



OPERAČNÍ PROGRAM  
LIDSKÉ ZDROJE  
A ZAMĚSTNANOST

# FINAL REPORT

(ABBREVIATED VERSION)

## Annual Operational Evaluation OP Human Resources and Employment 2009

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Prague, dated 12 April 2010

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## LIST OF ABBREVIATIONS

ALMP	Active Labour Market Policy
CZK	official currency of the Czech Republic
CR	Czech Republic
EC	European Commission
ESF	European Social Fund
EU	European Union
EUR	official payment currency of the Eurozone
IG	Integrated Guidelines
IB	Implementing body
IS	Information System
bil. €	billions of EUR
MIT	Ministry of Industry and Trade
MLSA	Ministry of Labour and Social Affairs
MI	Ministry of the Interior
NRP	National Reform Programme
NSRF	National Strategic Reference Framework
OP	Operational Programme
OP HRE	Operational Programme Human Resources and Employment
OP HRD	Operational Programme Human Resources Development
APES	Authorised Public Employment Service
MA	Managing Authority
CSG	Community Strategic Guidelines
RDS	Regional Development Strategy
EO	Public Employment Service
IB	Intermediary Body
FR	Final Report

## EXECUTIVE SUMMARY

The project "Annual Operational Evaluation of the OP Human Resources and Employment" was implemented by RegioPartner, s.r.o. during the timeframe of July 2009 through February/March 2010. All the findings and associated recommendations are based on a detailed analysis of all relevant documents, data from the IS MONIT7+, questionnaire surveys, evaluative interviews with the contracting authority's representatives (including panels of experts), and focus groups.

### 1. Main Findings of a General Nature

#### ➤ *Insufficient communications with applicants and beneficiaries*

From the completed questionnaire survey and the focus groups, it became quite clear that the applicants and beneficiaries are lacking sufficient communications with the MA/IB over the course of the entire project cycle. Problems were identified with both the **access** to responsible employees as well as with their **competence**. The gravity of these problems presents different challenges amongst the individual publishers of call (the greatest problems were noted in area of support 1.1). Although recently a marked improvement was seen with regard to some of them, the situation cannot nevertheless be designated as satisfactory with any of them.

#### Recommendation:

- *Establish a free-of-charge telephone hotline at the MA level for applicants/beneficiaries* – the hotline workers must have sufficiently detailed knowledge about the general available information about the priority axes, the areas of support and the calls for OP HRE projects in order for them to be able to answer questions of a general nature. In the case of more specialised enquiries, the caller would be provided with the contact information for a specific responsible individual (project manager, financial manager, etc.). The argument in favour of this recommendation is also supported by the fact that the majority of operational programmes, which have a large number of potential applicants (in particular OP Enterprise and Innovation and OP Environment), all have a free-of-charge telephone hotline.
- *Strengthening the personnel capacity from both the quantitative as well as the qualitative perspectives* – increase the number of workers in high work-load positions and improve the professional skills they have in their specific area of performance.

**Addressee of the recommendation:** the executive staff of the MA/IB; project and financial managers

#### ➤ *Imbalance in the output from project evaluators*

Based on the focus groups and an analysis of the evaluation of the project in the IS MONIT7+, it has come to light that the evaluations prepared by the project evaluators **are imbalanced from the perspective of quality**. This finding is quite serious, as in the eyes of the applicants, this fact reduces the credibility of the OP HRE implementation system as a

whole. A radical recommendation, which is however difficult to implement, would be to completely change the manner in which projects are selected and also to incorporate training for the internal project evaluators, who would assess the general portions of the projects (for example, the evaluation of applicants and project management).

### **Recommendation:**

- ***Implement a uniform rating system for the project evaluators and reinforce co-operation with the project evaluators*** – The MA has already started to implement this process and is at a stage where this process needs to be completed, primarily by implementing mechanisms that will force publishers of calls to use the rating system and also by providing them with sufficient support over the course of system implementation.
- ***Modify the selection criteria (make them more objective)*** – change the selection criteria: firstly, make certain selection criteria (e.g. the evaluation of monitoring indicators) more objective and provide more specific definitions; secondly, differentiate amongst certain selection criteria according to the priority axes or, as applicable, the areas of support.

**Addressee of the recommendation:** the staff involved in defining the methodology

➤ ***Overlap with regard to certain areas of support (priority axis 2 and priority axis 3) or certain calls***

Some areas of support have not been defined in sufficient detail, with the result that there are overlaps in the support provided to the areas (this is especially a problem in priority axis 2 and 3). This situation has already been addressed by the Ministry of Labour and Social Affairs, as is reflected in the fact that the calls nos. 54 and 56 already include more definite specifications of conditions.

### **Recommendation:**

- ***Unambiguous specifications for calls*** – taking into account the fact that the problem does not lie in the way the programme is set up, the evaluator recommends that the existing situation be resolved by more detailed and unambiguous specifications for the calls, whereby any overlap can be avoided. (We recommend that the calls for the area of support 3.1 be specified in more detail in the same way as those for calls nos. 54 and 56 (narrow the field to only accredited social services or those striving to attain accreditation). This also applies to calls within priority axis 2, whereby the same trend started in priority axis 3 be applied, e.g., by a more detailed specification of target groups).

**Addressee of the recommendation:** those publishing individual calls to submit projects

➤ ***Imbalanced and insufficient use of funds in certain areas of support***

The use of funds within individual areas of support is quite imbalanced. Whilst more than 60% of the allocated support has already been designated for projects approved within the framework of priority axis 6 and area of support 3.1, in the case of areas of support 1.2, 2.2, 3.3 and priority axis 4, the figure amounts to only 4-7%. Of the entire OP HRE, only 29% of the total allocation has been apportioned to approved projects. It thus seems that from the

perspective of approved projects, fulfilment of the rule of n+3 does not seem threatened in any significant manner. However, the vast majority of projects in the early phases of implementation and the total amount of certified expenditure is almost negligible (as of 31 December 2009). If the selection, start and implementation of projects are delayed any further, the risk that the rule of n+3 will not be fulfilled in 2010 is fairly high. The use of funds for individual projects is very important in order to ensure that the rule of n+3 is met. Any significant delays of a larger number of more financially demanding projects might be the decisive factor with regard to the non-fulfilment of the rule of n+3.

### **Recommendation:**

- *Ensuring the maximum possible continuity of the project cycle* – there should be no delay in the selection of projects, which leads to the consequent postponement of the start of project implementation, lengthy monitoring reports and delayed payment claims. All of these factors significantly increase the risk that the rule of n+3 will not be met. The smoothness of the usage of funds must be ensured – from the procedural perspective as well as from the perspective of personnel.

**Addressee of the recommendation:** the MA's management staff

## **2. Further findings with regard to the individual priority axes**

### **Priority Axis 1**

- Projects within Priority Axis 1 are focused primarily on providing further education for employees. This is one area where very little attention has been focused in the Czech Republic up to this point and therefore the evaluator considers the material content of Priority Axis 1 in a positive manner.
- The evaluator would like to state that, from the perspective of its practical contents, Priority Axis 1 conforms to the higher-level strategic documents, whether at the European level (CSG) or at the national level (NSRF, NRP or RDS).
- The majority of the projects in this area of support 1.1 are focused on further professional education in private entities, which in some cases included the implementation or refinement of the management systems for further education. The main problem with a large number of the projects is the fact that the starting point has not been analysed sufficiently and many times educational activities that can be considered as less effective are included within the projects (e.g. education in soft skills for employees in unqualified positions). The evaluator also sees a problem with the long-term nature and sustainability of results, in particular the question as to how the skills obtained through further professional education will improve one's position in the labour market in the future.
- Additionally, the evaluator sees a serious problem in the fact that the current intensity of support is at 100% of total eligible expenditure, which results in a number of not very effective activities being supported. For this reason, the evaluator recommends that the intensity of support be reduced to approximately 90% of total expenditure.
- The fact that the intensity of support is at 100% of total expenditure is also one of the reasons why there is a high level of interest on the part of applicants. In the case of some calls, the demand is many times higher than what is actually offered. In one respect, a high level of interest on the part of applicants is positive. On the other hand however, it might



lead to doubts as to whether some applicants are preparing projects not because the applicant has a project objective, but only because there is an opportunity to use ESF resources. A portion of the projects would thus be implementable within a relatively short timeframe even without support from the OP HRE (although in smaller scope in some cases). Another negative aspect that must be considered is the significantly high level of participation on the part of large companies. The evaluator believes that, in particular, the support provided within area 1.1 should be aimed primarily at small and medium-sized enterprises and recommends that the publishers of calls for projects consider modifying future calls in this respect.

## Priority Axis 2

- Within Priority Axis 2, there is an imbalance in the use of funds in area of support 2.2. Whilst in area of support 2.1, 41% of the total allocation has been designated for approved projects, in area of support 2.2 it is only 5% of the allocation. The evaluator finds this status to be troublesome, not only from the financial perspective, but also with regard to the material side. The activities supported within area of support 2.2 are important for the effective and successful implementation of labour policy. For 2010, it can however be anticipated that there will be both financial as well as material advances with regard to area of support 2.2, as several projects have been prepared for submission in addition to those that were submitted at the start of 2010.
- Priority Axis 2 PO2 involves target groups whose needs cannot be doubted. It is specifically Priority Axis 2 that can be deemed a priority axis that has been greatly impacted by the economic crisis, which resulted in a significant increase of the target group and a worsening of their situation. The drop in the number of jobs makes it more difficult to place job applicants and thus threatens the success of projects. In the evaluator's opinion, this situation should be reflected in the elaboration of the objectives for the activities that are implemented and a detailed analysis of the target groups and the benefits of ALMP instruments which is however not yet apparent in the projects that have been submitted.
- From the analysis that was performed, it has come to light that it is appropriate to implement activities within the area of support 2.1 in the form of national individual projects, regional individual projects and grant projects. All types of projects support similar activities for overlapping target groups with public employment services (PES) as unified subjects participating in implementation, whether in part or in full. What is missing though is a declaration of the clear interrelationship and supplementary nature of activities supported within the framework of various types of projects. The evaluator therefore recommends that a mandatory analysis of supply and demand be included in project applications, which would specify which of the activities supported by the OP HRE have already been implemented in the region as well as the manner in which the project that is being submitted links to them or supplements them. At the same time, the evaluator also recommends that the PEF function as information centres within the region to disseminate information on already implemented activities and prepare assessments of the needs and appropriateness of the submitted grant projects implemented in their region as one of the supporting materials for the Selection Committee.



### Priority Axis 3

- As far as the ideological framework of the programme is concerned, the evaluator found insufficient application of the principle of flexicurity, whereby all of the supported projects would always equitably provide information on the advantages of flexible forms of work as well as about the associated real risks. In this regard, it is necessary not only to train the project evaluators but also to provide sufficient room for professional discussions amongst recipients.
- With regard to the promotion of gender equality, the evaluator has found that some of the projects are inappropriate or insufficiently planned, in particular with respect to the systematic breakdown of stereotypes, especially with regard to selecting a profession. Explicitly stereotypical projects have appeared, which the evaluator finds to be in conflict with horizontal priorities. On the other hand, there is an almost complete lack of projects that are innovative with respect to this area. The evaluator therefore considers it to be appropriate to train applicants and project evaluators more thoroughly.
- A large part of the projects focuses outright on endangered groups, which is understandable but, at the same time, has associated risks. Overall, the projects acknowledge that the primary problem is the situation in the labour market, which projects aimed only at endangered persons will not change. This raises doubts about the effectiveness of projects consisting, for example, solely of training, whereby there is no apparent application in the labour market conditional on such things as flexible work time or shortened working hours. For this reason the evaluator considers it to be appropriate to increase the number of projects that incorporate a component consisting of structural changes: specifically, support for equal opportunities (in the broadest sense of the word) on the part of employers and other institutions. This aspect is already communicated in, for example, the current call within area of support 3.4, and it is therefore necessary to ensure that the project evaluators are informed.
- In the evaluator's opinion, projects should more thoroughly include the involvement of target groups in the actual creation and implementation of the projects. In this regard, it is important to communicate more with applicants and consequently the project evaluators and to emphasise this aspect more in the text of the calls.

### Priority Axis 4

- The projects that are submitted and above all those that are approved in no way deviate from the intended conceptualisation of the priority axis. The evaluator therefore states that with their focus and activities they contribute towards meeting the defined objectives.
- The evaluator considers the most serious risk linked with the implementation of Priority Axis 4 to be the project approval status and the associated use of the resources allocated for this axis. Although the OP HRE has been open for three years already, the first projects approved within Priority Axis 4 were not approved until the end of 2009 (i.e. after three years).
- The analysis has shown that the vast majority of projects were focused on employee training or the performance of analyses to implement systems. The projects that have

been approved to date are therefore characterised by their small size (low allocation amounts). As a result, the percentage of the allocations used for this priority axis is quite low – not even 5 %. Taking into account the advanced stage of programme implementation, the evaluator finds this fact troublesome.

- When analysing the educational projects from the IS MONIT7+, the level to which public administration employees are involved in the preparation and implementation of projects, and consequently the benefits and the required information that the education would give them could not be determined.

### Priority Axis 5

- The evaluator considers the fact that it is not possible **to obtain a financial contribution for a foreign partner** very negatively. This means that the exchange of experiences and good practices is one-sided, i.e. that the Czech team travels abroad and then disseminates the intermediated skills in the Czech environment.
- Based on an analysis of the calls that have been published, it has come to light that up to now no public subject can actively enter into any of the calls that have been published or they can participate only as partners with no financial contribution. Based on information provided by applicants and beneficiaries, this makes the creation of equitable local partnerships more difficult.
- The evaluator believes that the database of appropriate and verified foreign partners in inappropriately placed on the [www.esfcr.cz](http://www.esfcr.cz) server and that quite often applicants do not even know that it exists. For this reason, the evaluator recommends that the link to the search for foreign partners be incorporated directly within the text of the calls so that the applicants have it readily available.

### 3. Determining regional distribution

- On the basis of a detailed analysis, the evaluator identified a low level of use in certain regions. He considers it to be optimal to support insufficient absorption through information campaigns (information on the options available for using funds from the OP HRE, the specific conditions and rules for preparing and implementing projects) and assistance with the preparation of project aims and applications (e.g. in the form of an information centre or information links). In the evaluator's opinion, it is not appropriate to compensate for the below-average use of funds through regionally-focused calls, which will not increase absorption capacity and could lead to a lower average of the quality of the project applications that are submitted.
- The analysis has shown that since the time the programme started being implemented, there has been a significant transformation of the regional status of unemployment, where there is a long-term improvement in the position of the Moravian-Silesian and Ústí nad Labem Regions. As a result of the economic crisis, unemployment has significantly increased in certain micro-regions (administrative districts of municipalities with extended competence – AD MEC), which were originally not amongst the troubled areas and which can be found in regions (or cohesion regions) that as a whole do not show above-average unemployment levels. These changes in regional needs must be reflected in the long-term projects completed by the APES in area of support 2.1.

#### 4. Further Findings with Regard to the Selection of Projects

- The evaluator considers the rules for the functioning of the selection committee to have been set up fairly well, but certain powers that have been granted to the selection committee (in particular the right to change the sequence of projects on the basis of commented criteria) might come across as not very transparent from the perspective of applicants. In the ideal situation, all the reasons for which the selection committee might currently not recommend projects for financing should be resolved within the material evaluation process or at the time that acceptability is assessed. Taking into account the fact that the existing project selection system cannot be considered as being completely ideal, to a certain degree the selection committee serves the purpose of eliminating problematic projects that were not eliminated by the project evaluators.
- The evaluator recommends making the project selection process more transparent for applicants by making public Guidebook 3 (Guidebook for Project Evaluators), or at least that portion of it containing the definitions and the methods used for evaluating individual sub-criteria.
- In the evaluator's opinion, the quality and benefits of the specific criteria used to date are quite varied. The evaluator therefore recommends that the MA devote more attention to their approval and, in the event that they are set up incorrectly, not hesitate and return them to the applicable publisher of the call for correction.

#### 5. Findings on Financial Flows

- The evaluator considers the way in which the financial flow system is set up as a whole positively. The admonitions specified in the text of the Final Report are of a more partial nature.
- The evaluator believes that the fixed interval for submitting correct simplified requests for payment (six months) could in some cases be counterproductive. The evaluator therefore recommends that this period be shortened to four months, whereby this would be a minimum interval (i.e. the beneficiary could submit a correct simplified request for payment no more than once every four months).

## 1. INTRODUCTION

### 1.1 *Operational Programme Human Resources and Employment*

Through the use of active labour market policy, the Operational Programme Human Resources and Employment (OP HRE) aims to reduce unemployment, include socially excluded citizens into society, improve professional education and improve the quality of both public administration as well as international co-operation in the specified areas.

A total of EUR 1.837 bil, has been allocated from EU sources for this operational programme. This financial amount has been increased by EUR 0.319 bil. from Czech public sources. The total budget for the OP HRE is therefore EUR 2.157 bil. €. The co-financing level for projects from the ESF is 85%, with the exception of Priority Axis 5 (International Co-operation), where it is 95%.

The global objective of the OP HRE is to *"Increase employment and the employability of people in the CR to a level that equals the average of the fifteen best EU member states"*. This particular objective is incorporated in projects within five priority axes (with the exception of Technical Assistance), of which three are multi-objective, i.e. they allow interventions for the regions included in the Convergence objective as well as for the regions included in the Regional Competitiveness and Employment objective (the territory of the Capital City of Prague).

The operational programme was officially approved by the EC on 16 October 2007. The allowable expenditure is however only eligible as of 1 January 2007, which is the start date of the 2007-2013 programme period. The first call for proposals was published on 15 February 2008.

The Managing Authority for the OP HRE is the MLSA. Dependent on the individual axes, the implementation system also includes other subjects, specifically intermediate bodies (the MTI for parts of Priority Axis 1; the MI for Priority Axis 4; Department 45 of the MLSA for portions of Priority Axes 1, 2 and 3; and Department 2 of the MLSA for portions of Priority Axis 3).

As of 31 December 2009, a total of 42 calls were published and a total of 812 projects were approved. (Data is from the IS MONIT7+ as of 31 December 2009). As of that date, the volume of approved financial resources for all projects in the OP HRE totalled EUR 579,180,301.69 (i.e. CZK 15,290,359,616). If we consider this amount in relation to the total allocated for the OP HRE, as of now this amounts to 26.9 % of the overall financial resources.

### 1.2 *Aims of evaluation*

The objective behind performing this evaluation was to contribute towards the regular and systematic assessment of the implementation and execution of the operational programme. The objective also intended to reflect the changes in the operational programme's external environment with the goal of analysing and better understanding the programme outputs, the results that are attained and the advances that have been made towards achieving longer term impact. The monitoring also assists in revealing any significant deviations from the drafted programme objectives and provides the initiative for performing an overall evaluation, which should provide the recommendations for the required corrective measures.

The general objectives of the evaluation (based on the input documentation) consisted of:

- to analyse and evaluate the advances of the programme with regard to attaining the Community's general objectives and the relevant national policies;
- to support the proper course for the implementation and administration of the OP HRE;
- to assess the suitability of the strategies selected, future options and initial influences of the OP HRE;
- to identify and assess the value added by the OP HRE with regard to current tools and policies in the labour market;
- to analyse and assess the development in the use of financial resources in the individual areas included in Priority Axes 1 through 6; and
- to identify any potential risks that exist with regard to using OP HRE financial resources.

In addition to assessing the advances that have been made with the execution of the operational programme, consisting of an evaluation of results and financial processes, the evaluation also intended to analyse the OP HRE in relation to the Community's objectives and other higher-level documents.

In line with the input documentation, the subject of the evaluation also included solving three tasks and providing replies to specific evaluation questions as specified for each task.

### ***1.3. Applied Research and Evaluation Methods***

The selection of appropriate research and evaluation methods was based on the general and specific goals of the evaluation and took into account the actual conditions and existing possibilities of the individual subjects, which were subjected to a detailed scrutiny.

The evaluator used a combination of multiple methods, which made it possible to work with both quantitative as well as qualitative data.

The following are the main tools that were used to obtain information:

#### ***1. Analysis***

Analytical methods served as the basis for completing the entire order. The specific types of analysis that were applied are described in more detail below.

***1.1. document analysis*** – during the initial stage, the key documents for the Operational Programme Human Resources and Employment, which have up to now served as the basis for the calls that have already taken place, were mapped out. Strategic documents pertaining to the area of human resources were also subjected to detailed scrutiny, both at European as well national levels, which made it possible to identify the ways in which they are interlinked.

***1.2. data analysis*** – this process consisted primarily of looking at quantified outputs in the form of the number of projects that were submitted within individual calls, the number of projects that were approved, an evaluation of the overall success of

applicants, etc. (the source of the data is the IS MONIT7+). In relation to the analysis of the socio-economic content, data published by the Czech Statistical Office was used. The data analysis also included an analysis of data obtained from fieldwork, i.e. from the focus groups that met, questionnaire surveys and evaluative interviews.

**1.3. comparative analyses** – the results from individual investigations were compared, as was the desired status of the implementation of the programme with the subsequent execution of the programme at the level of the results that were actually attained. In addition, the opinions of applicants, beneficiaries and MLSA staff were compared over the course of the calls and the actual submission of applications for subsidies.

## 2. Surveys

The surveys were methodologically conceived as a tool that would serve for the purpose of obtaining the opinion of that part of the professional public affected by the implementation of the OP HRE as well as a way to become familiar with the specific problems and needs of the individual groups involved in the cycle of preparing and submitting projects and their subsequent implementation. The recommended methods were used with the goal of obtaining as much information as possible and, at the same time, place as little time demands as possible on the interested parties. Within the framework of executing this project, the following activities were performed:

**2.1. focus groups** – the fundamental basis of focus groups is to provide an interactive group discussion with the goal of examining the positions and the opinions of the participants. A total of five focus groups were held (two in Prague with a total of seventeen participants; one in Brno with six participants; one in Ostrava with five participants; and one in Ústí nad Labem with eight participants). In all, there were a total of thirty-six participants. The strategies and the results from the focus groups that were held are specified in Attachment 1 to the complete version of the Final Report.

**2.2. questionnaire survey** – the objective of the questionnaire survey was to use an internet questionnaire to obtain relevant information on the progress that has been attained with the implementation of the OP HRE. The reason for using a questionnaire was because it provides the ability to obtain data from a high number of respondents. The questionnaire was designed in a manner whereby the process of filling it in was as simple as possible and the highest possible rate of return could be achieved. Two versions of the questionnaire were prepared as follows:

- a) for beneficiaries and unsuccessful applicants
- b) for potential applicants or those who have not yet requested funding within the OP HRE

As a supplement to the quantitatively focused questions, the questionnaire also allowed the respondents to provide additional explanatory information and comments in the case of certain questions, which might also provide qualitative information if required. The strategy behind the questionnaire survey and a detailed evaluation of it are provided in Attachment 2 to the full version of the Final Report.



**Table – Questionnaire survey statistics**

Number of respondents addressed	1 629
Completed questionnaire Version a)	463
Completed questionnaire Version b)	48
Total returned	28,2 %

Note: the total percentage returned includes only the questionnaires that were completed by the target group of respondents who were addressed (i.e. it does not include those who were not directly addressed – questionnaire Version b))

- 2.3. *panel of experts*** – representatives from the MA and representatives from the Work Group for the evaluation of the OP HRE were addressed to participate in the panel of experts. The panel concerned itself with discussions on the conclusions from the ongoing evaluations and the recommendations put forth for the material fulfilment of the OP HRE.
- 2.4. *semi-structured interviews*** – two semi-structured interviews took place over the course of completing the project. Their objective was to allow the evaluator to consult with selected MLSA employees with regard to preselected issues. The first semi-structured interview took place on 7 January 2010 with the participation of employees involved in the methodology. The evaluator discussed with them the issues associated with the project selection process and the selection criteria as well as the synergetic links within the OP HRE. The second semi-structured interview took place on 20 January 2010. The evaluator's representatives discussed selected aspects of financial monitoring with the heads of the monitoring and evaluation department.



## Task 1: Assessment of the advances the programme has made towards attaining the Community's general objectives and relevant national policies

- *In what manner and to what level has the programme contributed and is continuing to contribute towards fulfilling the objectives of cohesion policy and the tasks of individual funds?*

(1)	<p>In the case of the general objectives, it can without a doubt be <b>stated that there is compliance with the objectives of the OP HRE</b>, nevertheless the real contribution of the OP HRE towards <b>the fulfilment of these objectives has been small up to this point due to the early phases of the majority of the projects.</b></p> <p>At the present time and taking into consideration the number of approved projects, the OP HRE is contributing the most (or has the potential to contribute the most) towards increasing the adaptability of workers, companies and entrepreneurs; improving access to employment and the permanent inclusion of job seekers; and strengthening the inclusion of disadvantaged persons. In comparison, the contribution that has been made up to this point towards strengthening institutional capacity and the performance of public administration and public services and for strengthening the labour market institutions has been only marginal.</p>
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- *In what manner and to what level has the programme contributed and is continuing to contribute towards fulfilling the priorities of the Community Strategic Guidelines and the NSRF?*

(2)	<p>Direct links established on the basis of superiority and subsidiarity exist between the CSG, the NSRF and the OP HRE. As is the case with the other operational programmes, the OP HRE has the obligation to be based on the aforementioned superior documents and <b>the level of compliance with objectives is therefore very high.</b></p> <p>The OP HRE is linked to another general principle, specifically <i>the creation of more and better jobs</i>, within the framework of which it contributes most to the following points: <i>to employ more people, to ensure the length of time they remain employed and to modernise the social security system; and to increase the adaptability of the work force and companies as well as the flexibility of the labour market.</i></p> <p>Taking into account the early phases of project implementation, the real contribution of the OP HRE towards meeting the objectives of the CSG and NSRF is thus far very low (the number of projects being implemented and the expected indicator values are also relatively low).</p> <p>Due to a delay with the implementation of Priority Axis 4, it is not yet possible to mention any sufficient contribution in relation to Administrative Capacity.</p>
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➤ *In what manner and to what level has the programme contributed and is continuing to contribute towards the objective of growth and employment?*

(3)	<p>In comparison to the aforementioned evaluated materials, the Lisbon Strategy (or respectively the National Reform Programme) is not a directly superior document and, in addition, since the time it started to be executed, it underwent revisions for the 2008-2010 period. Of the strategies that were evaluated, the links that the OP HRE has to the objectives for growth and employment are the least visible but <b>nevertheless strong</b>.</p> <p>To a significant degree, the National Reform Programme emphasises the need for system and reform measures, to which the OP HRE is thus far contributing only marginally although in reality it should also have ambitions towards this type of contribution (e.g., through mainstreaming). Of the relevant Integrated Guidelines (hereinafter "IG"), on the basis of the approved projects the OP HRE is contributing the most to IGs 17, 18 and 19. On the other hand, its contributions towards fulfilling IGs 20 and 21 has been more marginal to date.</p>
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➤ *In what manner and to what level has the programme contributed and is continuing to contribute towards fulfilling horizontal themes?*

(4)	<p>The contributions of the programme and projects to horizontal themes can at this time be assessed solely on the basis of the declarative statements made in the project applications. It is not requested (or, more specifically, it is not insisted) in either the project application or in the monitoring reports for the applicants/beneficiaries to specify a material description of the measures that will be implemented to fulfil these themes.</p> <p>The issue of equal opportunity is often simplified in the projects solely to assistance for women and is thus considered in a relatively superficial manner, which might even result in the reproduction of gender stereotypes. The evaluator has identified that the horizontal theme of sustainable development is thus far limited in the project applications only to environmental aspects. It would be appropriate to expand it to include additional pillars as well – namely economic and social pillars. The existing method for monitoring fulfilment of horizontal themes leaves room whereby they are not sufficiently taken into account.</p>
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**Summary of the assessment of the programme's progress with regard to the Community's general objectives**

(5) In all of the monitored regulations and strategic documents, the evaluator identified two types of objectives and recommendations:

- **general objectives** (increasing employment and employability; decreasing unemployment)
- **more specific recommendations for implementing certain approaches or activities** (e.g. flexicurity, analytical activities, and others)

In summary, the evaluator states that at **the level of global and specific goals, the OP HRE is in direct compliance with all the relevant regulations and strategic goals with regard to all of the priority axes.** Taking into account that the calls for applications that have been published to date are almost an exact reflection of the objectives and supported activities defined in the programme and implementation documentation, not even the implementation to date is in conflict with the recommendations and objectives of the regulations and strategic documents.

The evaluator identified only a few activities for which support was declared in the OP HRE but which have not yet been included in any of the calls for applications. Specifically, these are:

- Area 1.1 – *sustaining a healthy work force*
- Area 1.2 – *supporting the initiation of business activities by preparing new entrepreneurs*
- Area 2.2 – *better forecasting of the qualification requirements, deficiencies and obstacles on the labour market*
- Area 2.2 – *implementing projects involving zone counselling*
- Area 2.2 – *analysing the ties between passive labour policy and other social security contribution systems with the goal of interconnecting them and making these systems more effective for supporting APZ*
- Area 2.2 – *increasing the effectiveness of programmes – implementing regular evaluations of the effectiveness and success of programmes, which are independent of the implementer and statistically credible*
- Area 2.2 – *improving the access of public employment service employees to comprehensive information on the requalification services available by providing information on requalification courses and connecting MSLA information paths ([portal.mpsv.cz](http://portal.mpsv.cz)) and the services offered by the MEYS in this area*
- Area 4.1 – *supporting the development and the improvement of quality within the framework of the justice ministry*

**Recommendation:**

- Incorporate activities that are not yet supported into the calls for projects that

	are being prepared, or support the submission of system projects that provide solutions in the specified areas (in relation to Area of Support 2.2).
(6)	<p>The level of the contributions resulting from the implementation of the OP HRE with regard to fulfilling the general objectives of the documents specified above is difficult to establish as these <b>objectives are not expressed in quantitative terms</b>.</p> <p>On the part of the OP HRE, the outputs and results that are attained are monitored with quantified indicators, which however provide only partial information on the projects and activities that are executed. Greater reporting value about the contributions made by the projects can be found in the indicators for results and impact, which are however delayed and often indirect in comparison to the outputs and actual performance. Even the beneficiaries pointed out the unsatisfactory nature of the indicators for capturing the benefits resulting from projects during the focus groups. The usefulness of monitoring the level of the contributions made by the OP HRE towards fulfilling general goals is therefore limited.</p> <p><b>Recommendation:</b></p> <ul style="list-style-type: none"> <li>• ensure the availability of <b>more information on the projects and those who participate in the operations</b> – in particular, a categorised summary (measurable status prior to project implementation as compared to the status after and a specification of the benefits obtained from participating in the project at an individual level), whereby it will be possible to evaluate at a general level and apply to the entire set of supported projects and the execution of the OP HRE. The contributions of the projects can also be assessed at a qualitative level, which however depends on a detailed study of the completed projects, including on-site visits. Given the number of projects that are implemented, this sort of assessment can however only be performed on a sample of projects using a narrowly-defined evaluation.</li> <li>• <b>embed specific target groups in the evaluation criteria and monitoring indicators</b></li> <li>• <b>implement mandatory self-evaluation of projects</b> (including the specifications for its structure) outside of the framework of the monitoring indicators and providing not only qualitative but also quantitative information on the benefits obtained by the target group as a result of the project</li> <li>• focus the publication of calls for projects on activities that have not yet been included in any calls</li> </ul>

## Task 2: Assessment of the material progress attained in the areas included in Priority Axes 1 to 6, with respect to the originally defined objectives and with special emphasis placed on a qualitative analysis

### 2.1 *Assessment of the socio-economic context and the sustainability of operations*

- *What significant changes occurred in the external environment for the project in 2009, which have an influence on the implementation of the programme and would require a modification of programme priorities or the published calls for projects?*

(7)	<p>The most significant change in the external environment is the ongoing economic crisis, which caused a decrease in the performance of the Czech economy and the anti-crisis measures implemented by the government in reaction to it. It has brought with it the postponement of certain important legislative amendments (for example, the fact that a pro-family package has not been approved) to a more favourable period as well as deletions from the public budget. As a result of the decrease in economic performance, there has also been a steep increase in unemployment and the related decrease in available jobs.</p> <p>The programme priorities and objectives of the OP HRE are however defined broadly enough so as to ensure that they are relevant and correspond to the existing socio-economic context. For this reason, their modification would not be efficient.</p> <p>Within the OP HRE, the most affected areas consist of employee adaptability (PA1) and active labour policy (PA2). In PA2 it is possible to react to these external influences by adapting the activities within the framework of existing projects and that are of a long-term nature. As far as PA1 is concerned, the key area of support is 1.2, which provides sufficient room for publishing calls for projects focused on the most afflicted segments of the Czech economy.</p> <p>Area of support 1.1 has quite a large potential to contribute towards resolving the impact of the crisis on companies, however further professional education cannot be considered to be an important factor that would help overcome the consequences of the crisis.</p>
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- *In what manner can these influences (namely the economic crisis) affect the implementation of the programme?*

(8)	<p>The impact that the ongoing economic crisis has on the implementation of the OP HRE can be seen in the following points:</p> <ul style="list-style-type: none"> <li>• <b><i>increasing unemployment</i></b>, which is particularly affecting certain target groups of the OP HRE in a significant manner (e.g. foreigners and the reported increase in the abuse of their position, the fact that foreigners continue to be illegal, Romany issues, and graduates), both with regard to the size of these groups as well as in relation to their position on the labour market.</li> <li>• <b><i>a steep decline in the number of available jobs</i></b> – this makes it more difficult to</li> </ul>
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place not only disadvantaged applicants, but also those who come from problem-free groups. The current situation also increases the importance of analytical tasks, which should be used as the starting point for the well-deliberated selection of tools, including the ALMP, and their specific focus.

- ***employability on the labour market is getting worse***, which, most likely, will become apparent in a lower success rate of the executed activities (in particular, the ALMP) and, if the crisis continues, could lead to the point where ***certain indicators for results and impact are not achieved***.
- ***pressure to decrease public expenditure*** (and also expenditure on the part of private entities, which is already becoming apparent in such things as the decrease in state expenditure on the ALMP, which the OP HRE has thus far not been able to fully compensate).
- ***a threat to the principle of additionality*** and the total contribution of the OP HRE if the activities financed from it will serve only to replace activities financed up to this point from other sources.
- ***in the case of projects without a direct link to (potential) employers, there is an increased risk that participants will continue to be unemployed*** – the recommendation is to focus education on acquiring skills in fields where there is a provable lack on the labour market and on creating innovative jobs directly with employers or at training workplaces.
- ***specific problems faced by parents, in particular by mothers with children up to four years of age*** – there is a lack of alternatives for all-day care (whether at day care centres or nursery schools) as well as in the options available for placing a child in a care facility for only a few days each week or for half a day in combination with a shortened work week without losing the right to receive parent contributions <sup>1</sup>. The situation differs drastically from region to region and it is always appropriate to take into account the various aspects of regional supply and demand when approving grants within each given call for proposals focused on childcare facilities.
- ***the risk of providing subsidies to companies that will not succeed in staying on the market*** – the evaluator sees a possible protective measure in materially limiting activities in order to ensure that easily sustainable activities are given priority and in paying a heightened level of attention to the description of sustainability in the evaluation process (e.g. by adding a mandatory attachment "Analysis of Project Sustainability")
- ***financing projects in a standard manner (ex-post payments)***, i.e. in the case of those beneficiaries whose project constitutes state aid and the block exemption regime is applied. If any such beneficiary finds themselves in financial difficulty, they might have problems paying their suppliers' invoices and subsequently even submitting a simplified payment claim. The entire problem is augmented by the fact that administrative deadlines are often not met on the

<sup>1</sup> RESEARCH INSTITUTE FOR LABOUR AND SOCIAL AFFAIRS – RILSA *Care for pre-school and early primary school-age children*. [online]. [cit. 2009-10-25]. Accessible at: [http://praha.vupsv.cz/Fulltext/vz\\_299.pdf](http://praha.vupsv.cz/Fulltext/vz_299.pdf)



	<p>part of an IB.</p> <ul style="list-style-type: none"> <li>• <b>building partnerships</b> – in a number of cases the ability to obtain a financial contribution for a partner is limited and, as a result, self-governing units and other institutions (public employment services) are excluded, which the evaluator considers to be undesirable. The evaluator considers partnerships to be the key to the sustainability of activities once financing from the OP HRE is terminated.</li> </ul> <p><b>Recommendation:</b></p> <ul style="list-style-type: none"> <li>• <b>thorough monitoring of the situation and needs of the target groups</b>, which would lead to the possible limitation of the appropriate segments or regions with regard to a concentration of financial resources. An analysis performed in this way will define the areas with the highest level of associated risk, which will then be taken into account in the call for proposals.</li> </ul>
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➤ *What methods does the MA use to track problems associated with the sustainability of operations and how does it react to them?*

(9)	<p>The evaluator understands the sustainability of operations to consist primarily of taking into account the socio-economic context when addressing the needs of the target groups and the long-term nature of the benefits from the projects that are implemented.</p> <p>The existing mechanisms used by the MA for the purpose of ensuring sustainability were found to be insufficient.</p> <ul style="list-style-type: none"> <li>• One of the most important mechanisms is the <b>proper definition of selection criteria</b> in a manner where support is not provided to projects that, over the long term, will not bring any effect or only a minimal effect or to projects, which an applicant would be able to complete even without support within the visible timeframe or in the anticipated scope.</li> <li>• Self-evaluation is an appropriate tool to use for the timely identification of material problems.</li> </ul> <p><b>Recommendation:</b></p> <ul style="list-style-type: none"> <li>• define control mechanisms to see how the self-evaluation of projects is proceeding and whether it is fulfilling its purpose.</li> </ul>
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## 2.2 Assessment of the course of calls and projects

➤ *To what level was the relevant decomposition of specific programme objectives performed on the basis of the contents of individual calls?*

(10)	<p>The decomposition of specific objectives at the level of the calls that were published can be said to be fairly good.</p> <p>Nevertheless the evaluator did identify several deficiencies:</p> <ul style="list-style-type: none"> <li>• PA1 – <i>in the one and only call published within area of support 1.2 up to this</i></li> </ul>
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*point, there are only three authorised public employment service offices for all of the applicants/beneficiaries* (and of these three, one has only registered the project in its status), however the call clearly specifies that projects implement at the APES level, which have impact on the entire region, have priority. The other PES have the possibility to submit projects only in exceptional cases supported by a detailed analysis of the applicable district's labour market, whereby it is not defined what those cases are or what the analysis should contain.

**Recommendation:** define what the exceptional cases are and specify in detail what a proper analysis of the district's labour market should comprise

- *the issue of state aid* – according to a strict interpretation, a project that constitutes state aid can be classified as a project in which state aid forms only a portion (even only a marginal portion). At the same time, the nature of the beneficiary (whether a public or a private entity) is not decisive. In the mentioned case, the aid provided understandably does not represent an advantage as compared to the competition for the beneficiaries (public employment services), but for the employers who will receive (if only partial) reimbursement of the payroll contributions for those employees who participate in educational activities.

**Recommendation:** thoroughly analyse the issues associated with state aid from the legal perspective and thus avoid problems at a later date.

- *PA4 – inappropriate publication of calls from the perspective of material contents and timing* – certain calls could therefore become inaccessible or less appealing for applicants due to insufficient time to prepare a project. This could lead to certain activities not being performed and consequently the subsequent non-fulfilment of objectives and established indicator values.

**Recommendation:** publish calls during the following period with longer time intervals, which will be appropriate not only for applicants, who will thus have time to create and submit new projects, but also for the administrators and project evaluators, who will not be flooded with applications.

- *duplicity between some calls published within areas of support 2.1 and 3.3 or 3.3 and 3.1*, which made it possible to submit practically identical project aims.

**Recommendation:** In the case of area of support 3.1, narrow the support to only accredited social services or those social services aiming for accreditation. This would shift some of the projects currently being supported within this area to the more generally defined area of support 3.3. (*In the area of support 3.3, during the last call published towards the end of 2009(No. 56), there was a clear limitation with regard to target groups in this area, which the evaluator considers to be positive and recommends that this trend be continued.*).

As far as area of support 3.4 is concerned, there can be a more limited definition with regard to the context of providing childcare and cooperation with employers and other institutions, specifically moving towards supporting projects aimed at changing gender stereotypes, gender segregation on the labour market, etc.

Area of support 2.1 should focus on truly registered applicants and persons interested in intermediation of employment.

- *links to searching out foreign partners are not clearly placed on the esf.cr website* – many applicants are not aware of the search that is available

**Recommendation:** attach the links to international platforms for searching out partners as well as the form itself to the text of individual calls.

➤ *To what degree were relevant projects submitted and approved with regard to fulfilling the specific objectives of the priority axes (decomposition of objectives to key project activities)?*

(11)	<p>The activities contained in the submitted and approved projects are in conformance with the activities supported within the calls.</p> <p>The majority of projects in PA1, PA2 and PA3 are fairly comprehensive and complete a larger amount of supported activities. Likewise, relevant projects were also approved for PA4 and PA5.</p> <p>Only in some cases were supported activities identified within a call, which were not reflected in the submitted projects:</p> <ul style="list-style-type: none"> <li>• <i>Support for basic local partnerships within PA5</i>, in which there is no interest due to the fact that barriers exist for the conclusion of partnerships between various types of subjects. There is also a low level of interest in support for thematic networks.</li> <li>• <i>Limited cooperation between OP HRE projects and foreign projects</i> (resulting primarily from a lack of co-ordination of calls at the European level)</li> <li>• Within area of support 2.1 <i>support for flexible forms of employment is not utilised</i>. Flexible forms of employment should be promoted also for the purpose of attaining flexicurity. The need to promote flexibility on the labour market and overall equal opportunities should be emphasised in the calls and when selecting projects across the entire programme.</li> </ul> <p><b>Recommendation:</b></p> <ul style="list-style-type: none"> <li>• in relation to providing support for flexible forms of employment, the applicants/beneficiaries and the project evaluators should be taught the broader concept of applying equal opportunities, which are currently considered in a simplified manner within projects.</li> </ul>
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➤ *To what degree are projects able to attain the anticipated programme results?*

(12)	<p>The ability of projects to attain the anticipated results is influenced not only <b>internally</b> (by the quality of the projects and their completion), but also <b>externally</b>.</p> <p>The most significant external source can be considered to be the current economic situation and the situation on the labour market, which might threaten the attainment of results.</p> <p>The following are the internal factors that appear to be key:</p>
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- **target groups** – The quality of the initial analysis of the situation of target groups, which is now requested in the form of a project attachment only in certain calls, is often quite low. This also applies for the quality of the descriptions provided for the links between project activities. The projects within area of support 3.2 can be regarded positively in this respect, as they show a high level of detail and experience with the target group. In the future, projects should, within the framework of self-evaluation, focus more on monitoring the actual impact of their activities.
- **long-term nature of benefits** – A number of projects do not reflect a possibility of continuing after the end of financing; the multiplicative effect is disputable (the further transfer of information and experience); very few projects rely on the fact that graduates-beneficiaries will disseminate information (this is not realistic in the case of all target groups, but it is in many); a number of projects is dependent on structural changes (e.g. the implementation of flexible work time) and are aimed solely at schooling or professional education for certain groups, who still subsequently run into continuing problems and prejudices on the labour market. Their level of frustration increases, as not even schooling, professional education or requalification helped improve their situation on the free labour market.

The evaluator found a high level of the pre-deliberation of project benefits in PA4 and PA5.

For example, in PA4 projects were supported, which in relation to the results of an analysis of project aims, count on the implementation of an additional project. There will thus be a further transfer of findings and information, i.e. a multiplicative effect. In the case of PA5, the long-term nature of benefits is ensured by the creation of internet portals, which will make it possible to monitor new advances in the given area and publish news.

- **partnerships** – projects that do not establish stable partnerships (e.g. education in regions other than those in which the applicant is active cannot be implemented without associated co-operation on the part of local subjects and an effort to initiate changes at the local level). In particular, the evaluator considers the creation of local partnerships to be very beneficial. Nevertheless, within this area there are problems with obtaining a financial contribution for a partner, which, to a significant degree, makes it impossible to establish equitable partnerships.
- **sharing of experience** – The evaluator believes that there should be a system that can be used by beneficiaries to share experience, pressure to move forward and improve project quality, deepening of skills, and other similar activities. It is important to provide support in this area both directly within the projects but also on the part of the MA.

For example, the sharing of experience is one of the basic principles within PA5. Projects count on conferences being held, during which both sides are enriched. Applicants for projects in PA5 are thus accustomed to sharing information and experience. The questionnaire survey nevertheless shows that the other applicants within the OP HRE would welcome activities such as informal seminars or the creation of thematic networks by the MLSA (refer to

Attachment 2, Question 22 in the complete version of the FR).

At the same time, it is necessary to state that the decisive factor for ensuring project benefits will be the implementation of project activities, which cannot yet be evaluated at this point.

**Recommendation:**

- A significant benefit for improving the work performed by project implementers would be the ability of beneficiaries to co-operate and exchange experiences, e.g. in the form of workshops, seminars or thematic networks, in which the beneficiaries expressed great interest in the questionnaire survey.

➤ *What sort of relations can be identified between the types of approved projects from the perspective of the type of project, the budgeted amount, the type of target groups, and key activities (project classification and distribution)?*

(13)	<p>An unambiguous relationship was identified in relation to the type of beneficiary, the type of project and the budgeted amount.</p> <ul style="list-style-type: none"> <li>• The project size is unambiguously higher in the case of individual projects as compared to grant projects. Major projects are primarily submitted by public administration entities (as a rule in the form of national system projects), with the exception of projects submitted within PA4. This is however not surprising. It ensues from the nature of individual and grant projects and the limitations on the size of projects as defined in the applicable call for proposals.</li> <li>• It was not possible from the practical perspective to perform a quantitative assessment of project activities (activities are not categorised), which, in the case of a large number of supported projects, greatly complicates their analysis. A source of information on the deeper benefits of the executed activities is totally lacking (e.g. the actual increase in the competitiveness of companies, the increase in the qualifications of supported persons, etc.).</li> <li>• Because information on project activities is incorporated in the related text within the information system, only a sample of projects was used as the subject for a quantitative evaluation.</li> <li>• When assessing the representation of target groups, it was determined that a very imbalanced monitoring of target groups was performed, when, for example, area of support 3.4 monitors twenty-six target groups as compared to only two in area of support 2.1.</li> </ul>
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➤ *To what degree do projects correspond to the regional labour market needs?*

(14)	<p>The analysis revealed two problem areas when assessing regional distribution.</p> <ol style="list-style-type: none"> <li>1. A number of applicants do not specify the implementation location according to fact. On the basis of comparing the location of implementation and project descriptions or project activities, it came to light that in a fairly large number of cases when projects are implemented at several locations throughout a region,</li> </ol>
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	<p>the only implementation location that is specified is the regional centre. This applies primarily to calls in areas of support 2.1, 3.1, 3.3, and 3.4 and serves to distort the distribution when monitoring at lower than the regional level.</p> <p>2. Only a fairly small number of projects have been approved for some calls. When monitoring at lower than the regional level, there is also a chance that the majority of regions have a zero level of allocation or regions where the allocation only amounts to a few million CZK. In particular, in the case of smaller regions, two major projects can, for example, shift the region to rank amongst the most successful.</p>
(15)	<p>The regional distribution of approved OP HRE projects is fairly imbalanced, whereby the most successful regions (Karlovy Vary and Ústí nad Labem) have thus far obtained a three times higher per capita level of financing than the least successful region (Plzeň). The success rate of regions varies significantly within the individual priority axes and areas of support.</p> <p>In certain areas of support, the imbalance that has existed to date is caused by a thus far low number of projects. As more projects are added, the distribution should become more balanced.</p> <p>Nevertheless, the absorption capacity in some regions is low and should be supported.</p> <p><b>Recommendation:</b></p> <ul style="list-style-type: none"> <li>In order to support absorption capacity, the most appropriate tools appear to be information campaigns and assistance with the preparation of project aims and applications for support through the use of information hotlines or centres. On the other hand, the publication of regionally-focused calls cannot be recommended, as this could lead to the submission and approval of lower quality projects.</li> </ul>

➤ *What recommendations can be identified for optimising (better focus, narrower focus, etc.) potential future calls for projects?*

(16)	<p>The calls that have been published to date correspond to both global and specific objectives as well as to supported activities.</p> <p>For the future, it is possible to recommend:</p> <ul style="list-style-type: none"> <li><i>the thorough mutual limitation of calls</i>, which will prevent the possibility of submitting similar project aims in multiple calls (areas of support), something that could have possibly occurred in the past.</li> <li><i>appropriate timing for calls</i>, in a manner whereby they would provide potential applicants with sufficient time to prepare projects and ensure that the administrative burden for the MA/IB is spread out evenly.</li> <li><i>sectorally focused calls in area of support 1.2 and partially in area of support 1.1</i> – as a result of the economic crisis.</li> </ul>
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## 2.3 *Assessment of individual evaluation criteria and the project selection process*

- *What method was used to define specific criteria and what is the relevance of specific evaluation criteria in relation to the aims of the published calls?*

(17)	<p>The aim behind specific criteria is to make it possible for those publishing calls to reflect specific requirements in the evaluation criteria, which are based on the specifics of the applicable priority axis or areas of support. An alternative to this approach must be developed, on the basis of which the separate evaluation criteria would be differentiated according to different priority axes (areas of support), whereby those publishing calls would participate intensively at the time the criteria are defined.</p> <p>The existing system is in fact more flexible but, on the other hand, <b>the quality of individual sets of specific criteria varies greatly.</b></p> <p><b>Recommendation:</b></p> <ul style="list-style-type: none"> <li>differentiate the system of evaluation criteria according to the area of support. This differentiation would apply only to those criteria for which it is appropriate (e.g. the criterion used for assessing the anticipated value of monitoring indicators). Certain criteria would remain the same for all areas of support.</li> </ul> <p>In relation to the individual sets of specific criteria, if those proposed are not of a sufficient level of quality, the MA should recommend to the applicable publisher of calls that they be modified.</p>
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- *To what degree does the manner in which the evaluation process and the selection of projects which have been set up prove to be efficient, effective and transparent?*

(18)	<p>Based on the results from the focus groups and from the statistical evaluation of projects, it has come to light that the assessments performed by individual project evaluators are imbalanced. It is very difficult to determine how critical this problem is, as there is no basis for comparison (there exists no definition of "acceptable status"). The evaluator however believes that, in particular, in the case of certain calls (e.g. Call No. 30 and No. 43), it is very difficult to describe the status that has been attained as acceptable.</p> <p>Within the statistical analysis that was performed, the evaluator assessed the calls for grant projects (i.e. calls for projects that are evaluated by two project evaluators) and for which information on a points evaluation is available in the IS MONIT7+). The evaluator scrutinised only the assessment of general criteria in order for it to be possible to generalise the conclusions of the analysis. Firstly, the IS MONIT7+ does not currently make it possible to evaluate specific criteria and, secondly, it would not even be completely appropriate, as within the framework of each call, the specific criteria attempt to solve various aspects of the projects.</p>
(19)	<p>There are two types of reasons for the status described above.</p> <ul style="list-style-type: none"> <li><b>low-quality human resources</b>, i.e. the cause might lie with the project evaluators themselves.</li> </ul>

	<ul style="list-style-type: none"> <li><b>evaluation criteria</b>, i.e. the cause lies in unclearly defined evaluation criteria (if we overlook the highly unlikely possibility that the cause is actually just a coincidence).</li> </ul> <p>Assessing the competence of project evaluators would require a separate evaluation study, nevertheless in the evaluator's opinion the influence of this factor is only marginal.</p> <p><b>Recommendation:</b></p> <ul style="list-style-type: none"> <li>Work as much as possible with the rating system of the project evaluators. Project evaluators who must repeatedly be asked to correct their outputs should be deleted from the list of project evaluators.</li> </ul>
(20)	<p>Defining high-quality evaluation criteria within the OP HRE is limited by the fact that, taking into account the nature of the submitted projects, it is very important to also evaluate those aspects of the project about which individual experts might have different opinions. Specifically for this reason, it is necessary for the evaluation criteria to be specified in detail.</p> <p>The need to discuss the modification of the evaluation criteria arises from the fact that the volume of evaluated projects is already quite large and it would be necessary to reflect the experience that has already been gained. The analysis of the individual evaluation criteria as presented by the evaluator (in which relevance, unambiguity and comprehensibility were the criteria that were considered) can be considered to be one of the supporting materials for this discussion.</p>

## 2.4 *Responses to the global evaluation questions pertaining to the material progress attained in the areas included in Priority Axes 1 to 6, with respect to the originally defined objectives and with special emphasis placed on a qualitative analysis*

### 1. What method can be used to perform a qualitative interpretation of the progress that has been attained in fulfilling the financial indicators in relation to the physically attained results?

(21)	<p>The degree to which both the financial indicators as well as the physical results have been attained are low to date. The majority of projects are in the early implementation stages, during which tenders are being held for suppliers and any required preparation of methodology is under way. Any evaluation of the quality and benefits of projects and the OP HRE overall is therefore only hypothetical at this point and, for the most part, based on information from the project applications that have been submitted.</p> <p>One uniform characteristic that has come to light out of the implementation that has been performed to date is however a focus on direct work with the target groups and a certain lack of system activities and projects. Although direct work with the target groups is without a doubt necessary, if it is not appropriately supplemented with system support, its impact will be limited, as consequences are being solved rather than the causes of problems.</p>
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2. *Is there a certain deviation from the originally established programme objectives, whereby an adjustment had to be made at the operational programme level as a result of:*

- significant socio-economic changes;
- the need to take into account significant changes in the Community's priorities, national priorities or regional priorities to a higher degree or in a different manner;  
or
- as consequence of difficulties in execution?

(22)	<p>Given the broad definition of global and specific objectives and the activities supported from the OP HRE, no adjustments have to be made to the operational programme for any of the reasons specified above.</p> <p>The challenges and requirements resulting from the change in the economic situation can be reflected at the level of the calls that are published. The difficulties that have been identified with the execution of the OP HRE primarily pertain to the implementation of the programme and their solution lies more in an adjustment to the mechanisms and processes. Difficulties of a material nature (e.g. a lack of sufficient output analysis of projects, a threat to the sustainability of outputs, etc.) are phenomena that require a solution primarily with regard to the process in place for selecting and monitoring projects.</p>
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## Task 3: Assessment of the financial development of the use of funds in the areas contained within Priority Axes 1 to 6

### 3.1 Assessment of financial progress

- *What sort of financial advances were attained over the period of time that allocations for the priority axis were used?*

(23)	<p>The level of usage within the individual priority axes or areas of support is very <i>imbalanced</i>.</p> <p>The total allocation for the operational programme that has been used is 29%, whereby the greatest progress in the usage of financing was attained in PA6 and area of support 3.1, where more than 60 % of the allocation was granted to the approved projects.</p> <p>On the other end of the spectrum, areas of support 1.2, 2.2 and 3.3, as well as Priority Axis 4, were evaluated as having the worst level of the use of financing, whereby in each individual area (or axis) only 4-5 % of their total allocation was used.</p> <p>In the aforementioned areas of support however, the vast majority of projects are only in the very early implementation stages (or just after being approved), and therefore the total amount of certified expenditure is almost negligible. If the selection, start and implementation of projects is delayed any further, the risk that the rule of n+3 will not be fulfilled in 2010 is fairly high.</p> <p><b>Recommendation:</b></p> <ul style="list-style-type: none"> <li>• Ensure maximum smoothness over the course of the project cycle. Decrease to the minimum level possible the delay in project selection, which has the subsequent result in postponing the implementation start date. In addition, try to shorten the timeframe for approving monitoring reports and payment claims.</li> </ul>
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- *What is the absorption capacity of the priority axis from the perspective of the submitted and approved projects?*

(24)	<p><i>The absorption capacity of the individual priority axes and areas of support is strongly dependent on the types of subjects that are entitled beneficiaries.</i></p> <p>The implementations that have been completed to date and the questionnaire survey have shown that undoubtedly the greatest absorption capacity exists on the part of entrepreneurial entities (PA1) and NGOs (PA3 and area of support 2.1).</p> <p>In comparison, the absorption capacity of public entities is fairly low. In relation to financial volumes however, this is as a rule compensated by a significantly larger project size. At this point, PA4 can be said to have insufficient absorption capacity.</p>
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**Table 3.1** – Overview of projects according to individual axes

Priority Axis	Area of Support	Number of projects registered as of 4 January 2010	Of which approved projects	Interest in submitting a project according to the questionnaire survey (of 511 respondents)	Proportion of those interested in submitting projects in the total number of respondents
1	1.1	2926	234	213	41,68
	1.2	7	5	18	3,52
2	2.1	267	62	54	10,57
	2.2	7	3	16	3,13
3	3.1	941	83	87	17,03
	3.2	156	34	27	5,28
	3.3	329	22	82	16,05
	3.4	531	111	82	16,05
4	4.1	249	38	14	2,74
5	5.1	171	35	53	10,37
6	6.1	30	19	-	-

Source: questionnaire survey performed by RegioPartner, s.r.o., dated 4 November 2009; IS MONIT7+ as of 4 January 2010

➤ ***Based on the information that is available, what is the forecast for the use of allocations?***

(25)	<p>Due to the early stages of implementation for most of the projects, the current level of certified expenditure is low at this point.</p> <p>The implementation of projects will start in full in 2010 and it can therefore be expected that there will be a rapid increase in the amount of certified expenditure. Even is some of the priority axes and areas of support (PA4, area of support 2.2) that are currently lagging, a larger number of calls are being prepared for publication, are already in the selection process or are prepared for the submission of major projects. For this reason, significant progress should be seen in this area as well. For the successful use of funding however, the project cycle must run smoothly without any delays during the project selection process or during the approval of monitoring reports and payment claims.</p>
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➤ ***What influence does the setting for financial flows have on the speed and smoothness of use of funding?***

(26)	<p>The financial flows system has been set up fairly well and is not a significant barrier for the sufficiently quick and smooth use of funding.</p> <p>The cause of the insufficient and slow use of funding must be searched for in other factors, for example, non-compliance with established timeframes due to low administrative capacity or due to insufficient competence on the part of the responsible persons.</p> <p>As compared to the OP HRD 2004-2006, the financial flows have been streamlined even more by the use of the indirect costs system, the implementation of which the</p>
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evaluator views as a very beneficial step. The accuracy of the definition of the indirect costs can basically only be verified in practice, however just the fact that a simplified costs system has been implemented represents a sizable simplification of the administrative process.

### 3.2 *Analysis of communications between the beneficiaries of support / applicants) and the MA/IB*

(27)	Although the aim of the evaluation was not to assess the implementation of the operational programme, the evaluator considers it to be very important to inform the client of an alarming finding made during the execution of the project "Annual Operational Evaluation of the OP HRE 2009".
(28)	On the basis of the study of the focus groups that met and the internet questionnaire survey that was completed, it has become apparent that communication with appropriate and competent MA/IB staff is unsatisfactory, even to the point of null, for many applicants. Several times the applicants pointed out problems with obtaining required information associated with submitting a project, removing deficiencies and comments for project approval and up to the implementation of a project itself.
(29)	<p>In relation to this finding, the evaluator recommended establishing a free telephone hotline, or "green line", which would allow easier and more operative communications with potential applicants and beneficiaries and would, in the long run, also decrease the current administrative burden placed on managers allowing them to focus on solving really highly-professional issues.</p> <p>For this reason, the evaluator included the topic of the green line in the supporting materials for forming a panel of experts with representatives from the MA and IB and it was expected that a constructive debate would be held on this particular subject.</p> <p>On the basis of the response to the discussion, the evaluator performed a supplementary analysis of the status in other operational programmes. The investigation was performed with the assistance of the information that is available on the portal <a href="http://www.strukturalni-fondy.cz">www.strukturalni-fondy.cz</a> and telephone interviews with competent individuals (green line analysts, green line operations managers and sponsors and persons responsible for publicity). The information that was collected is specified below in Table 3.2. This information is not exhaustive, primarily due to concerns about the unwanted publication of internal information provided by the MA/IB. Nevertheless, the evaluator believes that the information that was obtained is sufficient at a general level and for making a recommendation that a similar line be established for the OP HRE.</p>
(30)	<p>The results from the investigation show that green lines are established only for programmes that anticipate a high number of beneficiaries and projects. The number of calls per month is approximately 1,000 (a rough estimate) and changes in relation to the calls that are published, which understandably increase the actual level of interest in the green line. The questions are answered by trained analysts, who are internal employees.</p> <p>As a result of a green line being established, the administrative burden is decreased for project managers, whose primary task is other than to continuously have to reply to</p>

	what are many times general questions.
(31)	The evaluator recommends that a green line be established for those areas of support that are involved with a large number of applicants (areas of support 1.1, 2.1, 3.1, 3.3, and 3.4). This free telephone line would be serviced by analysts who have detailed knowledge about the operational programme and would act as a filter for the project managers. If there was an enquiry of a professional nature, the analyst would forward the caller to the applicable/requested project manager, who would be competent to provide the required answer. In the event that the requested project manager is not available, the analyst would be able to forward the caller to another alternative competent person.

**Table 3.2** – Accessibility of green lines within individual operational programmes

Operational Programme	Green Line	Number of calls per month (avg.)	Number of analysts	Work position of the analyst	Calls per analyst per day (avg.)
Integrated Operational Programme	NO (only e-mail)	-	-	-	-
OP Enterprise and Innovation	YES	1000	3	internal employees	30
OP Environment	YES	>1000	-	internal employees	-
OP Transport	NO (only e-mail)	-	-	-	-
OP Education for Competitiveness	YES (only for area of support 1.4)	-	3	External workers (on the basis of an agreement on work performance)	-
OP Research and Development for Innovation	NO (only e-mail)	-	-	-	-
OP Human Resources and Employment	NO	-	-	-	-
Operational Programme Technical Assistance	NO (only e-mail)	-	-	-	-
OP Prague Competitiveness	NO (only e-mail directly to the project managers)				
OP Prague Adaptability	NO (only e-mail directly to the project managers)				

Source: [www.strukturalni-fondy.cz](http://www.strukturalni-fondy.cz) and telephone interviews

## 4. Summary of Main Findings and Recommendations

Recommendations were formulated on the basis of the specified findings, which the evaluator has structured in the following summary in a way that will make them easier to use *according to individual addressees* and has also listed them *chronologically according to importance*.

### 4.1 MA/IB management staff

(32)	<p>In the interest of meeting the rule of n+3 in 2010, it is of utmost importance to ensure the smoothness of the project cycle, starting with project selection and up through the certification of actual expenditure.</p> <p>At the current time, a problematic point in the project cycle is above all the selection of projects. In the case of calls with a large number of submitted applications, there are resulting delays.</p> <p>With regard to this aspect, the evaluator recommends a well thought-out and <b>fluid publication of calls that are narrower in scope</b> and supports the prepared <b>introduction of an external administrator</b>.</p> <p>During the approval of monitoring reports phase, which based on experience from the preceding programme period, is also a problematic area, an external administrator should also lead to improvement. The introduction of an external administrator however also presents certain risks, in particular in relation to the transfer of information to the MA/IB, whereby it is always necessary to evaluate the effectiveness of this step.</p>
(33)	<p>Although an assessment of implementation and communications with applicants/beneficiaries was not included in the assignment, field investigations brought to light the fact that there is a high level of dissatisfaction amongst applicants/beneficiaries, to which the evaluator considers it important to react. Dissatisfaction was voiced in particular on the part of subjects submitting projects in calls that have a high number of applicants (areas of support 1.1, 3.4 and 3.3).</p> <p>In order to lighten the burden placed on project managers and for the purpose of improving communications, the evaluator recommends the <b>implementation of a telephone "Green Line"</b>, through which operators with detailed knowledge about the programme and published calls will filter questions that they are capable of answering on the basis of their own skills (e.g. entitlement of applicants, eligibility of expenditure, etc.). They will forward more detailed questions to the project managers.</p>
(34)	<p>One measure recommended by the evaluator, which would significantly increase the benefits brought about by the supported interventions and individual projects, is the implementation of <b>mechanisms for sharing experiences between the project implementers in relation to working with target groups and the effectiveness of executed activities</b>.</p> <p>Interest in actions for sharing experience was verified by means of a questionnaire survey, in which approximately two-thirds of the respondents indicated they would be interested in these actions. They would prefer informal seminars as opposed to conferences. More than two-thirds of the respondents would welcome the</p>



	participation of experts from abroad and over one-half of the respondents are willing to participate actively (e.g. present a contribution).
(35)	<p>Taking into account the significant differences in the approved allocations identified amongst the individual regions, the evaluator recommends <b>measures that will increase absorption capacity in those regions that are lagging behind</b>.</p> <p>Some appropriate steps include a focused information campaign on the possibilities available for using funding from the OP HRE and a regional information centre or telephone line as a way of providing support during the preparation of a project aim.</p>

#### 4.1 *MA/IB methodology staff*

(36)	<p>At the current time, neither the MA/IB nor, implicitly, project evaluators have access to sufficient information that is easy to assess with regard to the quality of projects, the benefits the projects bring for the target groups and, indirectly, even the fulfilment of general objectives.</p> <p>In order to establish a source of these types of information, the evaluator recommends <b>implementing a mandatory self-evaluation process for the implementers</b>, the results of which will optimally be included at least once a year as an attachment to monitoring reports.</p> <p>As compared to the administratively and financially focused monitoring reports, the report from the self-evaluation would assess the contextual aspects of a project. In addition, outside the framework of monitoring indicators, it would analyse the participants in the operations and the benefits brought about by the activities that are executed. The self-evaluations would also provide information about such things as whether the education of employees / job applicants resulted in an objective improvement in their qualifications (on the basis of entry and exit tests), how the project participants rate their participation in the project, and others.</p>
(37)	<p>The evaluator views positively the obligation <b>to prepare an analysis of the target groups</b> as an attachment to a project application, as has started being required for some calls. He recommends that this obligation <b>be extended to all calls</b>. At the same time, on the basis of the low standard of the analyses that are submitted, he recommends that <b>standards be defined for the analysis of target groups</b> (not a sample or a template), which will serve as a guide for both applicants as well as the project evaluators as the “minimum” requirements for what a quality analysis should contain.</p>
(38)	<p>Taking into account the fact that the cause of varying assessments prepared by project evaluators (which in certain cases is very difficult to accept) was identified as the <b>evaluation criteria, the evaluator recommends that an adjustment to these criteria be considered</b>, even with regard to the quantity of the evaluated projects and the experience gained from them.</p> <p>One of the supporting materials that can be used consists of the outputs from evaluations directed at the evaluation criteria.</p>
(39)	<p>When analysing <b>the procedural rules for the selection of projects</b>, the evaluator did not find any deficiencies of a more critical nature, nevertheless he recommends that</p>

**they be checked from the perspective of comprehensibility and unambiguity** (e.g. replace wording of the type “sufficiently in advance” with a fixed time period) and that rules be established for situations when the defined timeframes cannot be met (give those who publish calls the opportunity to extend the defined timeframes for assessing the formal aspects, acceptability and a material evaluation).

Further, the evaluator recommends making public Guidebook P3 (Guidebook for Project Evaluators) and thus make the project selection process more transparent in the eyes of the applicants.

### 4.3 *Project and financial managers*

- (40) Taking into account the fact that, based on the results from the questionnaire survey and from the focus groups, it has become apparent that applicants and beneficiaries consider communication to be unsatisfactory on the part of MA/IB staff, the evaluator recommends **approaching communication with applicants/beneficiaries in a manner whereby it is as amiable as possible and helps build an image of a “friendly office”**.

In practice, this includes a number of individual steps, starting with the forwarding of telephone lines in the case of longer absences, either to a substitute co-worker or to the central administration office, in order to assure the applicant/beneficiary that their problem is being addressed in the event that the applicant/beneficiary asks repeatedly to be informed of the status.

### 4.4 *Project implementers*

- (41) A portion of the findings and consequent recommendations pertains directly to projects and their implementers. Although the evaluator does not anticipate that this evaluation report should be disseminated to project implementers, he has stated this recommendation for those who publish calls, who can familiarise implementers with the recommendations through such things as actions for sharing experience.

- (42) A significant factor influencing the benefits brought by projects is **the inclusion of target groups in the decision-making process during the preparation of a project and its management**.

It is appropriate to involve target groups (or their representatives) through questionnaire surveys or interviews over the course of project preparation and when activities are being specifically defined, but also during the evaluation of the project's benefits. Working with individual participants should continue over the long term. Maintaining contact with participants even after they leave a project provides information on the project's long-term benefits and their sustainability.

In this case, target groups does not mean just those who participate directly in an operation, but also other relevant subjects or groups of persons (e.g. employers in projects aimed at the unemployed or the general public in public administration projects).