuring and quantification have been defined from the level of a measure through the programming level. The core indicators have been set up so as to allow for monitoring of support to persons, institutions and projects.

Personal breakdown will allow to differentiate between services clients, and services providers together with persons supporting the provision of services. Due to the character of the ESF assistance based on the European Commission requests, the group of clients of services is further split up so as to allow for evaluation of programme with regard to the individual's labour market status and the nature of handicap in the access to the labour market.

The number of supported institutions is also monitored in more detailed breakdown. Small and medium sized enterprises, public administration bodies, NGOs, etc. are monitored separately.

Horizontal themes

The group of core indicators includes some indicators designed for the monitoring of horizontal themes. The eEurope 2005 indicators and the number of participants in supported training courses with the IT component are the indicators for monitoring the **information society** development aspects. Number of participants in supported training courses with the environmental component is the indicator for monitoring **environmental aspects**. Number of programmes involving the IT component and the environmental component will be the indicators for systematic measures. For **equal opportunities** monitoring purposes, number of women is consistently provided under each indicator concerning persons, including the data about specific groups. The equality of opportunities is also considered in connection with persons disadvantaged at labour market. Therefore the number of persons up to the age of 25, over 50, low-qualified (primary school only) and that with disabilities, "the number of assisted persons – service clients" is monitored within the core indicator.

Table 36: Core indicators– output indicators

Indicator	Breakdown	Detailed breakdown
Number of supported persons²		
Number of assisted persons – services clients	According to their labour market status	employed and self-employed
		long-term unemployed
		other unemployed
		others
	According to the handicap on the labour market	persons aged below 25
		persons aged over 50
people with disabilities		
low-qualified		
Number of assisted service providers or service provision promoters	Not more specified	
Number of participants in courses with the IT component	Not more specified	
Number of participants in courses with the environmental component	Not more specified	
Number of supported institutions		
Number of supported institutions	According to their type	large enterprises
		small and medium sized enterprises
		public administration bodies
		other public institutions
		NGOs
		others
	According to their focus	educational and consulting institutions
		institutions providing employment services
		institutions providing social services
		institutions supporting the provision of such services
		others
Number of supported projects	Not more specified	

² All indicators concerning persons will be **gender-disaggregated**

Table 37: Horizontal themes indicators

Type	Indicator	Definition	Baseline (2002)	Source
Equal opportunities				
Output	All the indicators concerning persons will be specified separately for men and women for monitoring balanced participation rates		-	FB
	Indicator "Number of assisted persons – service clients" will be specified due to labour market disadvantage		-	FB
Result	All the indicators concerning persons will be specified separately for men and women for monitoring balanced participation rates		-	FB
	Share of successfully supported services clients - will be specified due to labour market disadvantage			
Impact	Sustainability of positive results of assistance to individuals will be split by gender	Share of persons gaining employment, getting self-employed, keeping up the employment, keeping up educational or integration programmes, thanks to the assistance, and keeping this position within 12 month after the assistance completion in the total number of supported persons.	-	Evaluation studies
	Impact indicators at the programme level will be split by gender		-	CZSO
Information society				
Output	Share of participants in courses with the IT components	Share of participants in courses in which the IT theme covers 40 lessons at least in the total number of participants.	-	FB
Result	Number of created programmes with the IT component	Total number of newly developed courses in which the IT theme covers 40 lessons at least.	-	FB
Impact	Employment in ICT professions ¹⁰ • by gender	No. of person employed in information and communication technologies professions (by gender)	38 100 31 300 (M) 6700 (F)	CZSO (LFSS)
		Share of ICT professions on the total employment	6,3% 9,6 (M) 2,4 (F)	
Environment				
Output	Share of participants in courses with the environmental component <i>/environmental aspect/</i>	Share of participants in courses in which the environmental theme covers 5% of the teaching time or one lesson at least in the total number of participants.	-	FB
Result	Number of created programmes with the environmental component <i>/environmental aspect/</i>	Total number of newly developed courses in which the environmental theme covers 5% of the teaching time or one lesson at least.	-	FB
Impact	<i>Not relevant</i>			

The indicators presented above are directly linked to the programme activities, but for specification of the context for horizontal issues others indicators were established. The table below presents those indicators for equal opportunities, information society and environment.

¹⁰ ICT professions: ISCO – 88 classification (groups of professions number 213, 312, 313, 724)

Table 38 Context horizontal indicators

Theme	Indicator	Definition	Baseline (2002)	Source
Equal opportunities	Share of women in the entrepreneurship	Share of women in the total number of entrepreneurs (%)	30,5	CZSO (LFSS)
Information society	Percentage of individuals regularly using the Internet	Population 16-74 years defined as at least weekly (%)	21,7 ¹	CZSO
Environment	Share of the separately collected fractions of waste	Share of the separately collected fractions of waste /paper, glass, plastic/ in the total municipal waste (%)	8,8 ²	WMRI ³

¹ Data for the Czech Republic from the pilot survey "Use of ICT in households and by individuals in 2002". At the beginning of 2004 regional disaggregated data will be at disposal.

² For 2001

³ Waste Management Research Institute – Centre for Waste Management

Targets quantification

Targets quantification is provided at the level of priorities and at the programme level. Quantification of measures will be included in the Programme Complement. Quantified targets, however, do not cover the whole structure of monitoring indicators. Only some of the output, result and impact indicators have been quantified.

For the purpose of setting forth planned targets for the programme, each type of activity was evaluated on the basis of partial statistical data about the prices of re-qualification courses provided by the Employment Services Administration, data about other support provided within the framework of the active employment policy, sample survey on further education and training of adults, study programme standards set forth by the Ministry of Education, Youth and Sports for accredited training programmes, expert assessment for modular programme design, average prices of advisory services provided by BIC (Business and Innovation Centres, members of the European Business and Innovation Centre Network) and RPIC (Regional Guidance and Information Centres), and average costs of social care development projects. Also, an assessment was made of the number of projects under individual types of activities with variable prices. The Czech Republic is preparing to use the ESF for the first time, and therefore there was no opportunity to use any statistics from the previous period like the „older“ EU Member States would do. This is why the set targets should be considered as an expert estimates rather than as an extrapolation of targets achieved in the past. Also, it should be remembered that some of the proposed measures are brand new or have no underlying statistical records, which means that exact prices cannot be established.

The proposed monitoring indicators are intended to embrace various points of view on the resulting outputs and to allow in the future an analysis of suitability, effectiveness and efficiency of individual types of supported activities. A detailed list of proposed indicators is provided below.

On the other hand, the indicators are proposed with such a level of detail that it is impossible to assess to which extent they are going to be fulfilled. Therefore, the targets are only expressed as aggregate indicators both at the level of the programme and at the level of each priority.

Global impacts at the programme level are shown as figures describing the initial position mainly by 2001. Actual figures will be provided in 2006 that is the final year of the

programme. Changes in the value of the indicators will prove successful fulfilment of the programme objectives, though the shift in value depends not only on the programme itself but on many other circumstances, too.

Table 39: Programme level indicators

Type of indicator	Indicator	Source
Input	Total budget	SPD 3
	Eligible expenses disbursed	PU
Output	Number of assisted persons – services clients <ul style="list-style-type: none"> • <i>specific groups</i>¹⁾ • <i>short-, medium- and long-term courses</i>²⁾ 	FB
	Number of assisted persons - service providers or service provision promoters	FB
	Share of participants in courses with the IT component	FB
	Share of participants in courses with the environmental component	FB
	Number of supported institutions <ul style="list-style-type: none"> • <i>specific groups</i>³⁾ 	FB
	Number of supported projects	FB
	Number of supported jobs	
Result	Share of successfully supported services clients	FB
	Share of trained service providers or service provision promoters	FB
	Number of newly developed / innovated products	FB
Impact	Employment rate	CZSO
	Unemployment rate	CZSO
	Share of long-term unemployment in the total unemployment rate	CZSO
	Share of self-employed persons in the employment rate	CZSO
	Share of SMEs in the employment rate	CZSO
	Participation rate in further education	CZSO

Note:

- 1) Specified groups of persons:
 - a) By their positions on the labour market: employees, self-employed persons, long-term unemployed persons (for more than six months in the case of persons below 25 years of age, more than twelve months in the case of persons above 25 years of age), other unemployed persons, others
 - b) Disadvantaged groups: below 25 years of age, above 50 years of age, people with disabilities, low-qualified persons (primary school only)
- 2) Short-term courses: till 40 hours
Medium-term courses: between 40 and 300 hours
Long-term courses: above 300 hours
- 3) Specified groups of institutions:
 - a) Large enterprises, SMEs, public administration bodies, other public institutions, NGOs, others
 - b) educational and consulting institutions, institutions providing employment services, institutions providing social services, institutions supporting the provision of such services, others

Table 40: Quantifications - SPD 3 level

Indicator	Target (2006)
Input	
Total budget	117 566 868 EUR
Output	
No. of assisted persons	32 150
No. of supported institutions	2 140
No. of supported jobs	1 100
Impact	
Baseline (2001)	
Employment rate ⁴	60,2
• specific female employment	53,0
Unemployment rate ⁵	3.38 %
• specific female unemployment	women 3.77%
Share of long-term unemployment in the total unemployment rate ⁶	24.0%
• specific female percentage	women 25.3%
Share of self-employed persons in the total employment ⁷	20.7%,
• specific percentage of women	women 13.3%
Share of SMEs in the employment rate	
Participation rate in further education	not available yet

⁴ Employment rate is calculated as follow: the number of employed (15+) divided by the number of population 15+.Source: CZSO, LFSS

Table 41: Priority 1 indicators

Type of indicator	Indicator	Source
Input	Total budget	SPD 3
	Eligible expenses disbursed	PU
Output	Number of assisted persons – services clients <ul style="list-style-type: none"> • <i>specific groups</i>¹⁾ 	FB
	Coverage rate of people receiving support (Share of assisted services clients in the total number of unemployed persons)	FB
	Number of course participants – services clients <ul style="list-style-type: none"> • <i>specific groups</i>¹⁾ • <i>short-, medium- and long-term courses</i>²⁾ 	FB
	Number of assisted persons - service providers or service provision promoters	FB
	Share of participants in courses with the IT component	FB
	Share of participants in courses with the environmental component	FB
	Number of supported institutions <ul style="list-style-type: none"> • <i>specific groups</i>³⁾ 	FB
	Number of supported projects	FB
	Number of supported jobs	FB
	Number of supported educational programmes	FB
Result	Share of successfully supported services clients <ul style="list-style-type: none"> • <i>specific groups</i>¹⁾ 	FB
	Share of successfully trained persons – services clients <ul style="list-style-type: none"> • <i>short-, medium- and long-term courses</i>²⁾ 	FB
	Share of successfully trained service providers or service provision promoters	FB
	Number of newly developed / innovated products	FB
Impact	Sustainability of positive results of assistance to individuals	Evaluation studies

Note:

- 1) *Specified groups of persons:*
 - a) *By their positions on the labour market: employees, self-employed persons, long-term unemployed persons (for more than six months in the case of persons below 25 years of age, more than twelve months in the case of persons above 25 years of age), other unemployed persons, others*
 - b) *Disadvantaged groups: below 25 years of age, above 50 years of age, people with disabilities, low-qualified persons (primary school only)*
- 2) *Short-term courses: till 40 hours*
Medium-term courses: between 40 and 300 hours
Long-term courses: above 300 hours
- 3) *Specified groups of institutions:*
 - a) *Large enterprises, SMEs, public administration bodies, other public institutions, NGOs, others*
 - b) *educational and consulting institutions, institutions providing employment services, institutions providing social services, institutions supporting the provision of such services, others*

Table 42: Priority 1 – quantified targets

Type	Indicator	Target (2006)
Inputs	Total Priority 1 budget	18 810 700 EUR
Outputs	No. of assisted persons – services clients	9 500
	No. of course participants – services clients	8 300
	No. of assisted persons – service providers or service provision promoters	400
	No. of supported jobs	1 100
Results	Share of successfully trained persons – services clients	70%
	Share of successfully trained service providers or service provision promoters	87%
Impact	Sustainability of positive results of assistance to individuals	50 %

Table 43: Priority 2 indicators

Type of indicator	Indicator	Source
Input	Total budget	SPD 3
	Eligible expenses disbursed	PU
Output	Number of assisted persons – services clients <ul style="list-style-type: none"> • <i>specific groups</i>¹⁾ 	FB
	Number of course participants – services clients <ul style="list-style-type: none"> • <i>specific groups</i>¹⁾ • <i>short-, medium- and long-term courses</i>²⁾ 	
	Number of assisted persons - service providers or service provision promoters	FB
	Share of participants in courses with the IT component	FB
	Share of participants in courses with the environmental component	FB
	Number of supported institutions <ul style="list-style-type: none"> • <i>specific groups</i>²⁾ 	FB
	Number of supported projects	FB
	Share of successfully supported services clients <ul style="list-style-type: none"> • <i>specific groups</i>¹⁾ 	FB
Result	Share of successfully trained persons – services clients <ul style="list-style-type: none"> • <i>short-, medium- and long-term courses</i>²⁾ 	FB
	Share of trained service providers or service provision promoters	FB
	Number of newly developed programmes for social integration of persons socially excluded and those at risk of social exclusion	FB
	Number of newly developed / innovated products	FB
	Sustainability of positive results of assistance to individuals	Evaluation studies

Note:

- 1) Specified groups of persons:
 - a) *By their positions on the labour market: employees, self-employed persons, long-term unemployed persons (for more than six months in the case of persons below 25 years of age, more than twelve months in the case of persons above 25 years of age), other unemployed persons, others*
 - b) *Disadvantaged groups: below 25 years of age, above 50 years of age, people with disabilities, low-qualified persons (primary school only)*
 - c) *Socially marginalized groups (migrants, ethnic minority members, persons at risk of addiction, homeless persons, etc.).*
- 2) *Short-term courses: till 40 hours*
Medium-term courses: between 40 and 300 hours
Long-term courses: above 300 hours
- 3) Specified groups of institutions:
 - a) *Large enterprises, SMEs, public administration bodies, other public institutions, NGOs, others*
 - b) *educational and consulting institutions, institutions providing employment services, institutions providing social services, institutions supporting the provision of such services, others*

Table 44: Priority 2 – quantified targets

Type	Indicator	Target (2006)
Inputs	Total Priority 2 budget	28 216 050 EUR
Outputs	Number. of assisted persons – services clients	7 050
	Number of assisted persons – service providers or service provision promoters	850
	Number of supported institutions	270
Results	Share of successfully trained persons – services clients	50%
	Share of successfully trained service providers or service provision promoters	76%
	Number of newly developed programmes for social integration of persons socially excluded and those at risk of social exclusion	40
Impact	Sustainability of positive results of assistance to individuals	40%

Table 45: Priority 3 indicators

Type of indicator	Indicator	Source
Input	Total budget	SPD 3
	Eligible expenses disbursed	PU
Output	Number of assisted persons – services clients <ul style="list-style-type: none"> • <i>specific groups</i>¹⁾ 	FB
	Number of assisted persons - service providers or service provision promoters	FB
	Number of supported institutions <ul style="list-style-type: none"> • <i>specific groups</i>²⁾ 	FB
	Number of supported projects	FB
	Number of supported educational programmes	FB
Result	Share of successfully supported services clients <ul style="list-style-type: none"> • <i>specific groups</i>¹⁾ 	FB
	Share of trained service providers or service provision promoters	FB
	Number of newly developed / innovated educational programmes	FB
	Number of newly developed programmes / training courses with the IT component	FB
	Number of newly developed programmes / training courses with the environmental component	FB
	Number of educational institutions which expanded their offer	FB
	Number of newly developed partnerships	FB
	Number of newly developed / innovated products	FB
Impact	Number of students in newly developed / innovated educational programmes	Evaluation studies

Note:

1) Specified groups of persons:

- a) *By their positions on the labour market: employees, self-employed persons, long-term unemployed persons (for more than six months in the case of persons below 25 years of age, more than twelve months in the case of persons above 25 years of age), other unemployed persons, others*
- b) *Disadvantaged groups: below 25 years of age, above 50 years of age, people with disabilities, low-qualified persons (primary school only)*

2) Specified groups of institutions:

- a) *Large enterprises, SMEs, public administration bodies, other public institutions, NGOs, others*
- b) *educational and consulting institutions, institutions providing employment services, institutions providing social services, institutions supporting the provision of such services, others*

Table 46: Priority 3 – quantified targets

Type	Indicator	Target (2006)
Inputs	Total Priority 3 budget	34 094 392 EUR
Outputs	Number of assisted persons	3 850
	Number of supported institutions	170
Results	Number of educational institutions which expanded their offer	60
	Number of newly developed programmes / training courses with the IT component	150
Impact	Number of students in newly developed / innovated educational programmes	Not quantified

Table 47: Priority 4 indicators

Type of indicator	Indicator	Source
Input	Total budget	SPD 3
	Eligible expenses disbursed	PU
Output	Number of assisted persons – services clients <ul style="list-style-type: none"> • <i>specific groups</i>¹⁾ 	FB
	Number of course participants – services clients <ul style="list-style-type: none"> • <i>specific groups</i>¹⁾ • <i>short-, medium- and long-term courses</i>²⁾ 	FB
	Number of assisted persons - service providers or service provision promoters	FB
	Share of participants in courses with the IT component	FB
	Share of participants in courses with the environmental component	FB
	Number of supported institutions <ul style="list-style-type: none"> • <i>specific groups</i>²⁾ 	FB
	Number of supported projects	FB
	Number of supported educational programmes	
Result	Share of successfully supported services clients <ul style="list-style-type: none"> • <i>specific groups</i>¹⁾ 	FB
	Share of successfully trained persons – services clients <ul style="list-style-type: none"> • <i>short-, medium- and long-term courses</i>²⁾ 	FB
	Share of trained service providers or service provision promoters	FB
	Number of organisations having introduced newly developed / innovated human resources development programmes	FB
	Number of institutions whose employees have been trained	FB
	Number of newly established innovation entities	FB
	Number of newly developed partnerships	FB
	Number of newly developed / innovated products	FB
Impact	Sustainability of positive results of assistance to individuals	Evaluation studies

Note:

- 1) *Specified groups of persons:*
 - a) *By their positions on the labour market: employees, self-employed persons, long-term unemployed persons (for more than six months in the case of persons below 25 years of age, more than twelve months in the case of persons above 25 years of age), other unemployed persons, others*
 - b) *Disadvantaged groups: below 25 years of age, above 50 years of age, people with disabilities, low-qualified persons (primary school only)*
- 2) *Short-term courses: till 40 hours*
Medium-term courses: between 40 and 300 hours
Long-term courses: above 300 hours
- 3) *Specified groups of institutions:*
 - a) *Large enterprises, SMEs, public administration bodies, other public institutions, NGOs, others*
 - b) *educational and consulting institutions, institutions providing employment services, institutions providing social services, institutions supporting the provision of such services, others*

Table 48: Priority 4 – quantified targets

Type	Indicator	Target (2006)
Inputs	Total Priority 4 budget	30 567 384 EUR
Outputs	Number of assisted persons	10 500
	Number of supported institutions	1 700
Results	Number of newly developed / innovated products	850
	Number of institutions whose employees have been trained	150
Impact	Sustainability of positive results of assistance to individuals	50 %

8. EX-ANTE VERIFICATION OF ADDITIONALITY FOR SPD 3

Verification of additionality takes place on the basis of Article 11 of the Regulation. It forms a necessary part of the SPD 3, serving as a proof that European funds are not going to be used in lieu of finance from the national public sources. A separate verification of additionality has been elaborated for SPD 3 because no ESF funds are allocated within the framework of SPD 2. Active labour market policy costs at the national level (i.e. the Czech Republic as a whole) were used in the ex-ante verification of additionality.

In the previous programming period, the Czech Republic did not draw any allocations from the Structural funds. The pre-accession assistance grants for active labour market policy came from the Palmif programme. The additionality has been calculated on the basis of data concerning funds actually employed in the period 1999 – 2001, and an expenditure preview for the period 2004 – 2006.

The data used in the ex-ante verification of additionality express the active labour market policy spendings of the Czech employment offices and the MoLSA Employment Services Administration, structured as follows:

- Public employment services – salaries and insurance, material expenditure, capital expenditure (investments);
- Labour market training – re-qualification and motivation training, in-work training, state-supported re-qualification training, material expenditure on re-qualification;
- Labour cost subsidies – publicly beneficial work;
- Labour cost subsidies – socially purposeful jobs, i.e. subsidies, interests, loans from employers, individual loans;
- Youth measures – vocational practice for school leavers;
- Measures for the people with disabilities – establishing and running of sheltered workshops, working rehabilitation and other measures;
- Measures for employers employing people with disabilities. Since the year 2002, financial assistance has been provided on the basis of Article 24(a) Act No. 1/1991 as amended, investment grant and returning financial aid for employers employing more than 50 per cent people with disabilities.
- Other labour market measures – benefit for employers to substitutes part of wages in connection with transformation to new entrepreneurial programme, activation programmes for registered job seekers, information regional and national labour market materials, implementation of labour market, seminars and conferences aimed at employment and human resources development, ensure of balance diagnostic working place functionality, regional examinations, expert and external reports for employment (LM), realization of seminars for preparation and implementation of National Employment Action Plan measures for subjects influencing labour market, ensure of national examinations, specialist studies, expert and external reports of labour market situation.

As the verification of additionality has been carried out at the national level, the 2004-2006 total funds include also the overall ESF allocation to the active labour market policy, i.e. not only the allocations to Objective 3, namely SPD 3, but also the allocations to Objective 1, namely the OP HRD. The national and ESF funds have been taken from the financial plans provided in the SPD 3 Chapter 5 – Financial Framework and in the OP HRD Chapter 3 – Financial Framework. Only the funds destined to the active labour market policy are included herein.

The active labour market policy expenditures in the years 2004 – 2006 express the mid-term requirements of the MoLSA and will depend on the national budget to be elaborated by the Ministry of Finance.

The figures shown in the following tables with regard to the period 1999 – 2001 and 2004 – 2006, respectively, have been translated into the 1999 prices.

Table 49: Public expenditure – year 1999 (mil. CZK)

	Total	Phare		Not EU co-financed	TOTAL
	National + EU	EU**	National	National	National
Public employment services	1 736,4	0,0	0,0	1 736,4	1 736,4
Labour market training (re-qualification)	242,7	6,5	0,0	236,2	236,2
Labour costs subsidies - publicly beneficial work	481,9	0,0	0,0	481,9	481,9
Labour costs subsidies – socially purposeful jobs	534,9	9,3	0,0	525,6	525,6
Youth measures (school leavers)	304,8	0,0	0,0	304,8	304,8
Measures for people with disabilities	168,6	2,8	0,0	165,8	165,8
Employers employing people with disabilities	0,0	0,0	0,0	*0,0	0,0
Other labour market measures	27,5	0,0	0,0	27,5	27,5
Total	3 496,8	18,6	0,0	3 478,2	3 478,2

Note: * Employers employing people with disabilities received subsidies in accordance with the Principles announced by the MF CR in the Financial Bulletin 1/1999, i.e. the „Principles for Providing Subsidies from the Czech National Budget in the Year 1999 to Entrepreneurs Employing People with Disabilities “ – the allocations were not monitored by the MoLSA, nevertheless.

** Pre-accession assistance from Phare Palmif.

Source: MoLSA document Governmental Employment Policy Expenditure in 1999, and internal MoLSA materials.

Table 50: Public expenditure – year 2000 (mil. CZK)

	Total	Phare		Not EU co-financed	TOTAL
	National + EU	EU**	National	National	National
Public employment services	1 560,6	0,0	0,0	1 560,6	1 560,6
Labour market training (re-qualification)	337,9	5,0	0,0	332,9	332,9
Labour costs subsidies - publicly beneficial work	730,8	0,0	0,0	730,8	730,8
Labour costs subsidies – socially purposeful jobs	959,6	7,1	0,0	952,6	952,6
Youth measures (school leavers)	344,6	0,0	0,0	344,6	344,6
Measures for people with disabilities	190,0	2,1	0,0	187,9	187,9
Employers employing people with disabilities	0,0	0,0	0,0	*0,0	0,0
Other labour market measures	30,4	0,0	0,0	30,4	30,4
Total	4 154,0	14,2	0,0	4 139,8	4 139,8

Note: * Employers employing people with disabilities received subsidies in accordance with the Principles announced by the MF CR in the Financial Bulletin 2/2000, i.e. the „Principles for Providing Subsidies from the Czech National Budget in the Year 2000 to Entrepreneurs Employing People with Disabilities “ – the allocations were not monitored by the MoLSA, nevertheless.

** Pre-accession assistance from Phare Palmif.

Source: MoLSA document Governmental Employment Policy Expenditure in 2000, and internal MoLSA materials.

Table 51: Public expenditure – year 2001 (mil. CZK)

	Total	Phare		Not EU co-financed	TOTAL
	National + EU	EU**	National	National	National
Public employment services	1 488,6	0,0	0,0	1 488,6	1 488,6
Labour market training (re-qualification)	358,7	7,0	0,0	351,8	351,8
Labour costs subsidies - publicly beneficial work	849,8	0,0	0,0	849,8	849,8
Labour costs subsidies – socially purposeful jobs	968,3	9,9	0,0	958,3	958,3
Youth measures (school leavers)	357,0	0,0	0,0	357,0	357,0
Measures for the people with disabilities	197,1	3,0	0,0	194,2	194,2
Employers employing people with disabilities	346,3	0,0	0,0	*346,3	346,3
Other labour market measures	59,0	0,0	0,0	59,0	59,0
Total	4 624,9	19,9	0,0	4 605,0	4 605,0

Note: * Pursuant to the MoLSA Principles for Granting Subsidies and Repayable Financial Assistance to Enterprises Employing More Than 50 per cent people with disabilities, non-investment subsidies were granted in the year 2001 for the purpose of covering increased personnel costs incurred in employing people with disabilities.

Pursuant to Article 24(a) Act No. 1/1991 on Employment, as amended, in force since 1 January 2002, an employer employing more than 50 per cent people with disabilities is entitled to receive a contribution. The contribution is in lieu of the non-investment subsidies formerly provided under the Principles for Granting Subsidies and Repayable Financial Assistance to Enterprises Employing More Than 50 per cent people with disabilities. In this document, the contributions are included in the tables for the period 2004 – 2006.

** Pre-accession assistance from Phare Palmif

Source: MoLSA document Governmental Employment Policy Expenditure in 2001, and internal MoLSA materials.

Table 52: Ex- ante verification of additionality for Objective 3 - Public expenditure on active labour market policy (in mil. EUR, 1999 prices)

	Annual average 1999 – 2001					Annual average 2004 - 2006				
	Total	Phare		Not EU co-financed	TOTAL	Total	ESF		Not EU co-financed	TOTAL
	National + EU	EU	National	National	National	National + EU	EU	National	National	National
Active labour market policies	132,0	0,6	0,0	131,4	131,4	178,9	25,3	9,4	144,2	153,6
Public employment services	51,5	0,0	0,0	51,5	51,5	58,8	1,6	0,6	56,5	57,1
Labour market training	10,1	0,2	0,0	9,9	9,9	27,0	9,5	3,5	14,0	17,6
Labour costs subsidies	48,7	0,3	0,0	48,4	48,4	38,0	7,1	2,7	28,2	30,9
Youth measures	10,8	0,0	0,0	10,8	10,8	18,5	4,7	1,8	12,0	13,8
Measures for the people with disabilities	6,0	0,1	0,0	5,9	5,9	9,9	2,4	0,9	6,6	7,5
Employers employing people with disabilities	3,7	0,0	0,0	3,7	3,7	18,0	0,0	0,0	18,0	18,0
Other labour market measures	1,3	0,0	0,0	1,3	1,3	8,7	0,0	0,0	8,7	8,7
Total	132,0	0,6	0,0	131,4	131,4	178,9	25,3	9,4	144,2	153,6

Note: Exchange rate 31 CZK/EUR

9. IMPLEMENTATION ARRANGEMENTS

9.1 Background

Pursuant to Article 18(2)(d) of the Regulation, this Chapter describes the programme implementation framework, structure of institutions and organs, procedures and measures for physical and financial management of SPD 3 with regard to the Prague region under Objective 3.

The programme management and control system also respects the relevant Czech laws, Czech government's rulings and Paying Authority's decisions concerning assistance from the structural funds.

SPD 3 contents and description of priorities were drafted in partnership with the following entities: the responsible MoLSA departments, the City of Prague, MoEYS, and Prague Employment Office. Social partners and non-profit sector representatives were involved in programme preparation, too. The principles of partnership have been fully respected when designing the management structure. Thus, the transparency of the decision-making process in the implementation state of the programme is fully guaranteed.

As stipulated by Article 15(6) and Article 18(3) of the Regulation, the Programme Complement is to be presented to the EC within three months after the SPD 3 is approved. The Programme Complement will provide a more detailed specification of management at the level of measures, a specification of final beneficiaries, project selection procedure, monitoring measures, and measures for physical and financial control, in accordance with the Commission Regulation (EC) No 438/2001. In practice, however, the Programme Complement will be submitted to the EC as soon as approved by the Monitoring Committee. Thus, the approval procedure will be accelerated and the programme implementation can be initiated immediately after the Czech Republic's accession to the EU.

9.2 SPD 3 Management Bodies

In line with the SPD 3 contents, programme management will be provided by the following authorities:

- The MoLSA CR has been appointed the SPD 3 Managing Authority (MA) by the Government Resolution No. 102/2002, pursuant to Article 18(2d) of the Regulation;
- The Ministry of Finance CR has been appointed the sole Paying Authority (PA) for the SF and CF assistance, pursuant to Article 9(o) of the Regulation and pursuant to the Government Resolution No. 102/2002;
- The SPD 3 Monitoring Committee (MC), built on the partnership principle, will be established within 3 months after the granting of ESF funds is approved, pursuant to Article 35(1) of the Regulation.

9.2.1 Managing Authority

The Managing Authority, i.e. the MoLSA, will be fully responsible for the efficiency and correctness of management and implementation of ESF assistance, in accordance with European and national legislation.

Based on Resolution of the Czech Government No 102/2002, the Minister of Labour and Social Affairs has entrusted Department for ESF Assistance Management of the Ministry of

Labour and Social Affairs, which is responsible for the preparation for ESF, with the execution of the Managing Authority function for the SPD 3.

Table 53: Managing authority for the SPD 3

SPD 3 Managing Authority	Ministry of Labour and Social Affairs of the Czech Republic Department for ESF Management (Department 72)
Seat	Na Poříčním právu 1, Praha 2, 128 01, Czech Republic
Responsible person	Iva Šolcová, Director
Telephone	+420 221 922 844
Fax	+420 221 923 128
E-mail	iva.solcova@mpsv.cz

As stipulated by Article 34 of the Regulation, the Managing Authority will be responsible in particular for:

- Gathering statistical information on physical and financial implementation of SPD 3 in compliance with the monitoring requirements of the programme, and for forwarding this data in accordance with arrangements agreed between the Czech Republic and the EC, using the information systems designed for this purpose¹¹;
- Drawing up and, after obtaining the approval of the Monitoring Committee, submitting to the EC the annual implementing report (or the final report, as the case may be);
- Timely action in response to the recommendations made by the EC or the Paying Authority after their review of the annual report;
- Submitting to the Paying Authority requests for payments from the ESF in keeping with the procedures set forth by the Paying Authority; executing responsibilities delegated upon the Managing Authority within the framework of the payment mechanism;
- Implementing a unified, separate accounting system for the use of entities involved in management and implementation;
- Ensuring the correctness of operations financed under the assistance, particularly by implementing internal controls in keeping with the principles of sound financial management and acting in response to any requests for corrective measures raised by the EC or by national authorities in charge of top management of the structural funds assistance – Paying Authority, central controlling authority (Ministry of Finance);
- Ensuring compliance with the Community policies in particular in the following areas: competition, public procurement, environmental protection and improvement, combating inequality between men and women;
- Drawing up a communication strategy and communication action plan for SPD 3; fulfilling its tasks in the area of information about and publicity of SPD 3;
- Elaborating the draft Programme Complement or adjusting the Programme Complement at the request of the Monitoring Committee or on its own initiative; and submitting the Programme Complement or its adjustments to the Monitoring Committee for approval. After approval by the Monitoring Committee, the Programme Complement or the adjusted Programme Complement, as the case may be, will be delivered to the EC within one month;
- Developing a uniform implementation management method (operational guidelines, contracting documentation, manuals) and ensuring its uniform application within the territory NUTS 2 Prague under Objective 3;
- Setting up the Monitoring Committee, establishing its secretariat, drawing up draft statutes and rules of procedure for the MC;
- In keeping with the principles of subsidiarity, the Managing Authority will delegate some particular functions upon its partners, namely with regard to preparation of and entering into cooperation agreements on SPD 3 implementation with partner organisations - with intermediate bodies, or with final beneficiaries;

¹¹ The MoLSA will see that all partners implement the MSSF as required for transparent and comprehensive monitoring and evaluation in all stages of implementation.

- Establishing effective and efficient units for operational management – Department for ESF Assistance Management , Paying Unit (PU), Control and Audit Unit – the units being organisationally independent of each other within the framework of the MoLSA;
- Training the SPD 3 operational management units;
- Ensuring qualified technical assistance and expertise for correct and efficient implementation of SPD 3.

9.2.2 Paying Authority

The Ministry of Finance CR has been appointed as the sole Paying Authority (PA) for implementation of the SF and CF assistance, pursuant to the Regulation and the Government Resolution No. 102/2002. The MF has subsequently appointed the respective National Fund division to exercise the Paying Authority's powers and responsibilities.

In line with the Commission Regulation (EC) No 438/2001 and the Regulation No. 448/2002, the Ministry of Finance elaborated a draft methodology for SF and CF cash flow control, which was discussed by the Government in August 2002 (see Government Resolution No. 822/2002). The said method is binding for all Managing Authorities.

In keeping with the principles of subsidiarity, the Paying Authority will delegate the execution of certain payment functions upon the respective MoLSA unit (the Paying Unit, PU).

PA will not have any decision-making powers in respect of allocations to projects, selection of projects, contracts on projects, etc.

As stipulated by Articles 32 and 39 of the Regulation, the Paying Authority will be responsible for the following:

- Presenting to the EC forecasts of expenditures for the current year and the forecast for the following year, no later than 30th April of each year;
- Drawing up and submitting requests for payment, and receiving payments from the EC;
- Certifying actual expenditure statements pursuant to Article 9 of Commission Regulation 438/2001 and issuing certificates of expenditures based on expenditures actually spent by final beneficiaries;
- Seeing to that EU contributions are transferred to final beneficiaries as readily as possible;
- Returning to the EC any non-utilised or unduly received sums.

9.2.3 Paying Unit

Following the Government resolution No. 822/2002 the Paying Authority delegates the execution of payment functions to the Payment Units. The ESF Paying Unit Department of MoLSA (Department 65) have been established as the PU for SPD 3. The functions of PU shall not be delegated further. The SPD 3 Paying unit is organisationally separated from the Managing authority within MoLSA in order to guarantee functional independence.

PU will, on the basis of a written agreement with PA laying down the level of delegated responsibilities, carry out primarily the following activities:

- reception of requests for payments to final beneficiaries from MA for the whole SPD 3
- verification of requests for payment prior to their execution
- submission of requests to PA for transfer of ESF allocations for SPD 3
- execution of payments to final beneficiaries
- provision to MA the information about all transfers of ESF funds to FBs
- submission to PA a summary statement of expenditures executed to final beneficiaries and entry of data to MSSF

- elaboration of information on shortcomings and irregular expenditures and forward to PA and MA and to Financial Control Departments of MoLSA and MoF.

9.2.4 Monitoring Committee

SPD 3 Monitoring Committee (MC) will be set up upon a proposal from the MA, no more than three months after the assistance is approved.

The MC will be established on the principle of partnership and it will include representatives of the involved ministries (incl. Ministry of Informatics), the City of Prague representatives appointed by the Prague Municipal Assembly, representatives of other partners, including the social partners, PA representatives and representatives of the central controlling authority. The number of MC members and its scope of powers and responsibilities will be set by the Statutes and the Rules of Procedure. Gender equality will be respected when appointing representatives of the involved entities. MC members will be nominated by the Minister of Labour and Social Affairs upon a proposal from the respective bodies and social partners. The MC will be chaired by an MA officer appointed by the Minister of Labour and Social Affairs.

An EC representative shall attend MC sessions in an advisory capacity; representatives of technical assistance institutions and NGOs will be invited to MC meetings on an as-needed basis.

As stipulated by Article 35 of the Regulation, the MC will supervise the implementation of the programme, namely the effectiveness and the correctness of implementation of the ESF assistance, in particular by:

- Keeping any proposed procedures and measures in line with EU and CR legislation;
- Monitoring progress made towards achieving the objectives of the programme;
- Monitoring the effectiveness of spending from public sources (ESF and national).

The MC will review and approve the following:

- Programme Complement, including the physical and financial indicators to be used to monitor the assistance;
- Adjustments made to the Programme Complement in the course of implementation (MC will decide upon re-allocation of funds between various measures and may propose re-allocation of funds between individual priorities, which must be approved by the EC);
- Criteria for selecting the projects to be financed under each measure;
- Drafts MA responses to recommendations made by the EC and the Paying Authority with regard to the implementation;
- Annual and final implementation reports.

The MA will propose procedures and measures aimed at removing any defects found during the monitoring process.

9.2.5 Intermediate bodies

Intermediate bodies are appointed in keeping with the principle of subsidiarity. Intermediate bodies will exercise functions delegated upon them by the Managing Authority on the basis of a written agreement.

The following intermediate bodies are envisaged to be involved in SPD 3:

- the Employment Services Administration (part of MoLSA) – to be involved in Priorities 1 and 2
- the Prague City Hall – to be involved in Priorities 2, 3 and 4. For this purpose the EU Funds Department was created (According to the Prague City Council Decision No. 952 of 24 June 2003). This department will also act as an intermediate body for SPD 2.

- the Civic Society Development Foundation – to be involved in Priority 2, specifically the Global Grant. The Foundation has extensive experience in the area of managing grants in the non-profit sector, in particular with regard to social integration. Apart from being an intermediate body, it is generally considered as a final beneficiary and as such, it will not receive any technical assistance.

Final beneficiaries will be responsible for the implementation of projects. They will submit project applications to intermediate bodies and subsequently will enter into grant contracts with the intermediate bodies and will provide the intermediate bodies with any relevant information concerning physical implementation of the respective projects and the utilisation of funds. Final beneficiaries must ensure that the assistance money is employed in accordance with the set rules. They must provide transparent and exact documentation for audit purposes, including relevant payment requests together with any required tax and other documents. In what concerns Priority 1, the Prague Employment Office is the final beneficiary because the State has made it responsible for the implementation of the active employment policy, and it is the active employment policy, which is to be supported from the ESF. Final beneficiaries under the remaining priorities will be specified in the Programme Complement at the level of individual measures.

9.2.6 Project selection principles

Detailed description of project selection process will be provided in the Programme Complement and in Operational Guideline. Selection of projects will take place at the level of intermediate bodies or pre-appointed final beneficiaries, selection of services suppliers will be made by the final beneficiary. To select projects, a call for proposals will be announced. The following framework criteria will be evaluated:

- Relevance of the project from the perspective of programme content and the needs of the region;
- Implementation methodology and feasibility;
- Project team qualification and capacity;
- Quality and adequacy of budget, whether or not the budget is realistic.

Projects will be selected by the Selection Committee set up at the level of intermediate bodies or pre-appointed final beneficiaries.

9.3 SPD 3 Monitoring And Evaluation

9.3.1 Monitoring process

In keeping with the SPD 3 content, the Programme Complement and the EC methodical instructions, the MA will elaborate an operational guideline stipulating detailed monitoring procedures and the physical and financial indicators (with detailed descriptions) to be monitored.

The MA will be responsible for proper, timely and efficient monitoring of the programme. In line with any co-operation agreements, the MA will delegate part of its monitoring powers and responsibilities to its partners (the intermediate bodies and final beneficiaries).

The MA will establish a uniform information system (MSSF) to gather reliable financial and statistic data and information about the implementation of ESF assistance. The system will be used by all the entities monitoring the implementation.

The purpose of the information system is the following:

- Provide for collection of physical and financial data about the implementation of projects;
- Follow the monitoring indicators at the level of measures and priorities;
- Put the monitoring results together for the purpose of evaluation of the ESF assistance, as required by the MA, MC, PA and EC in each stage of implementation;
- Provide for reliable communication between the respective managing and paying authorities or departments of such authorities, as the case may be.

Based on the information, data and interim implementation reports provided by the intermediate bodies and final beneficiaries, the MA will elaborate reports for the MC, PA, controlling organs and the EC. Implementation information and data will be provided in the agreed structure to the partner ministries and regional authorities of NUTS 2 region Prague, for the purpose of evaluating the impact of ESF assistance on the implementation of national policies.

9.3.2 Annual and final implementation reports

In line with Article 37 of the Regulation, the SPD 3 Managing Authority will elaborate annual and final implementation reports, will have them properly and timely discussed and approved by the MC, and will submit the reports to the EC by the set deadlines.

The intermediate bodies and final beneficiaries will elaborate and submit supporting documents for the reports. The documents will be consistent with MA's requirements and will be elaborated on the basis of the respective contracts with the intermediate bodies and final beneficiaries.

The timetable of reporting at each monitoring level must allow for the annual and final implementation reports to be submitted within six months after the end of the respective calendar year, or six months after the costs eligibility deadline, in the case of final report.

Once discussed and approved by the MC, the reports will be provided to the EC, PA and the central controlling organ.

Annual reports and the final report must cover the information required by Article 37(2) of the Regulation.

When the EC, after a review of an annual report, makes recommendations for adjustments aimed at improving the effectiveness of the monitoring or management arrangements for the assistance, the MA will discuss such recommendations with the MC and will subsequently take the appropriate steps.

9.3.3 Programme evaluation

In order to measure its effectiveness, and in line with Articles 40-43 of the Regulation, the programme is to be the subject of ex-ante, mid-term, final and ex-post evaluation. These evaluations are designed to appraise the assistance impact with respect to specific structural problems and subsequently its impact in general. Simultaneously, the Managing Authority will use also other procedures, which will provide for the systematic approach, good quality of evaluation and creation of the expert capacity for such purposes.

In June 2002, a working group attached to the Monitoring Committee for Human Resource Development Programmes was established to develop evaluation methods and procedures, assess evaluation results and to enhance expert capacities of the assessors.

As the SPD 3 is to be implemented within a shorter period of time, only the ex-ante, final and ex-post evaluation will be carried out.

The effectiveness of the projects will be measured by the following criteria:

- Their impact on the goals set out in Article 158 of the Treaty, and in particular the strengthening of the economic and social cohesion of the Community;
- The impact of the priorities proposed in the SPD 3.

The MA will collect the appropriate data and will follow the monitoring indicators and their development over time to ensure that the evaluation can be carried out in the most effective manner.

In addition (i) quantitative monitoring of individual projects and the programme, (ii) monitoring studies to identify additional data and other qualitative features on the results and impacts of the programme measures, (iii) cross-sectional studies to identify the fulfilment of horizontal themes, and (iv) surveys to test the quality and capacity of the implementation and management processes will be conducted.

The evaluation will be carried out by independent assessors working together with the MA and MC (in the case of the ex-post evaluation also with the Commission).

The results of the evaluation will be made available to the public, in order to provide for a transfer of experience.

The detailed evaluation strategy was elaborated and it is included into the Programme Complement.

9.3.3.1 Types of evaluations

Ex-ante evaluation

The purpose of the ex-ante evaluation was to assess the suitability of the proposed strategies, priorities and measures, including the financial allocations. Ex-ante evaluation was carried out as a part of preparation of the programme documents (SPD 3 and the Programme Complement).

The evaluation involved an analysis of the strengths, weaknesses and potential of the NUTS 2 region Prague in the light of HRD. It assessed the consistency of the selected strategy and targets with the specific features of the NUTS 2 region Prague, and the expected impact of

the programme priorities. The ex-ante evaluation verified the consistency with Community policies and the relevance of the proposed implementing and monitoring arrangements with regard to the programming objectives.

The MA is responsible to ensure the implementation of the ex-ante evaluation.

The complete ex-ante evaluation was carried out in 2002 and at the beginning of 2003. The summary of ex-ante evaluation is presented in the chapter 10.

Final evaluation

The MA will elaborate a final evaluation report in 2005, including a final evaluation of the programme. The evaluation must cover the level of attainment of the programme objective, the utilisation of financial resources, and the quality of monitoring and implementation.

Achieved effects will be assessed with regard to individual priorities. As regards the impact assessment, it will be made to the extent as allowed by available data at that time – it will be a partial evaluation of impacts of measures on individuals. The fulfilment of horizontal themes will be also partially evaluated. The monitoring system functioning, performance of implementation system including the way of project selection, the scope and quality of technical assistance will be assessed.

The basic purpose of the final evaluation is to formulate conclusions and recommendations for the next programming period. Simultaneously, the final evaluation will be used as an information base for the ex-post evaluation, including the preparation and testing of a suitable data structure.

Ex-post evaluation

The purpose of the ex-post evaluation is to assess the results and impacts of SPD 3.

On the basis of the evaluation results already available, ex-post evaluation will cover the utilisation of resources and the effectiveness and efficiency of the assistance and its impact on economic and social cohesion. It will cover the factors contributing to the success or failure of implementation and the achievements and results, including their sustainability.

Ex-post evaluation will be the responsibility of the MA in collaboration with the EC and the responsible bodies of the Czech Republic.

The evaluation will be carried out by independent assessors. It must be completed not later than three years after the end of the programming period.

Ex-ante Evaluation for the Next Programming Period

Since a programming document for the next programme period will be prepared by the end of 2006, the ex-ante evaluation it will have to be also started in 2006.

9.3.3.2 Organisational framework of evaluation

The Managing Authority in cooperation with the European Commission is responsible for the evaluation (except for the ex-post evaluation). The Monitoring Committee discusses results of evaluation reports and takes decisions based on evaluation reports.

The organisation framework for evaluation respects that evaluation activities need an expert background and skills in the field of analyses and knowledge of both national and European policies. Simultaneously, it is necessary to provide for independence between the programme preparation and implementation on the one hand, and programme evaluation on the other hand. It is also necessary to take into account that the programme covers a short

period only (2004-2006) and provide for continuity and smooth progress of evaluation for the next programme period.

The Managing Authority will be responsible for the whole evaluation process and organisation thereof. MA will supervise the implementation of the evaluation strategy¹². MA will ensure the formulation of the terms of reference and the selection of independent external evaluators, and arrange for monitoring of the evaluation assignments. MA will discuss necessary issues with the monitoring committee and European Commission and cooperate with the Working Group for Evaluation.

Working Group for Evaluation of human resource development and employment programmes was established upon a recommendation of the European Commission¹³ in June 2002. The Working Group for Evaluation is a technical body providing for the unification and supporting the development of evaluation methods within ESF programmes. The Working Group for Evaluation will continue its activities henceforth.

¹² *The Evaluation Strategy is attached as Annex to the Programme Complement.*

¹³ *Guidelines for systems of monitoring and evaluation of ESF assistance in the period 2002-2006*

9.4 Financial Management

9.4.1 Financial Flows of the SPD 3

Council Regulation (EC) No. 1260/1999 defines the requirements of the EU legislation applying to the system and methodology of financial flows from the EU budget. The Ministry of Finance drew up a methodology of the financial flows and control of the Structural Funds and the Cohesion Fund of the EU (Resolution of the Government of the Czech Republic, June 2003).

The SPD 3 lays down a contribution from the ESF as a multi-annual commitment for the shortened programming period 2004 - 2006. The commitment arising from the SPD 3 will then be transformed into budget commitments of the EC for the years 2004, 2005 and 2006, while at the same time the commitments for the 2004, 2005, 2006 budget of the EC must be exhausted by the end of 2006, 2007 and 2008, respectively. All payments from and to the EU shall be denominated in Euro.

9.4.2 Financial Flows between the EC and the Czech Republic

Funds earmarked for financing under the ESF shall be allocated in line with the SPD 3 financial plan (attached to Commission decision).

The level of the annual commitments for SPD 3 is set by the EC not later than 30 April of each year. The Paying authority shall send to the EC its updated forecast of applications for payments for the current and the following years.¹⁴ Therefore, the SPD 3 Managing authority shall submit a forecasted level of ESF funds to the Paying authority not later than 31 March of a given year.

Transfers of ESF funds from the EC will have the form of payment on account, interim payments and payment of the final balance, as per Article 32 of Council Regulation (EC) No. 1260/1999:

- **Payment on account** shall be made following the Commission decision on SPD 3. It shall be used for supporting the start-up of the programme including advance payments to final beneficiaries, where justified and agreed with PA. All or part of a payment on account shall be repaid to the EC by the Paying authority if no payment application is sent to the EC within 18 months of its decision to grant a contribution from the ESF¹⁵;
- **Interim payments** shall on the request made by the Paying authority replenish the current account balance of SPD 3 three times a year. The last application for an interim payment in a calendar year shall be delivered to the EC no later than 31 October. The EC shall transfer the required funds to the SPD 3 account within two months after receiving the application. A total sum of the payment on account and the interim payments shall not exceed 95 % of the total allocation of the EU for the SPD 3; this shall be verified by the Managing authority;
- **Payment of the final balance** shall be executed if the EC receives (i) within six months of the deadline for payment a certified statement of expenditure actually paid; (ii) a final report made by the Managing authority concerning the implementation of SPD 3 and the report is approved by the EC; (iii) the winding-up declaration drawn up by a body having the relevant function.¹⁶

¹⁴ Article 32(7) of Council Regulation (EC) No. 1260/1999.

¹⁵ Article 32(2) of Council Regulation (EC) No. 1260/1999.

¹⁶ See Article 38(1)(f) of Council Regulation (EC) No. 1260/1999.

9.4.3 Recovery of funds to the EU budget

Unused funds¹⁷, or those provided not in line with legal regulations and contracts or agreements concluded shall be returned to the EU budget. The Paying authority shall decide on the use of unused and incorrectly used funds provided under the Structural Fund Regulations. It shall also maintain a database of sums returned to the EU budget and prepare the annual report concerning the amounts that shall be returned as of the date of the report.

9.4.4 Financial Flows between the Paying Authority and a Final Beneficiary

In justified cases, advance payments may be provided to final beneficiaries prior to the start of project activities subject to an agreement between the Paying authority and the SPD 3 Managing authority. However, these advance payments cannot be considered as expenditure incurred and be included in payment requests to the Commission.

Final beneficiaries send their applications for ESF payment to the SPD 3 Managing Authority or through IBs, where relevant, on a period basis specified in an agreement between the Managing authority, or the intermediate body and the final beneficiary (e.g. on a monthly or quarterly basis).

MA/IB reviews the application for payment and invoice accuracy and if approved, it is forwarded to SPD 3 Paying Unit. PU must verify that the application is duly justified and then send an application for payment to the Paying Authority. PA transfers financial means to the PU account (owned by the Ministry of Finance) within five working days following the receipt of the relevant application.

Following the transfer of requested financial means, the SPD 3 Paying Unit executes payments to final beneficiaries from its drawing account. Payments are transferred to final beneficiaries in Czech crowns (CZK) solely to the banking account specified in the agreement between the Managing authority, or the intermediate body and the final beneficiary. Neither cash payments nor cheques are admissible.

The Managing authority shall submit applications for payments to the Paying unit once a month. Each application must be accompanied by required documents, particularly underlying invoices and certificates of work done.

¹⁷ Funds shall be considered unused, if no payment application is sent to the EC within 18 months of its decision to grant a contribution.

9.5 Financial Control

9.5.1 General Provisions

Financial control of the SPD 3 shall be conducted in compliance with Article 38 of Commission Regulation (EC) No. 1260/1999, Commission Regulation (EC) No. 438/2001 and relevant national regulation, i.e. Act No. 320/2001 Coll., on Financial Control, the methodological guidelines for the financial flows and control of the Structural Funds adopted by the Government of the Czech Republic and the methodological guidelines issued by the Ministry of Finance.

The guiding principle for the SPD 3 financial control system is a clear separation of the management control according Article 4 of Regulation 438/2001 (verification checks) from the independent control in accordance with Article 10 of that Regulation (sample checks).

9.5.2 SPD 3 Internal Management and Control System

The Paying authority, the Paying unit, the Managing authority and the intermediate bodies shall have in place all necessary management and control systems (management control within the intention of Article 26 and Article 27 of Act No. 320/2001 Coll., on Financial Control), that will be capable of identifying administrative, systemic or purposeful irregularities and will ensure prevention of irregularity occurrence.

The SPD 3 internal control system shall respect the following general requirements:

- a manual shall be drawn up at each management level that will include detailed written working procedures of performed activities;
- the functioning of management and control systems shall be subject to audits (may be performed by the internal audit departments established within the SPD 3 Implementing Bodies);

The following key requirements shall be ensured:

- employment of a double signature system;
- accurate, due and reliable double entry accounting;
- authorising, paying and accounting functions shall be separated;
- use of secured information systems.

9.5.3 Financial Control at the Level of the Ministry of Finance

In line with the provision of Act No. 320/2001 Coll., on Financial Control, the Ministry of Finance - being the central administrative authority for financial control, methodologically guides and co-ordinates the functioning of the whole system of Structural Funds financial control.

The Ministry of Finance performs the following control functions:

- carries out controls according to Article 9(3) of 438/2001 in relation to the SPD 3 Paying unit, Managing authority and intermediate bodies aimed at their management and control systems;
- processes and submits regular reports in compliance with Articles 5, 6, 7, 8 and 13 of EC Regulation No. 438/2001, in particular information regarding the organisation of managing, paying and intermediate bodies, assessment of the functionality of their management and control systems, execution and outcome of on the spot sample checks on operations etc.;
- methodologically guides and coordinates activities of MoLSA's Department for Internal Audit on the execution of on the spot sample checks on operations.

9.5.4 Financial Control executed by the SPD 3 Managing authority

The SPD 3 Managing authority shall bear the final responsibility for the correct material use of funds provided in compliance with the European Community rules, i.e. also the responsibility for the organisation of independent financial control (pursuant to Section 8 of Act No. 320/2001 Coll. on Financial Control) and observing the rules of the internal audit system at all management levels. Preliminary, interim and subsequent checks consist of physical and financial control of individual projects either at the place of project implementation or at the bodies required to keep all original versions of technical procedures and payment documents.

SPD 3 Managing authority is responsible mainly for the following control functions:

- review the applications for payment of expenditure incurred submitted by final beneficiaries of the assistance (compliance with the set performance targets and project financial plan, observance of EU policies, eligibility of expenditures, etc);
- execute checks on the physical implementation of projects (pursuant to Article 4 of EC Regulation 438/2001) in order to verify whether the co-financed products and services have been delivered and the claimed expenditure have been effected in compliance with the terms and conditions of the contract of financing;
- issue certificates on work rendered;
- ensure that on the spot sample checks on operations and projects (pursuant to Article 10 of EC Regulation 438/2001) are carried out by a body independent from the management and payment functions of the programme, i.e. MoLSA's Department of Internal Audit and Control (Department 12);
- meet the conditions stipulated in Article 7 of EC Regulation 438/2001 that lays down that the management and control system is to provide, at all levels, an adequate tool for audit in the area of financial flows and control (so called 'audit trail');
- present to the Paying authority and Paying unit any modifications made to the written management procedures.

9.5.5 Control by the Supreme Control Office

The Supreme Control Office shall have the right to conduct independent control of SPD 3 activities within the intention of the relevant provisions of Act No. 166/1993 Coll., on the Supreme Control Office.

9.5.6 Control Activities Conducted by the Commission and the European Court of Auditors

Pursuant to Article 38(2) of Council Regulation (EC) No. 1260/1999 the EC shall have the right to carry out on-the spot-checks, including sample checks, on the operations financed by the Structural Funds and on management and control systems with a minimum of one working day's notice. The EC may require the Member State concerned to carry out an on-the-spot check to verify the correctness of one or more transactions; officials of the EC may take part in such checks.

The European Court of Auditors shall perform separate and independent controls within the scope of its powers.

9.5.7 Checks on the physical implementation of projects

Checks on the physical implementation of projects pursuant to Article 4 of EC Regulation 438/2001 are carried out by:

- **Final Beneficiary** - prior to making a remittance to a final recipient/provider, FB is obliged to review each request for payment/invoice factually and formally using standard checklist form;
- **Intermediate body** - verifies whether the obligations from the agreement with FB have been met. Reports on the checks executed contain assessment of compliance with the agreement and measures recommended to remedy any possible irregularity;
- **Managing authority** – where no intermediate body is involved in the measure's implementation, then the Managing authority is responsible for the execution of the checks on the physical implementation of the project. Where an intermediate body is involved in the project implementation, the Managing authority has to verify whether the required number of checks has been carried out. If the Managing authority comes to the conclusion that all required checks have been carried out, it shall issue a formal certificate.

9.5.8 Sample checks on operations and projects

- Within the SPD 3 financial control system the sample checks on operations pursuant to Article 10 of EC Regulation 438/2001 will be carried out by MoLSA's Department of Internal Audit and Control (Department 12), that is functionally separated from the management and payment functions of the programme. Systems audits and on the spot checks will be carried out by using a suitable combination of control methods and audit procedures.

Systems audits and on the spot checks will always be carried out independently of the management control (Art. 4) - verification checks performed by the SPD 3 Managing authority and or intermediate bodies.

9.5.9 Declaration at Winding up of the SPD 3

The issuing of a winding up declaration is a necessary prerequisite for sending an application for the payment of final balance to the European Commission. This declaration is issued when the programming period has expired.

The winding up declaration will be issued by the Central Harmonisation Unit in the Ministry of Finance. Pursuant to Article 15 of EC Regulation 438/2001 the Central Harmonisation Unit is independent of:

- the SPD 3 Managing authority;
- the Paying authority (i.e. National Fund) in charge of expenditure certification according to Article 9 of EC Regulation 438/2001;
- the intermediate bodies.

The winding-up declaration will be based on the regular review of the management and control systems and on the assessment and outcome of checks carried out during the life of the Programme.

9.6 Information And Publicity

In accordance with Article 46 of Council Regulation (EC) No 1260/1999, the Managing Authority is responsible for implementing the Commission Regulation (EC) No 1159/2000 laying down the publicity and information requirements with regard to the Structural Funds assistance.

The Managing Authority is responsible for ensuring that publicity is given to SPD 3 and particularly for informing:

- potential and final beneficiaries;
- regional and local authorities and other public authorities;
- trade organisations and business partners;
- economic and social partners;
- non-governmental organisations, especially bodies promoting equality between men and women and those aimed to protect and improve the environment;
- project promoters.

The Managing Authority will inform the general public about the role and opportunities of the joint assistance of the European Union and the Czech Republic, implemented through the European Social Fund and Czech national sources, in order to ensure the transparency of such assistance. The information given shall also include general information on European Union and its cohesion policy.

The intermediary bodies and final beneficiaries are responsible for information and publicity implementation at the level of particular programme measures and specific projects.

The Managing Authority working in conjunction with the key partners will prepare a Communication Action Plan, described in detail in the Programme Complement. The Managing Authority is responsible also for implementing the Plan.

Activities taken in the field of information and publicity will be contained in annual and final reports elaborated by the Managing Authority. The report will be approved by the Monitoring Committee and it will be made available for the general public subsequently. The Communication Action Plan implementation costs will be co-financed within the framework of the technical assistance measures.

Information and publicity measures are to be implemented by using in particular the following tools:

- internet
- information meetings (seminars, conferences, exhibitions, etc.)
- printed materials (leaflets, bulletins, brochures, etc.)
- promotional items
- cooperation with statewide and regional media (interviews, press conferences, press releases, etc.)
- other tools (CD-ROM, information phone line).

10. CONSULTATION PROCESS

The SPD 3 preparation process was launched in April 2002, drawing on the experience gained in preparing OP HRD and SPD 2. The consultation process followed the time-schedule indicated below:

Table 54: Consultation process

Date	Activity	Participants
April 2002	Consultations leading to appointment of working group for the SPD 3 preparation	MoLSA, City of Prague, NTF team of experts
6 th May	1 st session of the working group, discussion about priorities and measures, establishment of working sub-groups for individual measures	MoLSA – members of the overall programming group, City of Prague, social partners, experts from the fields concerned
Mid-May	Assignment for preparation of supporting documents, analysis and description of situation, description of strategies and proposed content of each measure	Working sub-groups set up at the recommendation of the ESF programming working group; the sub-groups should include representatives of the MoLSA, NTF, and experts for individual priorities
May – June	Consultations in working sub-groups, supporting materials preparation	Working sub-groups
End of June	Consultations with an EC representative	MoLSA, NTF, working group
8 th July	Discussion about the progress of SPD 3 preparations, reference to the SPD 2	MoLSA, City of Prague, NTF
July	Drawing up a programme consistent with the requirements placed by the Regulation on the SPD 3 content; complementing any missing analytical data	NTF team of experts supported by working groups
22 nd July	Submitting 1 st draft of the SPD 3 for comments and discussion	MoLSA, City of Prague, evaluation team
August	Comments on the 1 st draft of the SPD 3	Working group
27 th August	Processing the working group's comments and the 1 st recommendation material of the evaluation team	Working group
4 th September	Presenting the SPD 3 content to the Monitoring Committee	MoLSA, Monitoring Committee
1 st week in September	Consultations in working sub-groups	Working sub-groups
September	Finalisation in groups, including the monitoring indicators	Working sub-groups, NTF
Beginning of October	Posting the SPD 3 on the Internet	MoLSA, City of Prague
October	Internal comments procedure	MoLSA
November	Processing the comments from the internal comments procedure; Preparing supporting documents for the Programme Complement	Working group
Beginning of December	External comments procedure + 2 nd recommendation material of the evaluation team	The ministries concerned + open to partners, evaluation team
13 th December	Processing the comments from the external comments procedure, and the 2 nd recommendation of the evaluation team	Working group, evaluation team
Last week in December	Presentation to the Czech Government; File an application with the Czech Office for the Protection of Competition	MoLSA
January 2003	Governmental approval of the SPD 3; Decision to change the financial framework on the basis of the Copenhagen summit and the outcomes of the ex-ante evaluation	Czech Government
30 th January	Discussions of the Programming Working Group leading to a completion of the programming documents and implementation	Programming Working Group

	structures	
30 th January	SPD 3 discussed by the Monitoring Committee	Monitoring Committee
February	Independent ex-ante evaluation	Evaluation Team
February	Changes ensuing from the Copenhagen summit and the ex-ante evaluation built into the SPD 3; Finalisation of the 1 st draft complement	Working Group
February	Translation into English, proof reading	Translation agency, MoLSA, NTF
End of February	Presentation to the EC – together with the National Development Plan	Czech Government

Based on an agreement between the MoLSA and the City of Prague, the following partners have been involved in the SPD 3 development process (the working group):

- Ministry of Labour and Social Affairs
- City of Prague
- Council of the City of Prague
- Ministry of Education, Youth and Sports
- Ministry of Regional Development
- Prague Employment Office
- Czech Economic Chamber
- Prague Economic Chamber
- Social Services Municipal Centre
- Information Centre for Non-profit Organisations
- Czech Technical University
- Czech Academy of Science
- Centre for University Studies
- Philosophical Faculty of the Charles University
- Prague Information Service

The National Training Fund provided the working group with the necessary expertise.

The working group outputs were consulted on an ongoing basis with the City of Prague, the ex-ante evaluation team, the Human resources Development Monitoring Committee, all MoLSA departments involved in the internal comments procedure, and other ministries involved in the external comments procedure. The working group addressed any comments as they arose from the working group's own discussions, from the internal and external comments procedure and from the two recommendation materials of the ex-ante evaluation team. Apart from that, the working group took into account the recommendations raised by other institutions (e.g. NGO) in response to the draft SPD 3 publication on the MoLSA web site.

The evaluation team's recommendations covered draft version 1 and draft version 3 of the document, respectively. The final ex-ante evaluation material was elaborated for the government-approved version.

The key recommendations included:

1st recommendation material:

- Carry out additional analysis – economic situation, in particular with regard to SMEs, equal opportunities for men and women, cooperation of research and development with business sphere;
- Adjust the social environment analysis – both the heading and the contents, with special attention to the social integration issues;
- Carry out SWOT analysis of lifelong learning;

- Add information about some of the national policies (governmental information policy);
- Provide a more extensive description of the issues concerning the Roma population;
- Formulate the strategic aim primarily with regard to human resources; reference to other documents should not be provided in the strategic aim definition;
- Specific aims should be organised in an order corresponding to the priorities; provide more exact formulations;
- Provide a better description of priorities and improve the statement of reasons;
- Re-write the description of individual measures – more information about activities;
- Adjust the horizontal themes description in consistency with EC recommendations;
- Design the financial framework;
- The programme management chapter should include a more detailed description of management at the level of measures;
- Do not forget that the programme is to be implemented within a shortened period of time, and formulate the monitoring indicators accordingly;
- Provide impact indicators at the level of priorities;
- Provide a more detailed description of links to the SPD 2.

Most of the comments contained in the evaluation team's 1st recommendation material were built into the programming document. Additional analysis was provided (economic situation), based on the data available. A comparison with other EU states or cities was omitted because in the opinion of the working group, any comparison would be necessarily misleading in certain respects. SWOT analysis was carried out by the working groups. An improved description of priorities and measures was provided, horizontal themes were modified.

2nd recommendation material:

- Provide a description of the information and publicity strategy;
- General selection principles should be included in the implementation arrangement description;
- A more comprehensive description of the National Action Plan for Employment should be provided in the context of national strategies and policies;
- Re-write the chapter on regional development strategy and priorities;
- Re-formulate the strategic aim;
- Re-consider the number of operational objectives under individual priorities, with regard to the volume of funds available and the short implementation period;
- Description of priorities should include an explicit reference to horizontal themes;
- Provide quantified description of planned targets.

Most of the comments contained in the evaluation team's 2nd recommendation material were built into the programming document. All the comments concerning the current situation assessment were included and some tables and graphs were omitted. The recommendation to describe the SWOT analysis results in a more concise way and to express some of the items in a consolidated form was not satisfied because the working group backed the analysis and did not wish to change it. A comparison with the National Active Employment Policy was built into the National Strategies Context. The chapter on regional development strategies and priorities was renamed and its structure was largely modified in line with the evaluation team's recommendations. Many recommendations were built into the section concerning priorities and measures, nevertheless, some of the suggestions were rejected. Anyway, most of the monitoring and evaluation recommendations were taken into account. Generally, the evaluation team's recommendations have helped to make the document better structured, with improved contents.

Ex-ante evaluation of the government-approved version is provided as a separate document, recommendations have been incorporated into the recent version of SPD 3.

LIST OF ABBREVIATIONS

AEP	Active Employment Policy
BIC	Business and Innovation Centres
CF	Cohesion Fund
CZSO	Czech Statistics Office
EC	European Commission
EC	European Community
ESA	Employment Services Administration
ESF	European Social Fund
EU	European Union
GDP	Gross Domestic Product
HR	Human Resources
HRD	Human resources Development
ICT	Information and Communication Technologies
JAP	Joint Assessment of the Employment Policy
EO	Employment Office
MA	Managing Authority
MC	Monitoring Committee
MF CR	Ministry of Finance of the Czech Republic
MI CR	Ministry of Interior of the Czech Republic
MIT CR	Ministry of Industry and Trade of the Czech Republic
MoEYS	Ministry of Education Youth and Sports
MoLSA	Ministry of Labour and Social Affairs
MSSF	Monitoring System for Structural Funds
NGO	Non-governmental Organisation
NTF	National Training Fund
NUTS	Nomenclature of Territorial Statistical Units
PA	Paying Authority
PU	Paying Unit
SF	Structural Funds
SME	Small and Medium Enterprises
OP HRD	Operation Programme Human resources Development
SPD 3	Single Programming Document for Objective 3

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ANNEX I

SPD 3 AND ROMA COMMUNITIES

The SPD 3 reflects the needs of disadvantaged groups, one of them being members of Roma communities. Roma communities represent a group, endangered by social exclusion, the ethnic aspect of poverty then causing, apart from a significant social problem, a problem of a political nature as well.

It needs to be underlined that in comparison to other regions in the Czech Republic, the Prague region doesn't face major problems in coexistence of the majority society and Roma communities since the concentration of Roma in Prague is low, compared to regions in Northwest Bohemia and Moravia-Silesia. This also means that the problems of Roma population are not so visible and not perceived as urgent. Nevertheless, the disadvantages of members of Roma communities are in fact the same throughout the whole country and specific measures and activities, similar to those developed within the framework of SPD 3, can be applied in other regions, too.

It is envisaged that the SPD 3 will have a positive impact on the situation of Roma communities in the Prague region. This impact can be assessed by evaluation studies, as precise quantification would be difficult to make.

With regard to the Czech legislation (Act 273/2001, about rights of members of ethnic minorities), **it is prohibited for state authorities to gather statistics on ethnic minorities**. It means that it is neither possible to obtain relevant statistics about Roma minority nor to develop properly (with regard to future evaluation) a special project just for this single target group since no one is allowed to find out if a certain person is a member of Roma minority or not. To be precise, it is possible to develop a special targeted programme, but it is practically impossible to acquire relevant figures on the benefit for the Roma minority. In addition to this, according to the analysis and the relevant policy document, the Roma Integration Policy Concept, the terms "**Roma community**" and "**Roma national/ethnic minority**" do not overlap completely. A member of the Roma community is de facto anyone, whom the majority identifies as a member of this socially and ethnically defined group (e.g. persons who are not of Roma origin but who integrate into and live permanently within Roma environment). Many members of Roma communities do not declare Roma identity in census. Another reason for preference of an integrated approach to ethnic minorities and socially disadvantaged groups instead of a special action plan focusing only on the Roma minority is also that there are other minorities and disadvantaged groups that can benefit from such programmes.

The **SPD 3 prefers this integrated approach to the problems of Roma communities** since assistance to disadvantaged groups means also assistance to members of Roma Communities (and vice versa). Integrated, ethnically neutral priorities and measures can be also fulfilled by activities targeted at members of Roma communities and special programs suited to their needs can be developed, without excluding other disadvantaged groups. It needs, however, be noted that on the contrary to common practice concerning other target groups, the evaluation of such projects would not provide quantification of Roma among participants. To ensure evaluation of the achievements, it is envisaged that specific **evaluation and tracking studies** will be launched to assess the SPD 3 impact on Roma communities.

As already mentioned in the SPD 3 (see 2.2.4, 2.4.1.2), there exists a key governmental policy document concerning the Roma minority – the Roma Integration Policy Concept. Since the SPD 3 can assist members of Roma communities and support this policy concept, a more detailed description of the Roma Integration Policy Concept and subsequent governmental measures follows.

The Czech Government adopted its **Concept of the Government Policy Towards the Roma Community Members to Help Their Integration into the Society** in 2000. This document has been already updated twice (in 2002 and 2003) and renamed as the **Roma Integration Policy Concept** - the basic governmental policy document concerning Roma communities. The latest version of the Roma Integration Policy Concept was adopted on 12th March 2003 as a part of the **Governmental Resolution no. 234/2003**.

This resolution also includes governmental position on the regular report on monitoring and evaluating implementation of previous governmental resolutions on the integration of Roma communities (about 12 resolutions including 123 concrete measures), sets new concrete tasks for individual cabinet members (14 concrete measures) and calls on the representatives of regional and local governments to participate actively in fulfilling of the Roma Integration Policy Concept.

The majority of concrete measures included in governmental resolutions and aimed at Roma communities devolve from the Roma Integration Policy Concept itself. In the target area of labour and social affairs, there are two new measures in 2003, one of which sets the MoLSA responsibility for the programme of field social work in Roma communities. Of 18 previously adopted measures, 7 have been already fulfilled while most of remaining 11 are of a long-term character, projects of “Field Social Work in Excluded Roma Communities” and “Help to Nearly-Adults” among them. In the area of education, there are three new measures that include e.g. a responsibility for a programme of support of Roma secondary school students and an elaboration of a concept of early care for children from socio-culturally disadvantaged background. Of 28 previously adopted measures, 4 have been already fulfilled while most of remaining 24 are of a long-term character, e.g. increasing numbers of preparatory classes, training of Roma advisors, ensuring further training of workers in educational sphere including the issue of minorities and ethnic groups, introduction of Roma teaching assistants, projects aimed at allowing children from special schools to continue education within the standard school programme, etc.

The primary goal of the Roma Integration Policy Concept is to achieve peaceful co-existence of members of Roma communities with the rest of society. There are six priorities:

1. **Removal of external obstacles preventing the integration of members of Roma communities into society**, i.e. mainly the removal of all forms of discrimination of individuals and whole groups based on race, colour of skin, national identity, language or ethnic group;
2. **Assistance in removing internal obstacles preventing the incorporation of members of Roma communities into society**, i.e. mainly in removing disadvantages related to education and qualifications;
3. **Social elevation of members of Roma communities**, i.e. primarily a reduction in unemployment, an improvement in their housing situation, and subsequently in their health situation;
4. **Ensuring the development of Roma culture and the Roma language**;

5. **Creating tolerant environment, free of prejudice**, where membership of a group based on race, skin colour, national identity, language or ethnic is not a reason for an individual to be judged differently;
6. **Ensuring the safety of members of the Roma community.**

Naturally, a significant part of the Roma Integration Policy Concept de facto deals with the human resources development issues. According to it, an affirmative action in employment should include qualification and retraining courses (including also retraining courses for Roma assistants and advisers, courses preparing Roma for work in the state administration or service in the police force or the army) and specific programmes aimed at Roma communities, not only on the basis of ethnically neutral definition of “persons difficult to place on the labour market”. An affirmative action in social policy requires an emphasis on working with clients directly in Roma community. The projects “Field Social Work in Excluded Roma Communities” and “Help to Nearly-Adults” (aimed at young people released from children’s homes and fostering facilities who are at risk of becoming homeless and who need help in order to integrate gradually into normal life) should be reinforced. An affirmative action in education should aim at changing the situation where a high number of Roma children reach only the lowest possible level of education while many of them continue to be placed in special schools. Forms of recommended targeted assistance include creating of “preparatory classes for children from socio-culturally disadvantaged environment”, individual programmes and compensatory classes aimed at allowing to continue education within the standard school programme, extended use of teaching assistants, projects of schools with a full day programme, where attendance of the non-teaching part is voluntary, programmes for young people and adults who only attended special school or left the school system without completing basic education, programmes aimed at more Roma students gaining secondary or tertiary education.

All the recommendations of the Roma Integration Policy Concept are covered by governmental resolutions and concrete measures. Nevertheless, there is an urgent need to strengthen and continue already existing programmes, to transform many of them from small scale pilot projects or projects “just on paper” into efficient tools and to make them work on larger scale in order to achieve visible effects.

The next update of the Roma Integration Policy Concept and the next regular report on monitoring and evaluating previous governmental resolutions on the integration of Roma communities is scheduled for February 2004.

The **SPD 3 acknowledges the needs of Roma communities and several of the SPD 3 measures enable a positive contribution**. Obviously, the **most significant effect on Roma community members can be envisaged within measures 1.1, 2.1 and 3.1 of the SPD 3**. There are direct links between the SPD 3 and the Roma Integration Policy Concept as well as links to a number of governmental resolutions including concrete existing measures aimed at Roma communities.

Measure 1.1 (Develop the active employment policy and enhance its targeting) includes a wide variety of activities that can help fighting unemployment also among members of Roma communities: re-qualification, job creation, supporting endangered jobs, motivation courses, supporting creation of self-employment jobs, supporting new forms of employment, related social activities, developing intermediation services and guidance programmes and developing individual action plans. Although the measure is ethnically neutral as preferred by the Employment Services Administration, members of Roma communities are de facto represented in most of the target groups. The measure is aimed also at long-term unemployed and persons

facing the risk of long-term unemployment; among these many members of Roma communities can be envisaged. The target group of “persons difficult to place on the labour market” is estimated to include approximately 70% of Roma. Training and improving skills of employment services staff needed for working with groups at risk will have an effect on members of Roma communities, too.

Measure 2.1 (Integrate specific groups at risk of social exclusion) is envisaged to have an important impact on Roma communities, too. Members of Roma communities form a significant target group and will profit directly or indirectly from many activities within this measure, which include e.g. direct social services to members of disadvantaged groups or to those at risk of social exclusion, field social work in Roma communities endangered by social exclusion, development of community centres providing services to Roma communities as well as to other disadvantaged groups from majority population and projects of help to nearly-adults. Indirect effect can be expected from activities like capacity building of organisations offering social services to disadvantaged groups and systematic activities building a new and better way of providing social services striving to their quality

Measure 2.2 (Reconcile family and work life) is primarily focused on equal opportunities for women and men. The activities include e.g. testing of working condition arrangements and work organisation which respect the needs of people caring for a dependent family member, their evaluation and sharing experience, developing supporting services for persons caring for dependant family members,, supporting employment of persons returning to the labour market after parental leave or after caring for a dependent family member and improving their adaptability to labour market changes, supported by accompanying measures (services for pre-school children, seniors and individuals requiring special care). These activities and services can have some positive effect on Roma women and families, if they participate in these activities.

Measure 3.1 (Develop initial education as a basis for lifelong learning, with regard to the needs of the labour market and knowledge-based economy) is envisaged to have a vital effect on members of Roma communities who also represent one of target groups of possible activities. Direct impact can be expected from activities like e.g. integrating disadvantaged students in normal classes (preparatory classes for children from socio-culturally disadvantaged environment, individual programmes for disabled, compensatory classes aimed at allowing children from special schools to continue education within the standard school programme), programmes for young people and adults who only attended special school or left the school system without completing basic education which meant that any further education was inaccessible to them, to complete their basic education, or introducing Roma teaching assistants. An indirect benefit can be envisaged from activities like e.g. preparing and implementing pilot educational programmes, improving the quality of practical training and vocational practice at secondary vocational schools and higher vocational schools, further education and training of teachers, school managers, school inspectors and public administration workers involved in the educational sphere, supporting cooperation among schools to innovate teaching and supporting the development of consulting and expertise capacities.

Measures 3.2, 4.1, 4.2 and 4.3 of the SPD 3 do not have direct links to the Roma Integration Policy Concept and they are not envisaged to have a visible impact on Roma communities. Measure 2.3 (Global Grant) which is aimed at capacity building of NGOs providing social services will have an indirect effect on Roma communities endangered by social exclusion.