



EX-ANTE EVALUATION OF THE OPERATIONAL PROGRAMME HUMAN
RESOURCES AND EMPLOYMENT FOR THE PERIOD 2007-2013

FINAL REPORT

Ostrava, December 2006

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A. INTRODUCTORY PART

1. INTRODUCTION

1.1 APPROACH TO THE EX-ANTE EVALUATION

The ex-ante evaluation has been performed before the implementation of the support from the EU Structural Funds. The ex-ante evaluation objective is to assess eligibility of support interventions, respectively to justify the proposed Priority axes and evaluate their efficiency.

The ex-ante evaluation seeks answers to the following key questions:

- Will the means really be allocated to programmes which really need the Structural Funds support? (*eligibility and justification*)
- Will the Structural Funds contribute to achieve the given objectives? (*effect*)
- Will the results correspond with the volume of financial means incurred? (*efficiency*)

The general objective of the evaluation procedure is to contribute to better quality of programmes financed from the Structural Funds. Even if the issues assessed during the evaluation process can be considered as entirely essential ones, the answers (solutions) usually are very complex. Though, in the course of the past ten years the EU states have achieved much progress in the programmes evaluation, namely as a result of much attention paid to those issues. The experience from the EU countries helps quite a lot in the elaboration and implementation of better quality programmes.

1.2 EX-ANTE EVALUATION PROCESS

The ex-ante evaluation of the Operational Programme Human Resources and Employment for the period 2007-2013 (*hereinafter as the OP HRE*) was launched by the Department of ESF Support Management of the CR Ministry of Labour and Social Affairs, pursuant to Art. 46 of the Council Regulation laying down general provisions on the European Regional Development Fund, the European Social Fund and Cohesion Fund.

The ex-ante evaluation of OP HRE was elaborated in parallel with the above Operational Programme. In compliance with the requirements raised by the Contracting Authority (the CR Ministry of Labour and Social Affairs), which were accepted by the Contractor (DHV CR), the ex-ante evaluation process was split into the following three phases:

- Phase 1 – Evaluation of the quality of the Context Analyses;
- Phase 2 – Evaluation of the internal and external coherence of the programme;
- Phase 3 – Evaluation of the proposed Implementation and Monitoring System.

Within this phase the individual evaluations and recommendations of the evaluator were continuously provided to those who were responsible for the preparation and elaboration of the programming document.

The submitted “Final Report” relates to the Operational Programme Human Resources and Employment dated 30th October, 2006.

When preparing the ex-ante evaluation, the evaluator respected the relevant Council Regulation (EC), the EU Guidelines and EC Working Papers (*for more details, see 1.4*).

1.3 EVALUATION TEAM

To tackle this project, a team of DHV CR experts and permanent external collaborators including a foreign expert.

The involvement of individual members of the evaluation team within the ex-ante evaluation was following:

Expert	Responsibilities
Doc. Ing. Alois Kutscherauer, CSc.	Team Leader, an expert experienced in the evaluation and designing of development programmes and in large-scale projects management;
Ing. Michal Zeleňák	Project Coordinator, an expert in macro-economy;
Dipl. Ing. Klaus Diendorfer	Foreign expert;
Doc. RNDr. Milan Šimek, Ph. D.	An expert in the employment policy, employment and labour market;
Doc. Ing. Jaromír Gottvald, CSc.	An expert in the employment policy and labour market;
Prof. Ing. Miroslav Hučka, CSc.	An expert in vocational education and training;
Ing. Petra Mitrengová	An expert in social integration and equal opportunities;
Mgr. David Rucki	An expert in implementation and monitoring issues;
Ing. Jaroslav Šulěř	An expert in implementation and monitoring;
Ing. Zuzana Závodná	Project Assistant.

1.4 LIST OF SOURCE DOCUMENTS

The following materials and documents were used as a source of the ex-ante evaluation:

1. Analysis of the economic and social situation in the Czech Republic in the area of human resources development in CR, highlighting the regions of the future objective "Convergence". The contractor (author) was the company EURO SERVICE GROUP, s.r.o.
2. Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions: Innovation policy: updating Union's approach in the context of the Lisbon strategy.
3. Communication from the Commission to the Council and the European Parliament: Common Actions for Growth and Employment: The Community Lisbon Programme.
4. Recommended analyses and evaluations for Operational Programmes. MRD 2005;
5. Evaluation of the socio-economic development – Methodological Manual. MRD 2005;
6. "Evaluating socio-economic programmes" – MEANS Collection.
7. Methodological text - the "Evaluation of Socio-Economic Development -Guide".
8. Methodology of the ex-ante evaluation of Operational Programmes. MRD 2006;
9. Methodology of the elaboration of programming documents for the period 2007 – 2013. Update II. MRD, 2006;
10. National Lisbon Programme 2005 – 2008. October 2005;
11. National Education Development Programme in CR (the White Book), Ministry of Education and Physical Education, 2001;
12. National Development Plan of the Czech Republic, 2007-2013 (draft final version 5.1.2006).
13. National Strategic Reference Framework (4th version, May 2006).
14. Draft Working Paper of the European Commission on the ex-ante evaluation of the programming documents;
15. Operational Programme Human Resources Development. MLSA, 2003.
16. Other evaluation projects of the Department of the Communities Support Framework of MRD. 2004-2005;
17. Draft Council Regulation laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund. Brussels, 5 July 2006.
18. Proposal for the Regulation of the European Parliament and of the Council on the European Social Fund (ESF). Brussels, 5 July 2006.
19. The European Community Strategic Guidelines, 2007 – 2013. Brussels, 2006.
20. The Economic Growth Strategy CR, 2005 – 2013. Office of the Government, 2005.
21. Regional Development Strategy CR. MRD, 2005.
22. The Programming Period 2000-2006: Methodological Working Paper. 2004;
23. The New Programming Period 2007-2013: Methodological Working Papers. INDICATORS FOR MONITORING AND EVALUATION: A PRACTICAL GUIDE.

B. OVERALL EX-ANTE EVALUATION

2. SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

2.1 CONCLUSIONS AND RECOMMENDATIONS

ANALYSIS OF THE INITIAL STATUS

The Analysis covers all key areas which create the wider context for the human resources and employment development in the Czech Republic. The Analysis is backed up by statistical data reflecting the development trends.

The evaluator states that its parts appear to be balanced, with well-founded presentation of selected labour market segments. The relevant parts are based on the context of national policies and strategies in the area of employment, social integration and equal opportunities, development of life-long education and modernization of public governance.

The analysis itself is appropriately linked with the Analysis of the *Experience from the implementation of the ESF programmes in CR in the period 2004-2006*, it is presented through the experience with the OP HRD implementation, partially also with the JPD 3 and CIP EQUAL from the period 2004-2006.

The ex-ante evaluation brings about certain ideas to supplement the programme and/or highlights some aspects which make the analytical conclusions more objective. In no case that deteriorated the Analysis quality and it can be stated that it relevantly supported the set-up of the Priority axes in the Programming document.

SWOT ANALYSIS

The Initial Status Analysis is appropriately summarized in the SWOT Analysis. Issues identified in the SWOT Analysis were provided in an appropriately transparent and justified sequence and will thus allow for the formulating of adequate strategic focus of the Programme.

The ex-ante evaluation has verified links between the analytical findings from the SWOT Analysis of the Programming document. Having verified those links it has appeared that most of them are adequately reflected in the analytical part of the OP HRE. With respect to the exploitation of such findings in the proposal part of the document, their formulation is conclusive.

It can hereby be stated that the SWOT Analysis has supported the identification of relevant objectives and specification of the Priority axes.

INTERNAL CONSISTENCE OF THE PROGRAMME

Strategic focus of the Programme has been described through the global objective, specific objectives and Priority axes based on them. The Priority axes are then reflected in individual *Areas of intervention*¹.

The formulated global objective fully assures the implementation of adequate Strategic objectives of the National Strategic Reference Framework 2007-2013 and is fully compliant with the third general rule of the Communities Cohesion Policy of Growth and Employment Support.

Taking into consideration the relevance of the Priority axes and Areas of intervention, the ex-ante evaluation has verified links between analytical findings from the SWOT Analysis, the Priority axes and individual Areas of intervention. From the verification it follows that most of the analytical findings of the SWOT Analysis have been reflected in the Programme and therefore the proposed Programme relevantly follows the analytical findings.

As a whole, the Programme had 5 main Priority axes and 9 Areas of intervention². It is recommended to create the supporting Priority axis 6 – Technical Assistance. Priority axes and Areas of intervention can be considered as consistent and mutually synergic.

To the evaluator's opinion, the defined Priority axes cover all areas of the labour market and all entities linked with the labour market; the follow-up interventions can thus contribute to "increased employment and employability of the people in CR." We assume that the objective to achieve the average of the EU 15 is ambitious but achievable and can be realised through the OP HRE.

The OP explicitly counts with the risks in case the financial support will not be allocated.

The planned interventions can become an efficient means to tackle the identified problems (issues) and to meet the objectives with the help of the categorization of the support from the EU Structural Funds.

EXTERNAL COHERENCE OF THE PROGRAMME

The ex-ante evaluation has verified the relations between the Operational Programme, the Priorities of the EU and CR Development Policy and other relevant programmes. Based on the strategic EU documents, the evaluators have verified the Programme coherence with the European Community Strategic Guidelines and with the Lisbon Strategy which has been reflected in CR by the National Programme of Reforms. Based on the CR Development Policy priorities the evaluator has then verified the Programme coherence with the National Strategic Reference Framework, with the Economic Growth Strategy and the Regional Development Strategy of CR.

¹ Original terminology used the term "measure";

² There is only general specification of Areas of intervention within the OP HRD, it is split by activities and target groups;

The verification has shown high level of coincidence between the proposed activities of OP HRD and the above mentioned strategic documents. The proposed Programme Areas of intervention are evidently compliant with the priorities of the relevant strategic documents.

The Programme also appropriately shows the link between OP HRD and relevant Operational Programmes 2007-2013.

EXPECTED RESULTS AND EFFECTS

As a direct result of interventions we expect the growing employment and reduced unemployment. In case such results are not achieved, at least on the planned level, the OP HRD would be considered as not successful. Effects in the area of “knowledge economy” are understood as the qualitative change in the employment structure, measured by the share of highly or medium-skilled and by the growth of number of persons engaged in the life-long vocational training (education).

The OP HRD implementation will bring about higher employment in institutions participating in the OP realisation will increase the overall employment and adequately reduce the unemployment, namely long-term unemployment. Number and quality of employed persons will be increased and will better comply with the labour market demand. The overall volume economic activities will be increased, namely by increased employment of young people and citizens before retirement. There will be a new network of organisation which will systemically work with citizens threatened by social exclusion and there will be relative reduction of socio-pathological phenomena in the society.

The proposed indicators on the level of the Priority axes are clearly linked with the global objective and specific objectives provided in the draft Programme.

IMPLEMENTATION SYSTEM

On general level the Programme should ensure the compliance with the requirements of the valid legislation; their actual fulfilment will be assured through relevant control mechanisms.

The Implementation System clearly defines competences, responsibilities, management methods and procedures. Adequate structure have also been proposed for the management, monitoring and evaluation and publicity of the Operational Programme.

The Implementation system is described in a transparent way and the capacities for the Operational Programme implementation appear to be sufficient. Within the Priority axis 6 “Technical Assistance” the financial means have been allocated to support management and implementation. The Implementation System appears to be transparent also with the view of relatively high costs, assurance of co-financing and financial flows.

FINANCIAL FRAMEWORK

Financial framework has been elaborated transparently, in the form of tables and respects relevant EC provisions and recommendations.

We recommend, above the framework of methodological instructions, to develop the financial plan for individual operational objectives and, at the same time, to reflect distribution of financial means for individual years for both the whole OP HRE and for individual Priority axes, as well.

Based on the experience with the results from the OP HRD 2004-2006 and its implementation and from the so far absorption of financial means, we do not predict any significant problems with the absorption capacity.

2.2 ANSWERS TO EVALUATION QUESTIONS

EVALUATION OF THE CONTEXT ANALYSES

<i>Criterion</i>	<i>Evaluation</i>
1. Are the descriptive and analytical sections and analyses, by their scope and focus, adequate for further elaboration of the document? In which aspects should they be supplemented, specialized or modified?	The Analysis covers all key areas which create the wider context for human resources and employment development in the Czech Republic. The Analysis contributed to the identification of the key problems and thus to the identification of the Priority axes of OP, as well.
2. Do they follow the works completed within the ex-ante evaluation of NRP and NSRF? Isn't there any dubbing of activities? Do they use the relevant materials already completed?	The analyses follow works carried out within the preparation of NRP and NSRF and their ex-ante evaluation, in a limited manner due to the fact that they were prepared in parallel.
3. Is the SWOT Analysis adequate and sufficient in its scope, focus and detail level, for the purpose of drafting the procedures within individual Priority axes and Areas of intervention?	The analysis can be considered as adequate to the requirements for programming documents for the absorption of financial means from the structural Funds. The SWOT analysis supported the identification of the relevant objectives and specification of the Priority axes.
4. Are the identified main problems, disparities and their classification relevant with respect to the needs of a thematic area/sector/region and are they appropriate as a starting point to formulate the strategy?	The problems were identified in adequately clear and justified sequence order, which makes possible to formulate adequate strategy of the Programme.

EVALUATION OF INTERNAL CONSISTENCE

<i>Criterion</i>	<i>Evaluation</i>
1. Is the proposed strategy relevant to tackle issues (problems) and meeting the needs of the development of thematic area/ sector/region and which other alternatives (opportunities) do exist to support such relevance?	The proposed strategy fully reflects issues (problems) and needs identified by the Socio-economic Analysis and SWOT Analysis and in this sense it is the relevant means to tackle them.
2. Is the strategy well designed, with clear priorities and objectives? Is it possible to meet the objectives through proposed financial sources allocated to individual priorities?	The strategy has been well-designed, with clear Priority axes, a global objective and specific objectives; the objectives can be reasonably met through the proposed financial sources.

Criterion	Evaluation
3. Is the strategy economically justified, does it reflect potential market failures and is it appropriately balanced with respect to the support to the economic growth and competitiveness, social cohesion and long-term sustainability?	The strategy is economically justified and is appropriately balanced with respect to the support to the above mentioned factors.
4. Are individual strategy priorities and objectives consistent and mutually synergic? Are they complementary and do they reflect the strategy focus and findings from the previous analysis?	Priority axes and objectives of the strategy can be considered as consistent and mutually synergic. The strategy focus adequately reflects findings from the previous analyses.
5. Does the OP strategy count with a certain level of risk? Is it not influenced too much by the attempt to assure the easiest way of how to spend the means?	The OP counts with risks in case the financial support is not allocated.
6. Will the intervention really work and in which way?	The OP assures the complementarity and synergy of the three key material Priority axes; most of the OP financial means are allocated those three axes.
7. Are the planned interventions an efficient and effective way to tackle the identified issues (problems) and to meet the objectives identified?	The planned interventions can become an efficient tool to tackle the identified issues (problems) and meet the objectives, with respect to the categorization of the support from the EU Structural Funds.
8. Does the real demand exist for the given focus and type of support? If not, is it desirable to generate such demand and define in which way to do it?	The evaluator is convinced that there is actual demand for the given support focus and type.
9. Are there eligible beneficiaries for the support within the given intervention and what is the reason for them to work on the proposed projects?	The evaluator provides a positive answer to the first part of the question. The second one should be answered by beneficiaries themselves.
10. Which are the target groups for the planned interventions, which needs do they have and what will be their benefits from the interventions?	The OP defines target groups for each Priority axis and the evaluator's opinion is identical. The planned interventions cover the main weakness of such target groups, which is the shortage of financial sources.
11. Does the proposed financial framework meet the needs given by the focus of the Priorities and objectives of the programme? Is it realistic enough with respect to the absorption capacity of CR?	The proposed financial framework fully corresponds with the needs identified within the Priority axes and objectives of the Programme.

EVALUATION OF EXTERNAL COHERENCE

<i>Criterion</i>	<i>Evaluation</i>
1. Does the strategy really contribute to meet the NRP and NSRF and are its priorities and objectives set up in synergy with the strategies of other programming documents for the period 2007-2013?	The Priority axes of the OP HRE are, through its proposed activities, linked with three Strategic objectives of NSRF. It can also be stated that the OP Priority axes and objectives have been set up in synergy with strategies of other programming documents 2007-2013.
2. Is the strategy compliant with the relevant sector and regional policies and documents and does it contribute to meet the objectives of the Economic Growth Strategy?	Coherence with the relevant development documents of CR is drawn in a transparent and appropriate graphic way in the Programme. The coherence level is influenced by the OP HRE focus. With regard to such fact we can state that there is obvious compliance of OP HRE with the Priorities of the CR Development Policy.
3. Is the strategy coherent with the relevant strategic documents of EU (CSG, Lisbon strategy) and are its priorities set up in such a way so that the OP implementation contributes to meet the objectives stipulated by the EU strategy?	The Programme provides transparent and good graphic outline of specific objectives of the OP HRE identified for individual priorities of the EU Development Policy. Taking into consideration the document focus, we can state its high level of coherence of the Priority axes of OP HRE with the concerned documents.
4. Does the strategy sufficiently reflect the needs in the area of equal opportunities for men and women and discrimination avoidance?	The evaluator is convinced that the Programme sufficiently reflects the issues of equal opportunities for men and women and discrimination avoidance.
5. How and to which extent do the programmes reflect the principles of partnership, equal opportunities for men and women, gender mainstreaming, international cooperation and innovativeness?	The given horizontal issues (topics) are integrated and explicitly formulated across the whole spectre of the five vertical Priority axes.

Issues linked with the European Community Strategic Guidelines

<i>Criterion</i>	<i>Evaluation</i>
6. To which extent do the Programmes contribute to reach full employment, to improve the quality and productivity and support strengthening of social and territorial cohesion?	The Programme will contribute rather to higher employment rate and reduction of unemployment, without any quantification than to the full employment. The OP will contribute to improving the quality of work and will participate in the growth of productivity of work in individual regions.

Criterion	Evaluation
7. To what extent will the programmes contribute to the life-long active approach to work?	The life-long active approach to work is covered namely by the Priority axis 2 which supports the active employment policy and by the Priority axis 3, focused mainly on disadvantaged persons and their better inclusion in the labour market.
8. To what extent will the programmes assure the inclusive market labour for the job applicants and disadvantaged persons?	The area of inclusive labour market is sufficiently covered by interventions within the Priority axis 3 - Social Integration and Equal Opportunities. Also the scope of allocated means corresponds with the above priorities.
9. To what extent will the programmes improve adaptability to the labour market requirements?	It is the support to employment which is one of the key areas of interventions within all Priority axes, in fact, namely the Priority axes 1 - 3. It can be stated that it is the cross-sectional adaptability of the labour force, i.e. according to education level, professions and unemployment rate in regions.
10. To what extent will the programmes support flexibility in combination with the employment security (assurance) reduce segmentation of the labour market?	The Programme tackles the issue of flexibility of the labour force within the Priority axes 1 and 5. The Programme tackles higher flexibility of employers but does not cover flexibility of the labour market as such. The job security is not tackled by this OP. The programme will partially contribute to reduced segmentation of the labour market (indirectly covered by the effects of the Priority axis 3).
11. To what extent will the programmes increase the investments in human capital through better education and training?	Increased investments in the human capital are the subject matter of interventions within the Priority axis 1.
12. To what extent will the educational and training systems be modified, to meet the requirements for new capabilities and skills?	Educational and training systems are the subject matter of interventions, namely those within the priority axis 1 and also the Priority axis 4. The programme highlights upgraded quality, innovations and new management methods in adult education, whereby it sufficiently differs from the OP Education.

EVALUATION OF APPROPRIATENESS OF THE PROGRAMME AS THE MEANS TO TACKLE THE ISSUES (PROBLEMS)

<i>Criterion</i>	<i>Evaluation</i>
1. Which activities within the given issues/sector/region need the highest allocations to meet the purpose?	We assume that within this OP it is most desirable and purposeful to support activities focused on life-long vocational training. As for other most desirable activities, the most important is to reduce long-term unemployment and support employment of young persons (up to 25).
2. How and to what extent is the value (importance) matched with individual issue areas correspond with urgency to find the relevant solution?	The value (importance) matched with individual Priority axes (measured according to the share of financial means allocated) is relevant to both the necessity (urgency) of activities and their expected scope.
3. Are the objectives of interventions defined in a purposeful and good quality way?	Defining of objectives fully corresponds with the OP requirements.

EVALUATION OF DIRECT AND INDIRECT EFFECTS

<i>Criterion</i>	<i>Evaluation</i>
1. Which direct and indirect results and effects of the Programme interventions can be expected, with respect to the development of (un)employment and knowledge economy?	As a direct result of interventions we can expect the growing employment and reduced unemployment. In case such expected results are not achieved, at least on the planned level, the OP HRE cannot be considered as successful. Effects in the area of "knowledge economy" can be understood as the qualitative change in the employment structure, which is measured by the share of highly and/or medium-qualified persons and by the growing number of persons involved in life-long vocational education (training).
2. Are the links between output, result and effect indicators logical and will they meet the relevant European policies and strategies?	Proposed output, result and effect indicators on the level of Priority axes are clearly linked with the global and specific objectives specified in the draft Programme; it can be stated that they are focused on meeting the objectives of the relevant European policies and strategies.

Criterion	Evaluation
3. How are and should be the objectives defined? Which should be their planned values to be achieved on individual strategic levels of priorities of the planned OP interventions?	To the evaluator's opinion, the objectives have been defined in an adequate way. The indicators have also been listed in an appropriate way and the indicators themselves formulate the defined objectives, outputs, results and effects. The values on individual levels of the Priority axes are rather lower and come out of realistic assumptions.
4. What will probably happen in case the planned interventions are realised?	The employment in institutions participating in the OP HRE implementation will be increased, as well as the overall employment rate, which should result in reduced unemployment, namely the long-term unemployment. Number and quality of employed persons will be increased, which will correspond with the requirements of the demand side in a much better way.
5. What will be the character and scope of expected results and socio-economic effects of the planned OP interventions within the issue (thematic) area/sector/region and on the socio-economic sphere in CR?	The overall economic activities rate will be increased, namely through the growing employment of young persons and citizens in pre-retirement age. A network of organisations will be established which will systemically work with citizens threatened by social exclusion; there will be relative decrease of number of socially pathological phenomena in the society.
6. What is the expected benefit of the implementation of the OP interventions in the area of new jobs, meeting the objectives of the relevant EU strategies and the overall added value of the Communities?	Projects within the OP HRE will have effect on some 2,5 – 3% of the labour force per year. The OP will contribute to meeting the objectives of the relevant EU strategies and to the overall added value of the Communities; it will result in the stabilisation of the employment development in CR and we can expect its secondary effect on higher economic growth rate in CR, compared to the "old" EU member countries.

EVALUATION OF THE IMPLEMENTATION SYSTEM

<i>Criterion</i>	<i>Evaluation</i>
1. Which entities are participating in the elaboration and implementation of the programme (s)?	The Programme specifies the Managing Authority and its activities (responsibilities), the Intermediary Bodies, the Payment and Certifying Body and the Audit Body.
2. Is the proposed Implementation system transparent, efficient, adequate and relevant for successful implementation of programmes, namely as regards the human resources capacity, relatively high costs, assurance of the co-financing and financial flows?	The Implementation System is described in a transparent way and capacities for the operational Programme implementation appear to be sufficient. The Implementation System appears to be transparent also with the view of the relative cost level, assurance of co-financing and financial flows.
3. How clearly are defined the responsibilities, management and procedures, also with regard to non-standard situations and risk management (prevention)?	The Implementation System clearly defines competences, responsibilities, management methods and procedures. Adequate structures for management, monitoring, evaluation and the OP publicity have also been designed.
4. How does the system reflect the experience from the previous programming period and recommendations of evaluators relating to the modifications of the system, to avoid previous mistakes and new risks?	Taking into consideration the presented experience from the OP HRE implementation in the period 2004-2006 it can be stated that the Operational Programme Human Resources and Employment reacts to some negative experience from the previous programming period, tries to avoid such negatives and eliminate potential risks.
5. Is the proposed system set up in an adequate and efficient way and is it helpful to project proponents? Is it adequate for the projects selection and can it be sufficiently pro-active with respect to the stimulation and support to the projects preparation and implementation?	The proposed Implementation System can be considered as appropriate and efficient. To reduce potential risks it also supports the area of information activities and consultancy for the project proponents.
6. Is the system sufficiently secured against potential risks? Which areas should be paid more attention to, with respect to the potential occurrence of such risks?	The Programme identifies activities to eliminate potential risks. The Programme counts with necessary life-long vocational training (education) of the staff of the implementation structures; it also reflects the need to strengthen the personnel capacities and simplify the implementation structure.
7. What is the best way to adapt, modify or improve the proposed implementation, monitoring and evaluation structures?	The evaluator notes that the further more detailed specification of the implementation process (the "Programme Supplement") should identify the key principles of the projects selection, which means that all distribution mechanisms should be defined.

EVALUATION OF THE INTEGRATION OF THE PREVIOUS EXPERIENCE

<i>Criterion</i>	<i>Evaluation</i>
How and to what extent do the programming documents reflect and integrate the so far experience from the previous programming period, results of the previous evaluation studies and examples of good practices?	The sub-chapter 2.2.7 describes the experience from the implementation of the ESF programmes in the Czech Republic in the years 2004-2006. To the evaluator's opinion it provides adequate description of all areas of problems, failures and weaknesses of the programmes implemented in CR. It can be stated that the Operational Programme Human Resources and Employment reflects and integrates the so far experience from the previous programming period.

C. EX-ANTE EVALUATION OF THE PROGRAMME SUB-SECTIONS

3. EVALUATION OF THE INITIAL STATUS ANALYSIS

The Initial Status Analysis of the thematic area is provided in Chapter 2 of the OP HRE, with the title “Analysis of the Socio-economic Situation in the Czech Republic in the area of Human Resources Development”, on pages 7 – 69, as follows:

2.1 All-society and economic context

- 2.1.1 HDP and productivity of work
- 2.1.2 Demographic development and migration
- 2.1.3 Situation at the labour market
- 2.1.4 Social integration and equal opportunities
- 2.1.5 Life-long education
- 2.1.6 Adaptability and enterprise
- 2.1.7 Modernization of public governance
- 2.1.8 International cooperation

2.2 Context of national strategies and policies

- 2.2.1 Active employment policy
- 2.2.2 Social integration and equal opportunities
- 2.2.3 Development of life-long education
- 2.2.4 Adaptability of enterprise
- 2.2.5 Modernization of public governance
- 2.2.6 Survey of EU programmes supporting the human resources development (HRD) implemented in CR
- 2.2.7 Substantial experience from the ESF programmes implementation in CR in 2004-2006

ALL-SOCIETY AND ECONOMIC CONTEXT (2.1)

This sub-chapter provides the survey of selected issues relating to the labour market, education and human resources; it has been stated that the ESF interventions bring about solutions for such issues, to avoid the situation when they could become hindrance to the economic performance and competitiveness and potential source of social problems.

The evaluators hereby issue a positive statement on the selected analysis structure which, to some extent, corresponds with the structure of objectives and Priority axes.

GDP and productivity of work (2.1.1)

This sub-chapter is focused on the evaluation of the development in this area in the period 1990-2004 and on the identification of the CR position within the EU. The economic performance of CR and its development is analyzed based on selected indicators relating to the GDP and productivity of work. This section also analyzes the relation between the CR economic performance and employment rate; it provides benefits of GDP rate growth and productivity of work.

Demographic development and migration (2.1.2)

This sub-chapter shows negative trends in this area resulting in the overall aging of the population and reducing share of young population in the overall CR population. The section also presents some future trends shown in the population projections of the Czech Office of Statistics. The Analysis also includes basic data on numbers of foreigners in the CR territory and consideration relating to the importance of their presence at the Czech labour market.

The evaluators recommend to supplement the summary table in the above section, which will show the projected development of natural population migration in the period 2006-2013 and similar data concerning the migration.

Situation at the labour market (2.1.3)

The sub-chapter provides selected characteristics of economic activities of the population, the employment and unemployment rate, the qualification structure of the population, the analysis of characteristics selected from the area of labour cost, wages/salaries and brief evaluation of the situation in employment services.

This section focused on the employment development and on the labour force shows the development of labour force number and the economic activity rate. There is also the detailed analysis of the development of overall employment and its rate compared to the EU situation, further on the development of the employment structure of foreigners. There is a separate part describing the qualification structure of the population with the view of the highest education degree. The authors applied the VŠPS results for the analysis of the economic activity of the population, its employment rate and qualification structure. Sections covering the employment show the development on the side of the registered but not met job offer. Here is a more detailed characteristics of the age structure of job applicants including its breakdown by gender, registration time and regions. Attention is also paid to the unemployment of persons disadvantaged at the labour market, namely those with health handicap, young unemployed persons, unemployed persons older than 50 and long-term unemployed ones. The analysis of unemployment and its structure used the data provided by the CR MLSA. The part covering the employment services system provides the evaluation of its current functioning and identifies the main issues (problems) and bottlenecks in this area.

The evaluators recommend assessing the possibility to transfer the issues relating to the analysis of the economic activity of the population from the section Employment to a separate chapter. The reason is that the labour force (economically active population) covers also unemployed persons and therefore it is not logical to include them in the section fo-

cused on the employment. The evaluators also propose to make the title of the section 2.1.3.3 more accurate, for instance the “Education structure of the population” (the original title was the “Qualification structure of the population”). The chapter should include only persons in productive age (or economically active people), to show the current education structure of the CR labour force. The evaluators also propose to supplement the analysis with the unemployment rate split by the education degree, in the form of a table and a short commentary.

Social integration and equal opportunities (2.1.4)

The sub-chapter pays attention to social integration and equal opportunities. Its first section characterizes individual threatened groups from the view of the “National Development Plan CR 2007-2013” and other special studies elaborated in this area. In some cases there are it provides estimates of the groups numbers in CR and or at least the description of the threat severity. The section “Social services (for target groups)” analyzes the system of social services in CR and the section “Social economy” characterizes principles of the integration process of disadvantaged groups linked with the development of local economy and services. Other parts of the above sub-chapter deal with equal opportunities and non-governmental, non-profit organisations.

The evaluators recommend to assess the potential elimination of a separate part named “Social economy”; or it can be connected to individual parts of the “Social services” as one unit.

Life-long education (2.1.5)

The sub-chapter reflects the area of life-long learning. The text highlights the lack of good quality information on life-long vocational education. It provides the data from the EUROSTAT sources covering the life-long learning of persons aged 25-64 and including also the age structure of informal learning system participants. Special attention is paid to the re-training activities provided pursuant to the Employment Act.

Adaptability of enterprise (2.1.6)

The sub-chapter is focused on adaptability and enterprise. It provides the analysis of the development of the CR employment split by sectors. Other sections analyse position of those employed in the national economy, the employment structure split by job classification, the national economy structure with respect to the share of economic entities, part-time jobs, more detailed structure split by size and branches of registered economic entities and the structure modifications (changes). The sub-chapter is closed by a part providing the analysis of foreign investments in the period 1993-2005 including the specification of criteria required by investors for some typical groups of workers.

The evaluators recommend including comments and tables relating to the analysis of the economic entities structure in part. For instance, table 18 is placed in part 2.1.6.2 which does not appear to be logical.

Modernization of the public governance (2.1.7)

In its introductory part the sub-chapter characterizes the current standard of the public governance in the Czech Republic. Other sections then identify problems occurring in this area and specify some objectives and activities which will improve the situation.

International cooperation (2.1.8)

The sub-chapter provides some significant experience from international cooperation, as a result of continuous (interim) evaluation of the EQUAL initiative.

CONTEXT OF NATIONAL STRATEGIE AND POLICIES (2.2)

The sub-chapter briefly describes the key policies which were applied when preparing the strategic focus of the Operational Programme, by individual thematic areas. The operational programme is based on the context of national strategies in the area of employment, social integration and equal opportunities, life-long learning development and modernization of the public governance.

Active employment policy (2.2.1)

The sub-chapter provides brief characteristics of the current legal framework of the Active Employment Policy and its reflection in the “National Reform Programme CR” and in the “Economic Growth Strategy CR”.

Social integration and equal opportunities (2.2.2)

The sub-chapter analyses the issue within the context of the reform of the social care (services) system. The authors used the document “White Book in Social Services” and draft act on social services, as source documents. Within the context of social integration the analysis mentions the “The Concept of Life-long Education of Social Workers”, the “Joint Memorandum on Social Inclusion”, the “National Social Inclusion Plan 2004-2006”, the “Governmental Policy for Romany Community to Support its Social Integration”, the “Foreigners Integration Policy”, the “National Plan for Equal Opportunities for Health-handicapped Citizens”, the “National Plan for the Preparation for Ageing, for the period 2003-2007” and the “National Anti-drug Policy for the period 2005-2009”. In the area of equal opportunities for men and women the analysis uses as source documents the “Governmental Priorities and Procedures for Equal Opportunities for Men and Women (equal gender opportunities)” and the “National Reform Programme 2005-2008”.

Life-long learning development (2.2.3)

The sub-chapter characterizes the life-long learning within the context of the “National Education Development Programme in the Czech Republic” and “Long-term Development Plan for Education and Educational System in the Czech Republic”. In the area of education focused on key compe-

tences and more complex and practical skills, the Operational Programme reflects recommendations provided in the “National Reform Programme CR 2005 – 2008”.

Adaptability of enterprise (2.2.4)

The sub-chapter points out the support to strengthening of economy competitiveness through innovation activities within the context of the “National Innovation Policy” and the “Economic Growth Strategy”.

Modernization of the public governance (2.2.5)

The sub-chapter provides the context of the “Modernization of the Public Governance”. In this section the Operational Programme comes out of the three key national documents, namely the “Economic Growth Strategy”, the “National Reform Programme CR 2005-2008” and the “Strategy to Support Availability and Quality of Public Services”.

Survey of EU programmes supporting HRD and implemented in CR (2.2.6)

The sub-chapter provides the survey of EU programmes supporting the human resources development, implemented in the Czech Republic. It pays most attention to the ESF programmes. There is a positive influence of the transparent characteristics of individual programmes including the allocation of the financial means.

The evaluators hereby recommend modifying the title of Table 23, for instance, as follows: “Allocation of financial means according to individual programmes supported from ESF in the period 2004-2006”.

Key experience drawn from the ESF programmes implementation in CR in the period 2004-2006 (2.2.7)

The sub-chapter includes experience from the implementation of the OP HRD, partially also from the JPD 3 and CIP EQUAL, in the period 2004-2006.

Evaluation conclusions:

The Initial Status Analysis covers all key areas which create a wider context for the development of human resources and employment in the Czech Republic and, at the same time, has adequately supported the specification of Priority axes in the programming document.

4. EVALUATION OF THE SWOT ANALYSIS

The SWOT Analysis can be found in the programming document in section 2.3, pages 70 – 74.

The Analysis provides the following number of analytical findings:

- Strengths 21 items
- Weaknesses 26 items
- Opportunities 25 items
- Threats 26 items

For individual SWOT segments the Analysis has been appropriately split according to the following thematic areas:

- Labour market
- Life-long education
- Social integration and equal opportunities
- Adaptability and enterprise
- Public governance
- International cooperation

The SWOT Analysis is a simplified model of the more complex system and related issues which are described more in detail in the text part of the programming document. The analytical findings of the SWOT Analysis should be derived from the above description, should be brief, should specify the real problem, without any justification and explanation, should not have a form of a declaration or wishful thinking and should be strategically “feasible”.

Referring to the above observations, the evaluators’ team has verified the links of analytical findings of the SWOT Analysis and the analytical part of the programming document. From the verification it follows that most of the analytical findings are linked with the Socio-economic Analysis provided in Chapter 2 “Analysis of the Socio-economic Situation in the Czech Republic with regard to Human Resources Development”.

Evaluation conclusions:

Having verified the links between analytical findings of the SWOT Analysis and the analytical part of the programming document we have found out that most of them is adequately reflected in the analytical part of OP HRE. The way the above findings have been formulated in the proposal part of the document appears to be persuasive.

It can hereby be stated that the SWOT Analysis supported the identification of relevant objectives and specification of the OP HRE Priority axes.

5. EVALUATION OF THE INNER PROGRAMME CONSISTENCE

5.1 HIERARCHY AND CONSISTENCE OF THE PROGRAMME OBJECTIVES

Development objectives of the Programme for the period 2007-2013 have been formulated in Chapter 3, on pages 74 – 75.

Section 3.1 *Strategic documents and assumptions* provides the links to the relevant strategic documents of CR and EU.

Section 3.2 formulates the global objective and specific objectives.

In the original version 1 of the programming document the global objective was defined as *“Increasing the employment and economic growth through the development of efficient and flexible labour market, skilled and competitive labour force and strength and integration of socially excluded citizen groups”*. The evaluators criticized such formulation (wording) as not adequate because

- OP HRE contribution to increasing economic growth is only intermediary (not direct), which is not adequate to the global objective definition;
- The objective formulation includes also the answer how to meet such objective;
- The formulation of the objective lacks the term increasing the employability of people.

Therefore the evaluators proposed a new formulation for the global objective which has been accepted by the authors. The new formulation of the global objective is *“To increase employment and employability of CR citizens to reach the level of the EU 15”*, which is fully adequate to the realisation of relevant Strategic objectives of the National Strategic reference Framework 2007-2013 and is fully compliant to the third general rule of the Cohesion Policy supporting growth and employment within the Communities.

With regard to specific objectives, the Version 1 of the programming document formulated seven objectives for 5 priorities (Priority axes), whereas,

- Objectives formulations were too much detailed and explanatory;
- The scope of two objectives was overlapping with other objectives;
- To state that the objective rests in the support to “something” is not its formulation but description of the means how to meet it;
- It is desirable so that the number of specific objectives corresponds with the number of Priority areas,

The authors have accepted the above evaluators’ statement and have adequately modified the formulations of the specific objectives, as provided in the structure scheme on page 75 of the concerned document.

The evaluators' opinion is that the formulation of specific objectives represents the relevant scope of the global objective; the objectives are mutually complementary and their achievement will bring about the synergic effect.

5.2 RELEVANCE OF PRIORITY AXES AND AREAS OF INTERVENTION

Identification of the OP HRE Priority axes is provided in section 3.3, on pages 76-80. Description of the Priority axes and Areas of intervention is provided in chapter 4, on pages 96-131.

5 main Priority axes have been proposed and 9 Areas of intervention³ (see the enclosed scheme in the end of this chapter). Also the supporting Priority axis 6 has been proposed – Technical Assistance.

Priority axis 1 – Adaptability

Priority axis 2 – Active Labour Market Policies

Priority axis 3 – Social Integration and Equal Opportunities

Priority axis 4 – Public Governance and Public Services

Priority axis 5 – International Cooperation

The above breakdown we consider as entirely relevant but we recommend not to use the term “global objective of the Priority axis” and “specific objectives of the Priority axis”. The same wording used for various terms makes the programme not sufficiently transparent, to the evaluator’s opinion. The Priority axis should come out of the specific objectives and its decomposition, if need be, should then be focused on operational objectives.

The proposed Areas of intervention and specified areas of activities within the individual Priority axes fully meet the requirements and we hereby consider them as justified and feasible (realizable).

³ There is only a framework specification of the Areas of intervention in OP HRE, split by activities and target groups.

The ex-ante evaluator then evaluated the links between analytical findings of the SWOT Analysis and proposed 5 Priority axes and 9 Areas of intervention. The evaluation was executed by means of the coincidence matrix, whereas the adequate links were expressed by two levels:

- 1 – Close link
- 2 – Loose link

The evaluation conclusions are, as follows:

- Nearly all analytical findings of the SWOT Analysis are reflected in the Programme represented by the Priority axes and Areas of intervention;
- There is a considerable number of “close” links between the Programme and analytical findings. .

The above conclusions show that the proposed OP HRE is relevantly linked with the analytical conclusions, through the five Priority axes and nine Areas of intervention.

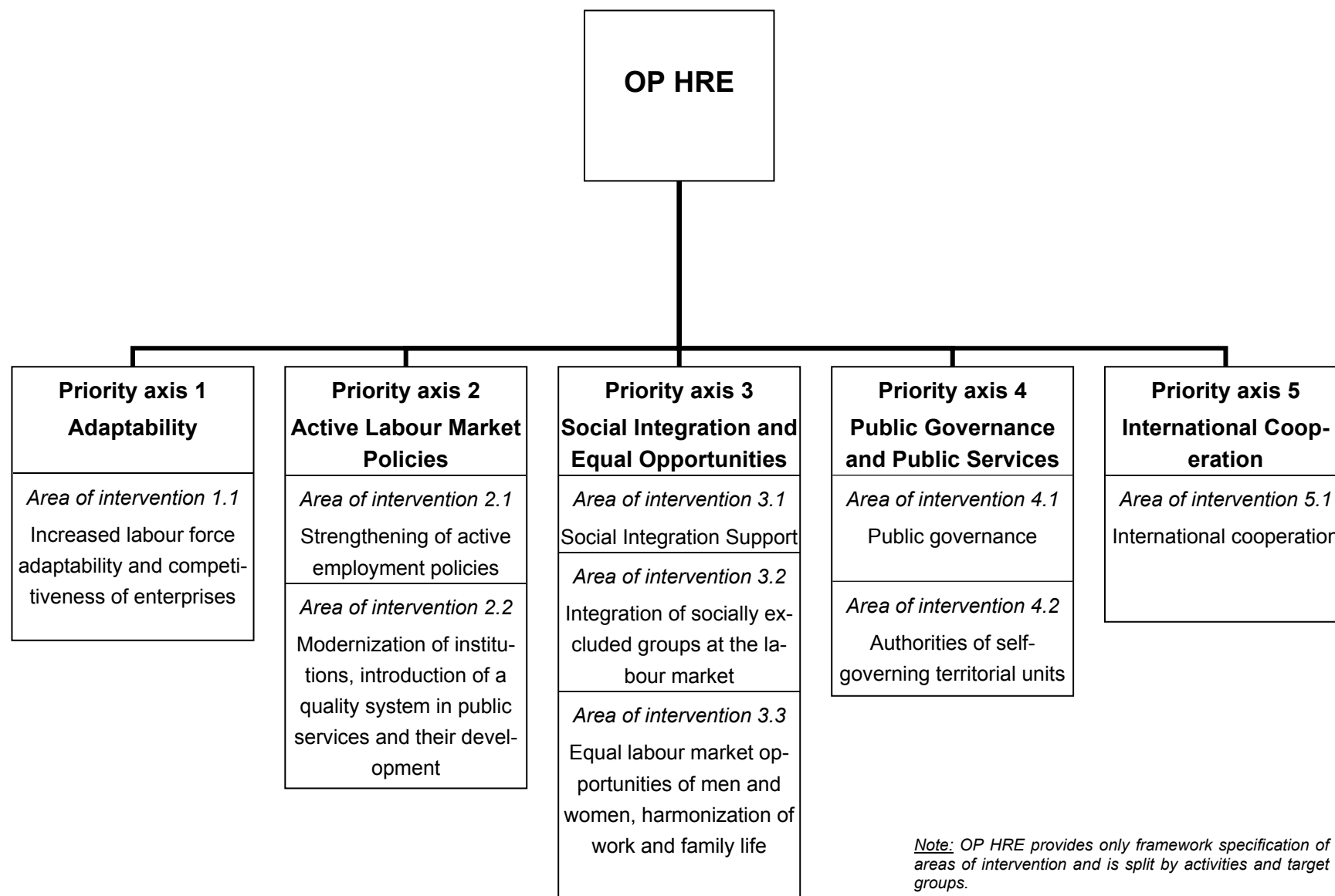
Evaluation conclusions:

As for the content of individual Priority axes and Areas of intervention, the evaluator is convinced that they are properly linked to results of the analytical phase of the Programming document preparation and represent sufficient basis to meet both global and specific objectives.

To the evaluator’s opinion, the Priority axes identified cover all areas of the labour market and reflect all labour market entities; the follow-up CR interventions can then contribute to “increased employment and employability of citizens”. We assume that the objective, i.e. to achieve the average of the EU 15, is ambitious; though, it can be met and realised also through the OP HRE.

The OP explicitly counts with potential risks in case the financial support is not allocated.

Planned interventions can become an efficient means to tackle the issues identified and to meet the objectives specified, pursuant to the categories of support from the EU Structural Funds.



6. EVALUATION OF EXTERNAL PROGRAMME COHERENCE

The draft Operational Programme, sub-chapter 3.6 *Consistence of OP with strategic documents*, provides the Programme's link with the European Communities Strategic General Guidelines, the National Strategic Reference Framework, the Economic Growth Strategy CR, the National Reform Programme, the National Action Plan for Social Inclusion and the Regional Development Strategy CR. It also describes the links to relevant operational programmes for the period 2007 – 2013.

In this section the evaluation was focused on the verification of already reflected links between the OP HRE and the key EU strategic documents and national strategic documents, as well.

6.1 COHERENCE WITH RELEVANT EU STRATEGIC DOCUMENTS

European Communities Strategic General Guidelines (EC SGG)

EC SGG is a key document for the preparation of the National Strategic Reference Framework and Operational Programmes for the period 2007 – 2013.

Rule II: *Improved knowledge and innovations: the way to growth* is reflected in the Priority axes 1, 4 and 5 of OP HRE. The link between Priority axis 1 (PA1) and EC SGG within the rule II is clear in the area of information and communication technologies and also in the area of educational programmes innovation, the link has been reflected between PA4 in the area of ICT and public governance innovation and also an indirect link of PA5 in innovations and support to enterprise.

There are most intense links between OP HRE and EC SGG, within the Rule III: *Creating of more and better quality jobs*. Owing to the Programme focus it is logical that there is a strong link among all the Priority axes; the most intense links have been identified within the Priority axes 1 and 2 of the OP HRE.

The OP HRE, due to its focus, has no link to the General rule I: *More attractive Europe and European regions for investors and workers*.

Lisbon Strategy – National Reform Programme (NRP)

The Lisbon Strategy was launched in March 2000 and later on it was extended and supplemented by conclusions of the European Council meeting in Stockholm (March 2001) and Göteborg (June 2001). The Lisbon Strategy is focused on long-term macro-economic and structural issues of both EU as a whole and its individual member countries and should contribute to higher consistence of attitudes to economic priorities on national level. Based on the new focus of the Lisbon Strategy (and/or the Integrated Directions) the CR has elaborated its National Reform Programme (NRP). Taking into consideration that the National Reform Programme comes out of the Lisbon Strategy, in fact, the evaluated Operational Programme has been compared with the NRP only.

The OP HRE, owing to its focus, is not coherent with the *macro-economic and microeconomic parts of NRP*. There is a strong link between the OP HRE and the *section on employment*, through

all Priority axes of the OP HRE. There is a distinct link to NRP in the areas of education, vocational training in companies, retraining, labour force mobility (occupational mobility) and last but not least, in the areas of inclusion of disadvantaged persons, equal opportunities and cooperation of employers with expert and professional institutions, etc..

Transparent and well-designed graphic form of the Programme shows the way the specific OP HRE objectives will meet individual priorities of the EU Development Policy. With regard to the document focus it can be stated that there is high level of coherence of the OP HRE Priority axes with the above documents.

6.2 COHERENCE WITH THE PRIORITIES OF THE CR DEVELOPMENT POLICY

National Strategic Reference Framework (NSRF)

The NSRF which has implemented the provisions of the European Communities Strategic General Guidelines is the key document for the elaboration of the Operational Programmes 2007 – 2013.

The Priority axes of OP HRE, through its proposed activities, are linked to the three Strategic objectives of NSRF. Owing to the OP HRE focus, the Strategic objective III of NSRF: *Attractive environment* has no link to this document.

The Priority axis 1 (*hereinafter as PA1*) follows the NSRF Strategic objective I: *Competitive Czech economy* in the area of educational programmes innovation, knowledge economy and the support to higher competitiveness of business sector. The PA1 is also linked to the Strategic objective of NSRF: *Open, flexible and cohesive society*, namely in the area of development and realisation of life-long education, higher adaptability of labour force and health protection and safety at work.

There is a considerable link between the Priority axis 2 (*hereinafter as PA2*) and Strategic objective II of NSRF: *Open, flexible and cohesive society*, through the modernization of education, retraining, modernization of institutions, etc..

The Priority axis 3 (*hereinafter as PA3*) is also strongly linked with the Strategic objective II of NSRF: *Open, flexible and cohesive society*. The link is clearly visible in the area of social integration of persons threatened by social exclusion, equal opportunities, education and the support to entities dealing with social integration.

The Priority axis 4 (*hereinafter as PA4*) is also coherent with the Strategic objective II of NSRF: *Open, flexible and cohesive society*, through education and namely through the efficient public governance system and public services. The PA4 is also linked with the Strategic objective I of NSRF: *Competitive Czech Economy* in the area of cooperation of public and private sectors.

The Priority axis 5 (*hereinafter as PA5*) is compliant with two Strategic objectives of NSRF. In the area of international cooperation and innovations it is linked with the Strategic objective I of NSRF: *Competitive Czech economy*. The PA5 in an intermediary way supports the implementation of priorities of Strategic objective II of NSRF: *Open, flexible and cohesive society*.

All OP HRE priorities significantly support the balanced development of regions within the Strategic objective IV of NSRF: *Balanced territorial development*.

Economic Growth Strategy (EGS)

The EGS was adopted by the CR Government on 16 November, 2005. The EGS stipulates priorities of the economic policy and accordingly recommends how to allocate the means from the National Budget and the EU Structural Funds in the most efficient way. Therefore it is important so that the Operational Programmes 2007-2013 are compliant with the above strategy.

The PA1 of the OP HRE is compliant with the first pillar (*Institutional environment for business*), the fourth pillar (*Human resources development – education and employment*) and the fifth pillar (*Research, development and innovations*) of EGS. Within the first pillar it contributes to higher competitiveness of enterprises through the support to highly skilled, adaptable and mobile labour force, within the fourth pillar the Priority axis follows the area of life-long education and within the fifth one it covers the issue of labour force mobility.

The PA2 and PA3 of OP HRE are coherent with the fourth pillar of EGS, namely in the area of the inclusion of socially disadvantaged persons, equal opportunities, the long-term unemployment, consultancy, re-training, etc.

The PA4 of OP HRE is linked mainly with the first and partially with the fifth pillar of EGS. The objective of the first pillar: *Efficient and effective public governance* is reflected in the whole Priority axis 4. The fifth pillar is coherent in the area of cooperation.

The PA5 of OP HRE has an indirect link to the fourth pillar in the area of education and to the fifth pillar in the area of innovations.

Regional Development Strategy CR (RDS CR)

The RDS CR is a basic concept document for the implementation of the CR Regional Policy and is a starting point for the orientation of the development programmes connected to the EU funds.

The link between the OP HRE and RDS CR is – due to its nature - reflected in four issue areas: the *European and national economy strategic framework, Economy of regions, Population and settlement and Disadvantaged territories (regions)*.

The PA1 of OP HRE is coherent with the PA *Economy of the Regions*, within the educational programmes and educational services for entrepreneurs. Coherence of PA1 and PA *Population and Settlement* rests namely in the area of life-long education. Within the PA *Disadvantaged Territories (Regions)* the Priority axis indirectly supports the increase of economic performance.

PA2 of OP HRE is compliant with the PA *Economy of Regions*, PA *Population and Settlement* and PA *Disadvantaged Territories (Regions)* through re-training and motivation programmes.

PA3 of OP HRE is linked with the PA *Population and Settlement* and the PA *Disadvantaged Territories (Regions)*, through solutions to tackle long-term unemployment and social integration.

PA4 of OP HRE, due to the content of the Priority axis, is strongly linked with the PA *European and National Economy Strategic Framework* and is also coherent with the PA *Economy of Regions*, through the cooperation of public and private sectors.

The link of OP HRE PA5 with the PA *European and National Economy Strategic Framework* is distinct namely in the area of cross-border cooperation.

The Programme demonstrates the coherence with the above CR development documents in a transparent and well-designed graphic way. The coherence rate is influenced by the OP HRE focus. Taking the above into consideration, it can be stated that the OP HRE is evidently compliant with the priorities of the CR Development Policy.

The programme appropriately shows the links between the OP HRE and relevant Operational Programmes 2007-2013, i.e. the Integrated Operational Programme, Regional Operational Programmes, the OP Enterprise and Innovations and then the operational programmes co-financed from the ESF, i.e. the OP Education for Competitiveness and OP Prague – Adaptability for the Region NUTS II Capital of Prague.

To meet the OP HRE, it will be desirable to assure that the system activities and activities of the national character which affect the whole CR territory are supported also in the territory of the Capital of Prague.

Evaluation conclusions:

With respect to the document focus, it can be stated that there is the high rate of coincidence between the proposed OP HRE activities and the above mentioned strategic documents. From the above Priority axes it follows that there is compliance between the proposed Areas of intervention of the Programme and proposed priorities of other relevant strategic documents.

7. EVALUATION OF EXPECTED RESULTS AND EFFECTS

7.1 EVALUATION OF EXPECTED EFFECTS

The Operational Programme works with the assumption that the “effect of each individual Priority axis supporting the employment is limited” (page 78). It is a logical statement but, of course, the Programme aims at as high effect as possible. The Programme provides that such effect will be achieved only through meeting the target values of selected indicators, which, though, reflect the range of activities performed within the society and the OP HRE activities are only its part. This closely relates to the existence of “dead weight” which is highly probable in case of all activities, namely those within the Priority Axis 1 - Adaptability.

We assume that in case the Priority axis 1 is not implemented within the OP HRE, it would reduce the labour force ability to get adapted to the labour market situation; enterprises and institutions would suffer from the lack of means for further (life-long) vocational training, which would bring about lower competitiveness and enterprises would not be able to cope with foreign competition, either.

Implementation of the Priority axis 2 will eliminate impacts of not balanced supply and demand side at the labour market; the effect of the Priority axis 2 activities will strongly depend on the quality of legislation and institutional performance. Therefore we assume that it was right to mention the links of the OP HRE Priority axes with the National Reform Programme (sub-chapter 3.6.4); though, it will be possible to meet the objectives of namely the Priority Axis 2, only on condition that the planned reforms are successfully implemented. Here we can see considerable multiplying effect. In case the reforms are not successfully implemented, the expected effects will be much lower or even negligible.

By implementing the Priority axis 3 we will avoid social exclusion of a wide range of population and enable the excluded citizens groups to come back to the labour market. As for the Priority axis 3, we would like to highlight that in case the above activities are not supported within this priority, it will not be possible, at all. Activities within this area depend (nearly) solely on such kind of support.

As for external conditions and limitations for interventions proposed within the OP HRE, we can name the following:

- Fast-growing minimum wage, without any link to the development of key labour market indicators (namely the overall labour costs, subsistence minimum /level/, average wage /salary/, mean value for wages /median/, development of average (wage) compensation);
- Overall work taxation burden;
- Labour Code;
- Centralized system of employment policy, passive employment policy;
- Regulated rent fees level and not existing (not properly functioning) market with apartments;
- Legislation in the area of education and life-long vocational training;

- Not properly functioning state information system;
- Not developed system of community planning.

7.2 EVALUATION OF THE INDICATOR SYSTEM

The evaluation of a wide range of issues relating to the Indicator System is backed up by the Draft Working Papers of 7 July, 2005 and 23 January, 2006⁴. We also used COM (2003) 112 final⁵ as a reference document for the objective “Innovations”, as it is defined in the Lisbon strategy in COM (2005) 330 final⁶.

In general, the ex-ante evaluation is focused on the following:

- Relevance (of strategy compared to identified needs);
- Effect (probability that the Programme objectives will be met) and
- Utility / sustainability (evaluation of probable effects with respect to wider social, environmental and economic needs).

With regard to the above facts, the evaluator has raised the following questions related to the proposed system of indicators for the OP HRE:

Relevance

Does the proposed Indicator System provide the link to the proposed strategic focus of the Programme (global and specific objectives and Priority axes)? To what extent does it reflect the strategic objectives (innovations and growth in Europe), as stipulated in the Lisbon Strategy?

Efficiency

Is the proposed Indicator System efficient with respect to clear definition and quantification of the initial status and to the specific unit to measure the planned objective/benchmark? Does the Indicator System show clear causative connection between expected outputs, results and effects?

Utility / sustainability

To what extent does the proposed indicator system draw from the experience of the current implementation period of the Structural Funds 2004-2006? Is it possible in a simple way to put together values of proposed indicators on the operational level of the Monitoring System?

⁴ The New Programming Period, 2007-2013: Methodological Working Papers, Draft Working Paper on Ex-Ante Evaluation, 7. July 2005; Draft Working Paper on Indicators for Monitoring and Evaluation: a Practical Guide, 23. January 2006 (European Commission – DG Regio)

⁵ Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions: Innovation policy: updating Union’s approach in the context of the Lisbon strategy

⁶ Communication from the Commission to the Council and the European Parliament: Common Actions for Growth and Employment: The Community Lisbon Programme

The “Working Paper EC (DG Regio) on Indicators for Monitoring and Evaluation: Practical Guide” proposes the following system of indicators, in relation to the overall structure of the Programme:

Indicator type	Definition	Monitoring
SWOT Analysis		
Context indicators ⁷	Provide explanatory (expository) variables for strengths and weaknesses in the area of human resources and employment in the Czech Republic; Should be defined within the SWOT Analysis, from the set of effect indicators.	Regular updating within Annual Reports on the programme level; Data source – data must be drawn from official statistics – unless there are data from specific research, periodic studies must be carried out.
Global and specific objectives of the Programme		
Basic indicators	Subset of indicators selected from a number of programme indicators (output, results and effect);	Reporting for Managing Authority of the National Strategic Reference Framework; Comparing the performance on the inter-programme level; Data source – monitoring system of the programme on the level of individual operations.
Horizontal indicators	Incorporated into the general (framework) system of indicators; Similar to basic indicators derived from interventions with significant effect on horizontal issues.	Analysis within the mid-term and ex-post evaluation, as a contribution to horizontal issues in the Czech Republic and EU; Data source – monitoring system of the Programme which provides data on the level of individual operations.
Effect indicators	Specific and global effects relating to activities/operations in long-term view, which effect wider population.	Are especially important for the ex-post evaluation; Data source – specific Effect Analysis within mid-term and ex-post evaluation.
Description of priorities		
Input indicators	Financial indicators for contracted and imbursement means;	Reporting for the Monitoring Committee of the implementing agency, the Managing Authority and Certifying Body; Annual Reports on the level of the Programme for EC.
Output indicators	Physical/monetary indicator for the measurement of direct output from the given activity/operation;	Comparison of ex-ante defined objectives and actual output; Reflects the Programme intervention within the follow-up evaluation steps (mid-term, ex-post).
Result indicators	Direct and immediate effects or changes achieved as a result of implemented activities / operations.	Basic tool for the Programme management; it assures efficiency of defined objectives and efficiency of the input provided.

⁷ Pursuant to Article 36 of General Regulations (EC) on Structural Funds.

Referring to the Working Paper EC on Indicators for Monitoring and Evaluation, each operational programme should define a set of programme indicators. Whilst context indicators provide qualified socio-economic information and can thus express identified needs in a quantified form, on the other hand programme indicators are relating to effects of the given intervention. What is measured is the scope, i.e. to which extent the desired programme effects should change the socio-economic reality and thus they express quantified objectives of the intervention.

For each Priority axis, the OP HRE provides clear description of expected and potential categories of applicants. In compliance with the draft Working Paper “Indicators for Monitoring and Evaluation: A Practical Guide”, each Priority axis also provides quantification of Inputs, Outputs, follow-up Results and Effects.

The OP HRE presents the detailed description of the Monitoring Indicators System which includes:

- Context indicators on the initial socio-economic situation reflected in the Programme;
- Output indicators;
- Result indicators;
- Effect indicators.

In the methodology describing how to create indicators, the OP HRE further on provides that the *input indicators* express the amount allocated to the Programme and its individual Priority axes.

Evaluation conclusions:

As a direct result of interventions we expect the employment growth and reduction of unemployment. In case such results are not achieved, at least on the planned level, the OP HRE would be considered as not successful. Effects in the area of “knowledge economy” we understand as qualitative change in the employment structure measured by the share of highly and/or medium-skilled persons and by growing share of persons participating in life-long vocational training.

Proposed indicators on the level of Priority axes are clearly linked with the global and specific objectives specified in the draft Programme.

Indicators which have so far been defined for the Priority axes are partially based on the experience drawn from the current implementation period of SF (2004-2006). Operationalisation within the MLSA is to some extent possible even now. Closer link is recommended between some indicators on the level of the Priority axes (such as number of new jobs) and planned activities in the rest of the programming period.

8. EVALUATION OF THE IMPLEMENTATION SYSTEM

The structure of the Implementation System is described in a separate chapter 6 of the OP HRE which consists of 7 sub-chapters.

The sub-chapter 6.1 “Programme Management” specifies the Managing Authority, as well as activities to be performed, the Intermediary Bodies, the Payment and Certifying Body and the Audit Body. This section also defines competences, activities and responsibilities of individual bodies.

Sub-chapter 6.2 “Programme Monitoring” describes the monitoring process. The system of monitoring indicators will be used in the process, listed in chapter 4. 8. The establishment of the unified central monitoring body for efficient follow-up of the OP HRE projects implementation has been evaluated as a very positive step. This section also specifies the system of preparation and submission of Annual Reports and the Final Report. Good quality monitoring of the Operational Programme HRE will also be supported by the establishment of the Monitoring Committee which will operate on the partnership principle. The chapter also sufficiently describes activities and membership of the Monitoring Committee.

Sub-chapter 6.3 provides description of the Programme evaluation process. Organisational structure of the process, the role of the evaluation Working Group and the evaluation working place are specified, as well. The section also identifies evaluation types including their purpose and timing.

Sub-chapter 6.4 describes the Financial Management system of the OP HRE and specifies the system of ex-ante payments.

The sub-chapter 6.5 describes the system and principles of the Operational Programme control. It highlights the control (audit) competences of other national and European institutions.

The sub-chapter 6.6 briefly specifies the system of electronic data exchange with the European Commission.

The sub-chapter 6.7 “Information and Publicity” identifies the role of the Communication Action Plan in the process of publicity and awareness of the Operational Programme and describes more in detail publicity process focused on potential beneficiaries and public awareness. This part of the chapter “Implementation” will also inform about the distribution of allocations split by categories of Intervention areas.

Evaluation conclusions:

In general, the Programme assures the compliance with the valid legislation; maintaining the legislative requirements will then be assured through the system of relevant control mechanisms.

The Implementation System clearly defines competences, responsibilities, management methods and procedures. It proposes adequate structures for management, monitoring, evaluation and publicity of the Operational Programme.

The Implementation system is described in a transparent way and capacities for the OP implementation appear to be sufficient. Financial means needed for the support to management and implementation have been allocated within the Priority axis 6 "Technical Assistance". The Implementation System appears to be transparent also with the view of relative cost level, co-financing and financial flows.

9. EVALUATION OF THE FINANCIAL FRAMEWORK

The Indicative Financial Plan is provided in chapter 5 of the OP HRE. Its core consists of two tables. The first one provides the breakdown by sources, in individual years and the second one by individual Priority axes.

In the chapter it is stated that: *“The Financial Framework of the Operational Programme Human Resources and Employment 2007-2013 comes out of the financial framework of the NSRF which identifies the allocation of means from the Structural Funds and the Cohesion Fund to individual Operational Programmes. The OP HRE will get 7 % of all the means allocated to CR within the Objective: “Convergence” from the Structural Funds and the Cohesion Fund in the period 2007-13.”*

The overall proposed financial framework of the OP HRE reaches 2,135 billion EUR and has been split among 6 Priority axes (the supplementary Priority axis 6 – Technical Assistance). All the financial means as a contribution of the Communities (1,815 billion EUR) will be provided within the ESF. The smaller-scope investment projects will be financed – pursuant to the General Regulation – through the system of cross-financing, within individual Priority axes of the Programme.

National co-financing of the Programme is expected on the level of 15%. The means will mainly be drawn from the budget of the Ministry of Labour and Social Affairs. In case of the Priority axis “Public Governance” it is expected that some means will be provided also from the budgets of the Ministry of Interior and the Office of the CR Government and/or other participating public governance bodies. The Indicative Financial Plan does not count with the involvement of private sources on national basis.

The highest volume of means will be allocated to the Priority axes 1 and 2, i.e. some 33 % for each of them and 22 % of the means will be allocated to the Priority axis 3. Such basic allocation scheme is considered by evaluators as adequate, including the shares for other Priority axes.

Evaluation conclusions:

The Financial Framework has been elaborated in a transparent form (tables) which respects relevant regulations and recommendations of EC.

We hereby recommend, beyond the framework of methodological guidelines, developing of financial proposals for individual operational objectives and, at the same time, reflecting the breakdown of financial means in individual years, for both the OP HRE as a whole and for individual Priority axes, too.

Referring to the experience drawn from the implementation of the OP HR in 2004-2006 and the so far absorption of the financial means, we do not predict any significant problems with the absorption capacity.

D. PROGRAMME PREPARATION

10. EVALUATION OF THE PROGRAMME PREPARATION

The Minister of Labour and Social Affairs established the *MLSA Working Group for the preparation of the programming MLSA documents governing the absorption of means from the European Social Funds in the programming period 2007 – 2013*. The partnership principle has been applied for the membership and so there are the representatives of institutions which will participate in the Programme implementation. The Working group is chaired by the representative of MLSA and apart from the representatives from regions and partnership ministries there are representatives of social partners, NGOs and last but not least, there is a representative of the Government Council for the Romany Community issues. There is another member, from the Magistrate of the Capital of Prague, to assure coordination with the preparation of the programming document for the Objective: Regional Competitiveness and Employment.

In the course of the consultation process there were many meetings dealing with individual parts of the Operational Programme.

The ex-ante evaluator cooperated with the programming team in a couple of ways. The ex-ante evaluator passed over to the programming team written recommendations on the Programme completion and participated in key meetings of the programming team dealing with the above recommendations.

11. RECOMMENDATIONS RAISED IN THE COURSE OF THE PROGRAMME PREPARATION

In the course of the OP HRE preparation the ex-ante evaluator submitted two reports to the programming team, summarising interim results of the evaluation process. Individual recommendations were rather complex, some 20 – 25 pages each. Key recommendations and response from the side of the programming team have been split by individual evaluation phases and are provided below.

PHASE 1 – EVALUATION OF THE CONTEXT ANALYSES QUALITY

The ex-ante evaluation in the above phase was focused on the introductory description, the Socio-economic Analysis of the current status of the given issue area and on the SWOT Analysis.

The original Socio-economic Analysis was split into seven issue areas, followed by the Context of National Strategies and Policies.

It was apparent that the Analysis tried to cover all main areas of the human resources development. Though, not all areas have been covered in a sufficient way. Some parts of the Analysis

have been elaborated in a very diligent way, supported by selected relevant quantitative data (such as GDP and productivity of work, demographic development, employment by sectors). In some areas the authors most probably took over results of other analysis and studies, which is not wrong but in such cases it is desirable to note which analysis or research data were used, for which period of time and territory and/or to provide important quantitative characteristics and results, with direct link to the analysis purpose and objective. In some cases the analysis text contained facts relating more to the programming issues, not so much to the analysis.

The section “Context Analysis of National Strategies and Policies” paid more attention to legislation and to documents and plans on national level. There were some errors and discrepancies in this sub-chapter. The Active Employment Policy has not been governed by the Act No 1/1991 Coll. or the CNR Act No 9/1991 Coll. on employment and competences of public governance bodies, any more. The document also mentioned the National Employment Action Plan for the period 2004 – 2006 but also the NEAP 2002 and its Regulations 16, 17 and 18 on equal opportunities for men and women. The current provisions of NEAP 2004 – 2006 are rather different.

The ex-ante therefore recommended reflecting a couple of aspects in the new version of the Analysis.

Members of the Programming team have accepted most of the recommendations and so the following versions of the Analysis were more and more complex and elaborate.

The SWOT Analysis of the first version of the programming document suffered from many faults. To the evaluators’ opinion there were too many analytical findings in the SWOT Analysis and its findings appeared to be too vague with respect to the related Strategy, Priorities and Areas of intervention.

With regard to the SWOT Analysis purpose, including of so many analytical findings and their formulations was much disputable, due to the following reasons:

- Formulations of findings were not persuasive and had no counterpart in the Socio-economic Analysis and/or reality; it was the case namely of findings in education, innovations, science and research;
- Many findings included detailed justification (explanation) which is in contradiction with the application of the given methodology;
- In some cases weaknesses and threats were confused and the same with the strengths and opportunities;
- In some cases the opportunity was confused with a strategic objective or declaration or a wishful thinking;
- Some findings were trivial and expressed facts which were obvious (such as exploitation of job opportunities capacity offered by the tertiary sector);

The evaluators’ team has therefore recommended the following modifications in this part of the document:

- To reduce the overall number of analytical findings, to make them more brief and to eliminate longish justification;

- To re-assess some findings with regard to the intensity and severity of their effect and potential to be used in the proposal part;
- To modify formulations of the findings in general, to become clearer.

The evaluators' team has proposed concrete modifications of analytical findings of the SWOT Analysis. Modifications proposed included: elimination of given items, changed or shortened formulations or transfers to other groups. Eliminations were proposed in case there was no clear link to the analytical part of the programming document, in case they appeared in the proposal part of the document or because the evaluator was not convinced about sufficient intensity of their effect. The proposed modifications were submitted to the authors in the form of tables.

The programming team has accepted most of the proposed modifications and has reflected them in the new version of the programming document.

PHASE 2 – EVALUATION OF INTERNAL AND EXTERNAL COHERENCE OF THE PROGRAMME

The objective of the ex-ante evaluation in Phase 2 was to assess internal and external links of the Programme. As for internal links, we have evaluated the overall consistency of the Programme. As for external links, we have evaluated links of the Operational Programme to the priorities of the Development Policy of EU and CR and to other relevant programmes.

An original formulation of the **global objective** "*Increased Employment and Economic Growth through the development of efficient and flexible labour market, skilled and competitive labour force and integration of socially excluded groups of citizens*" was considered by the ex-ante evaluator as questionable, namely due to the following reasons:

- The OP HRE contributes to the economic growth in an indirect way and that is why it should not be the subject matter of the global objective;
- The objective formulation included the answer how to meet it, at the same time;
- The formulation did not reflect adequately (in a balanced way) the supply and demand side of the labour market;
- The formulation missed the issue of improved employability of people.

The ex-ante evaluators have therefore recommended modifying the formulation of the global objective.

The formulation of **specific objectives** was confusing, as follows:

- Formulation of objectives were too explanatory and detailed;
- Two of the formulated objectives represented other objectives, in fact;
- Formulation of an objective which rests in the support to something is the formulation of the means, not of an objective, in fact;
- It is desirable so that the number of specific objectives corresponds with the number of priorities.

The evaluators have therefore recommended some modifications of the specific objectives formulations.

In the area of **external coherence** of the Programme, the ex-ante evaluators have carried out the missing assessment of the links of the Operational Programme to the priorities of the EU and CR Development Policy and other relevant programmes. The ex-ante evaluators have recommended implementing those links in the programming document.

The programming team members have accepted the individual recommendations of the ex-ante evaluators.

Assessments and recommendations of the ex-ante evaluators relating to the expected effects, to the Implementation System and the Financial Framework are provided in previous sections of this Report.