



OPERAČNÍ PROGRAM
LIDSKÉ ZDROJE
A ZAMĚSTNANOST

ANNUAL OPERATIONAL EVALUATION

OP HRE 2010

FINAL EVALUATION REPORT

- A SYNTHESIS OF ACHIEVED RESULTS

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LIST OF ABBREVIATIONS

Abbreviation	Meaning
CR	Czech Republic
CSO	Czech Statistical Office
IS	Information System
EC	European Commission
ERDF	European Regional Development Fund
EQ	Evaluation Question
EC	European Communities
ESF	European Social Fund
EU	European Union
GIS	Geographical Information System
ESC	Economic and Social Cohesion
FB	Final Beneficiary
MLSA	Ministry of Labour and Social Affairs of the CR
MR	Monitoring Report
NSRF	National Strategic Reference Framework
OP	Operational Programme
OPHRE	Operational Programme Human Resources and Employment
OPPA	Operational Programme Prague Adaptability
OPEC	Operational Programme Education for Competitiveness
PA	Priority Axis
HRD	Human Resources Development
MA	Managing Authority
AOE	Annual Operational Evaluation
SF	Structural Funds
RILSA	Research Institute for Labour and Social Affairs
IB	Intermediary Body
IP	Individual project
GG	Grant project
MRD	Ministry of Regional Development

EXECUTIVE SUMMARY

This document represents a synthesis of the results achieved within the evaluation project **“Annual Operational Evaluation of the Operational Programme Human Resources and Employment in 2010”**, the main objective of which was to evaluate the development of the OP HRE in 2010. Activities of this project started on 23rd September 2010 and will be completed upon the hand over of the final version of the final report and a well-arranged brochure with the evaluation results in May 2011.

Within a relatively limited space, this document provides clear, concise and understandable results and conclusions arising from the performed analyses divided by individual topics. The purpose is also to provide a comprehensive summary of all framework and partial evaluation recommendations including their classification in terms of importance and viability for immediate use by the recommendation recipients within the OP HRE implementation structure.

When working on this project, the research team used several different types of methods. Due to the need to verify the input information from multiple sources, multiple analysis processing methods were used - both qualitative and quantitative. The overall methodological approach is based on the evaluation set-up and its division into three key phases:

1. To evaluate the development of the factual progress in the areas of priority axes 1 – 6 with respect to the originally established objectives and emphasis on qualitative analysis.
2. Following the continuous partial outputs from the processing of the Task No.1 to evaluate with even more complexity the three areas of the programme implementation which can be expected to have the most potential for the development of the programme as a whole and achieving the planned objectives.
3. To evaluate suggested possible topics for the focus of evaluation in 2011.

Implementation progress of the entire programme in 2010

While in 2009 the programme was only heating up and most projects were in their initial phase, the programme was gradually accelerating in the evaluated year of 2010. Implementation of a number of individual projects was initiated and grant projects responding to the specific conditions and problems in all areas covered by the priority axes were realized with more intensity. In 2010, a total of 16 new calls were announced within the OP HRE. In terms of financial progress, the implementation of projects accepted within the calls from the previous year of 2009 and new calls announced accelerated in 2010. However, the pace of financial progress must be further increased. The positive trend in financial progress was also confirmed by gradual achieving of determined indicators quantifying the determined global and specific objectives of the programme and individual priority axes. Still not very satisfactory development can be identified in the case of impact indicators in the area of employment of women. This situation was caused mainly due to the external development in the past two years which was characterized by negative impacts of the economic crisis in the Czech Republic. In that period, the number of newly created jobs was generally declining, and in this context job seekers were more often used to fill in vacancies.

Implementation progress of individual priority axes in 2010

Priority axis 1 – Adaptability – it shows a high-quality progress and trouble-free achieving of indicators in the support area 1.1. Anti crisis-oriented calls contributed to this fact significantly. The support area 1.2. aiming at restructured businesses is one of two OP HRE support areas which are significantly behind in meeting the determined objectives. The reason is the specificity of target groups.

Recommendations: *The potential for further improvement in the support area 1.1 lies particularly in strengthening the requirement for creation of corporate educational systems. In the support area 1.2 it will be necessary to accelerate the overall implementation or partially reallocate funds within the axis.*

Priority axis 2 – Active Labour Market Policies – it addresses very up to date issues related to the active employment policy and is implemented through two support areas. The support area 2.1 is met without any major problems in terms of financial and factual progress but on the other hand the support area 2.2. appears to be more problematic. The main reasons for the unsatisfactory situation result from the low number of previously supported projects caused by the insufficient capacity of the MLSA for the preparation, implementation and coordination of the supported activities.

Recommendations: *In the support area 2.2. it will be necessary to strengthen the structure supporting the preparation of the employees of employment services, creation and development of non-governmental labour market institutions and a broader participation of autonomous units in the solution of the employment issues including other key partners at the regional level.*

Priority axis 3 – Social integration and equal opportunities – it is one of the most successful ones in terms of the number of registered project applications (a total of 3,296). PA3 was also the most successful one in terms of the speed of the payment of funds. Even though there is significant interest in PA3 calls and most indicators have been achieved without any major problems, only low rate of success can be identified in the support area 3.3. in the case of the indicator “number of created jobs for disadvantaged groups”. This situation was caused mainly due to the external development in the past two years which was characterized by negative impacts of the economic crisis in the Czech Republic. In that period, the number of newly created jobs was generally declining, and in this context job seekers were more often used to fill in vacancies.

Recommendations: *In future calls, it is necessary to pay attention to the development of meeting the indicator “number of created jobs for disadvantaged groups”.*

Priority axis 4 – Public administration and public services – it has been meeting the determined monitoring indicators without any major problems. It is the most heterogeneous priority axis in terms of the focus of calls and projects which are often very weakly or indirectly connected to human resources development. The specific group of authorized applicants – public administration entities – determines meeting of the PA objectives mainly through individual projects.

Recommendations: *In the case of individual projects, it is necessary to place increased emphasis on their system and innovation contribution.*

Priority axis 5 – Transnational cooperation – it has only one support area which is fulfilled through 64 projects (as of 5 January 2011 – projects with an issued legal document) which is 32% of the planned value. However, the factual fulfilment through output and results indicators is very satisfactory.

Recommendations: *To pay increased attention to the financial progress of this priority*

axis.

Cross-sectional findings and recommendations

Despite an apparent progress in the drawing of support funds and satisfactory fulfilment of the determined monitoring indicators, some areas of implementation were identified where it would be appropriate to make certain adjustments in order to improve the quality of reaching the programme objectives and to strengthen its potential.

Within the programme evaluation, there is a problem of the **accessibility of valid data** and information for simple and efficient evaluation of the programme impacts. No feedback nor the contact data of target groups, who are mostly the only party that can relatively objectively assess the results and impacts of the implemented projects, are not captured in the monitoring system with more detail. In this context, there is already a partial evaluation project aimed at the context of the target group issues, collection of information on the supported persons, particularly with an aim to obtain their evaluation or to map the benefits of their support (whether they found a job, whether they managed to keep it etc.). This recommendation also follows up to the necessity to introduce a single monitoring system interconnected even with other operational programmes and databases (e.g. CSSA, in order to be able to easily control how the supported person is doing on the labour market).

The issue of equal opportunities is the subject of long-term interest of the European Commission which is reflected in enforcing this issue within multi-year strategies. It can be assumed that these aspects will be strongly emphasized even in the next programming period. However, compared internationally, the Czech Republic is behind in this regard. Therefore, in the case of the OP HRE this issue has a great potential for further development. In connection with the economic downturn in 2009 and 2010, this form of support got a more specific meaning. Strengthening this issue across the priority axes 1, 3, 5 and in support area 2.1. of the OP HRE would also positively solve the previous unsatisfactory development in achieving the values of some impact indicators of the OP HRE. The potential and positive impacts of development of this issue may be also enhanced particularly in the support area 3.4 through spreading good practices from implemented projects and strengthening of incomes of projects aimed at specification of equal opportunities in practice.

The administrative burden prevents employees of implementation structures to attend more deeply to the factual control of project implementation. Furthermore, the administrative burden is one of the most strongly criticized areas of the OP HRE implementation. Key solution recommendations for this issue include introduction of electronic monitoring and archiving, reduction of the financial part of monitoring reports only to an extended list of accounting documents, adjustment of rules for payment of partial monitoring reports, introduction of a fixed and unified system for solutions of non-standard situations and inquiries through establishment of a methodological advisory group.

The performed analyses and investigations showed a potentially high positive impact on the target group in the case of an increased **reflection of the regional needs of the labour market**. It must be emphasized for the current situation that financial resources for regions are mainly divided by so-called necessity index (it also takes into account the unemployment rate in the given region) and the funds are also distributed according to the current needs of individual regions. Drawing of funds within large

national individual projects is therefore more frequent in regions with the least favourable labour market statistics. However, this information does not arise from the central monitoring system and is only available at the relevant departments of the MLSA. The above monitoring problem was detected for most individual projects, including PA 1 and PA 2, and it will have to be solved. In the next programming period it would be suitable to continue with regional redistribution of funds according to the determined indexes and simultaneously it would be possible to consider the introduction of region-oriented calls.

Further recommendations in this report regard partial cross-section aspects of the implementation of the OP HRE and individual priority axes.

INTRODUCTION

This document represents a synthesis of the results achieved within the evaluation project **“Annual Operational Evaluation of the Operational Programme Human Resources and Employment in 2010”**, the main objective of which was to evaluate the development of the OP HRE in 2010. Activities of this project started on 23rd September 2010 and will be completed upon hand over of the final version of the final report and a well-arranged brochure with the evaluation results in May 2011.

As far as technical and methodological details of the solution of this evaluation and its partial outputs are concerned, these can be found in the technical part of the final evaluation report. It is a separate document which contains detailed development of the implemented analyses, methodical problems and also answers to partial evaluation questions and detailed case studies or other partial studies. This document is intended primarily for the evaluation unit of the OP HRE Managing Authority or other users and recipients of the recommendations for the case that they need to look up details of the establishment of individual recommendations.

This evaluation project was initiated on 23rd September 2010 and it will be completed by the handover of the final version of the final report (see both documents mentioned above) and a well-arranged brochure with the evaluation results in May 2011.

1. METHODOLOGICAL APPROACH

When working on this project, the research team used several different types of methods. Due to the need to verify the input information from multiple sources, multiple analysis processing methods were used - both qualitative and quantitative. The final report described the methodical methods of implementation of this evaluation project including the data and information sources and therefore this synthesis only emphasizes key aspects and evaluation methods. Some evaluation questions required a specific evaluation approach which is more closely described in the individual chapters of the final report. The overall methodological approach is based on the evaluation set-up and its division into three key phases:

1. **To evaluate the development of the factual progress in the areas of priority axes 1 – 6 with respect to the originally established objectives and emphasis on qualitative analysis.**
 - Global evaluation questions shared by all priority axes (1 – 6),
 - Evaluation questions associated with the indicators,
 - Cross-section evaluation questions for all axes related to the development of project calls,
 - Specific questions for individual axes.
2. **Following the continuous partial outputs from the processing of the Task No. 1 to evaluate with even more complexity the three areas of the programme implementation which can be expected to have the most potential for the development of the programme as a whole and achieving the planned goals.**
3. **To evaluate suggested possible topics for the focus of evaluation in 2011.**

Applied methodical approaches in solution of the AOE 2010:

- Analysis of programme data (desk research)
- Statistical analysis of basic data
- Research through a questionnaire survey
- Structured interviews with representatives of the final beneficiaries, intermediary bodies and technical consultations with representatives of the MA
- Panels of experts / Focus groups
- Case studies
- Delphi panel – relates exclusively to the evaluation task No. 2

2. RESULTS OF THE EVALUATION OF OP HRE CROSS-SECTION TOPICS**PROGRESS ACHIEVED IN THE PROGRAMME IMPLEMENTATION****OVERALL EVALUATION OF DEVELOPMENT OF THE OP HRE WITHIN ANNOUNCED CALLS IN 2010**

While in 2009 the programme was only heating up and most programmes started, in the evaluated year of 2010 the programme was significantly accelerating. Implementation of a number of individual projects was initiated and grant projects responding to the specific conditions and problems in all areas covered by the priority axes were realized with more intensity. In 2010, a total of 16 new calls were announced within the OP HRE. Specific impacts on the fulfilment of the global goal of the OP HRE (i.e. to increase employment and employability of people in the Czech Republic to the level of the average of the 15 best countries in the EU) showed particularly in areas addressed under the factual programme priorities. These are, for example, support of investment in human resources from businesses and organizations, increasing qualification and competences of employees and employers continuously contributes to the prevention of unemployment. Within the development of active employment policies, the approach to employment of disadvantaged groups of people improved. Specific results were also reached in the area of employment of socially excluded persons and persons at risk of social exclusion.

Previous results and outputs of projects supported within the OP HRE contribute particularly to the increase in adaptability of employees and competitiveness of businesses and strengthening of active employment policies. Calls announced in 2010 and planned for 2011 cover all priority axes and support areas so that the approved projects for implementation contribute to the fulfilment of the global programme objective and specific objectives of individual priority axes and support areas. The broad definition of calls is desirable in terms of the fulfilment of the set objectives and creates sufficient space for the applicants to process projects according to the specific needs of the target groups.

FINANCIAL PROGRESS OF IMPLEMENTATION OF THE OP HRE IN 2010

In terms of financial progress in 2010, project implementation accelerated and in connection to that even the speed of payment of funds increased. **Projects covered under the Decision/Contract reached** a total amount of EUR 1,212,781,408,- which represents **56.23 % of the total allocation in the period 2007-2013** (according to the MONIT7+ data as of 5 January 2011 a total of 2,349 projects were supported). The excess number of submitted and approved funds is illustrated by the fact that a total of 8,456 projects in the total amount of EUR 2,767,788,356,- were registered. However, the rate of the financial progress development will have to be further increased.

Below you can find a table summarizing the previous development of financial progress of the OP HRE by individual priority axes.

Table 1: Financial progress of the OP HRE as of 5 January 2011 (cumulatively in EUR)

Priority axes	Allocation 2007-2013	Funds covered under the Decision/Contract (appendix)		Funds paid to the recipients		Certified funds*	
	EUR	EUR	%	EUR	%	EUR	
	a	b	b/a	c	c/a	e	e/a
1	618 159 146	360 355 039	58.29	84 154 777	13.61	33 760 057	5.46
2	712 678 036	353 717 742	49.63	126 044 307	17.69	117 152 926	16.44
3	468 948 318	281 705 529	60.07	125 702 076	26.81	61 226 187	13.06
4	229 555 121	120 964 494	52.70	3 610 896	1.57	2 046 828	0.89
5	41 078 286	12 997 949	31.64	5 104 585	12.43	1 407 578	3.43
6	86 420 600	83 040 655	96.09	7 595 536	8.79	7 238 003	8.38
OP TOTAL	2 156 839 507	1 212 781 408	56.23	352 212 177	16.33	222 831 579	10.33

Source: Column a: Implementation document of the Operational Programme Human Resources and employment, revised version from 30 October 2010, Public funds - total

MSC 252A, accessed on 5 January 2011, cumulatively, public funds – total, in EUR – exchange rate: 25.24 CZK/EUR, rounded up to whole numbers

*The total amount of eligible costs paid to the beneficiary according to the Statement of expenditures in EUR (i.e. certified funds submitted to the EC excluding returns and private funding), support areas according to the set MSC188

So-called Rule N+3/N+2 is followed within the financial progress and it represents an instrument of the European Commission to secure a certain continuity of drawing funds from the EU structural funds. This rule is applied to all types of programmes the same way even though there are clear specifics and differences between the implementation of so-called hard (ERDF) and soft (ESF) projects. A specific of the OP HRE is, for example, implementation of global grants within which the drawing of funds is slower due to a longer selection process of projects, more demanding administration procedures and higher error rate of monitoring reports and payment requests.

In this regard, the MA OP HRE pays extra attention to continuous monitoring of financial progress particularly with respect to the specifics of factual focus of individual priority axes. Within this approach, overviews of the situation and trends in financial development are created which allow timely acceptance of measures to arising problems.

The development of the financial progress of the OP HRE in 2010 showed that the drawing from the OP HRE is not at risk in terms of the risk of automatic termination of obligations. The performed analyses related to the fulfilment of the conditions of the

N+3/N+2 rule showed that only two monitored indicators – registered applications and funds covered under a legal document) are satisfactorily fulfilled within the entire OP. There have been four certifications of expenses within the OP HRE so far (three regular and one special), the certified expenses exceeded 10% of allocation and the N+3 rule was met in advance for the year 2011 and the planned volume of funds requested for reimbursement from the EC was exceeded.

If we reflected the methodology of the Ministry of Regional Development for the N+3/N+2 rule, which is constructed across all operational programmes regardless of their partial specifics, then in this regard **the indicators of paid and certified OP HRE funds show a very satisfactory development.** Within the indicator “paid funds” so far a total of EUR 352,212,177,- has been paid which is 16.33% of the total allocation. Therefore, as of 5 January 2011 the level of certified expenses submitted to the EC reached EUR 222,831,579,- i.e. 10.33% of the total allocation. In this regard it is appropriate to point out that in 2010 there was a significant increase in certified expenses from a very low value of 0.05% at the beginning of 2010.

Although the rate of increase of indicators within the N+3/N+2 rule increased significantly in 2010, it **will still be necessary to monitor this development very closely and possibly reallocate within the priority axes** (particularly PA1, PA2 and PA3) in order to enhance the financial progress of the programme. The drawing of funds and certification of expenses is also at a very low level for the PO4.

FACTUAL PROGRESS OF IMPLEMENTATION OF THE OP HRE IN 2010

The above **positive trend in the number of projects covered by a legal document** (Decision/Contract) **subsequently supported the factual progress in gradual fulfilment of the determined monitoring indicators** quantifying the global and specific objectives of the programme and individual priority axes. **At the level of monitoring indicators of outputs and results, the situation within the OP HRE is generally satisfactory.**

However, within individual PAs, there are great differences between their individual support areas. There is a potential risk in the factual progress in priority axis 2 which is significantly behind in fulfillment of a large part of the determined objectives. A recommendation for addressing this situation is mentioned in the following part. Within the support area 3.3 *Integration of Socially Excluded Groups in the Labour Market* **there is a risk of not meeting the determined objective of a number of newly created jobs for disadvantaged groups (men/women).** In the group of impact indicators, the indicator of employment of women is not sufficiently met which could have an adverse impact on fulfillment of global objectives of the programme. This situation is caused mainly by the external development in the last two years which was characterized by negative impacts of the economic crisis in the Czech Republic. In this period, the number of newly created jobs was generally declining and vacancies were more often filled with job seekers.

Meeting the objective of the number of projects supported within PA 2,3 and 5 may be also problematic, however, in terms of factual progress it is not a significant issue because the number of supported projects does not have to necessarily correlate to the fulfillment of objectives of individual priority axes.

Within the evaluation project AOE 2010, a partial analysis of the relevance of the implementation and existing outputs and results of individual calls in terms of fulfilment of objective of individual priority axes was carried out. The performed analysis showed that **most calls are well aimed in terms of their activities, target groups and the circle of applicants**. At the same time, the calls have sufficient potential for fulfilment of the determined objective of individual priority axes quantified in the core indicators monitored for the needs of the European Commission. Most determined objective had been already met or were getting close to the fulfilment at the time of processing of the evaluation study¹.

It has not been possible to objectively evaluate objectives of individual priority axes defined in words because despite the effort of the evaluation team, it was not possible to obtain a sufficient number of evaluations from the target groups. The only priority axis, in which the research may be considered at least partially representative, is priority axis 4. In this regard it is necessary to secure better cooperation of the final beneficiaries when mediating contact with the target group which is an important source of information for evaluation of the factual progress of the OP HRE. The main benefits and problematic aspects of the implementation of individual OP HRE priority axes are reflected in the following section.

Factual progress of the OP HRE by individual priority axes and relevance of individual calls

Priority axis *Adaptability* shows a good progress and trouble-free fulfilment of indicators in the support area 1.1, the main objective of which is an increase in specialized knowledge, skills and competences of employees and employers. Anti crisis-oriented calls contributed to this fact considerably. The most beneficial call for the fulfilment of the determined indicators was call No. 34 “Educate Yourself” aimed at submission of individual education projects for employees of businesses and grant call No. 35 “Training Is a Chance” also aimed at employees and employers. These two calls were practically able to fulfil the determined values of indicators by themselves. Support area 1.2, the goal of which is to increase adaptability of employees of restructured enterprises, is one of two support areas in the entire OP HRE which is significantly behind in terms of financial and factual progress, i.e. fulfilment of the determined objectives. Two calls announced within support area 1.2 only slightly contributed to the fulfilment of objectives. The reason is the specificity of the target groups defined in support area 1.2 (i.e. employees of restructured businesses) which is not entirely in compliance with the possible solutions of the current needs of the final beneficiaries. Despite the above insufficiencies in support area 1.2 the achieved progress in priority axis 1 can be generally considered very good. Thanks to the support from the OP HRE, it was possible to educate or otherwise support 216,396 persons (44% more than expected for the entire programming period) through 1,229 implemented projects from the beginning of the programme to 5 January 2011.

Priority axis 2 *active labour market policies* addresses very actual problems of active employment policy and it is implemented through two support areas. Support area 2.1, the goal of which is to increase employability of unemployed persons and persons at risk in the labour market through efficient and aimed use of active employment policy

¹ However, this is caused by a frequent methodical disunity of definition of individual indicators (particularly number of innovated products).

instruments and measures, is fulfilled without any major problems in terms of financial and factual progress. The most benefits for the fulfilment of this support area were brought by individual calls No. 3 for the Department of Implementation of ESF Programmes and No. 13 for job centres. On the other hand, minimal contributions to the fulfilment of the quantifiable objectives may be seen in calls No. 11 and 44. Support area 2.2, the goal of which is to increase capacity, complexity and quality of services provided by employment institutions is very problematic in terms of factual and financial progress. For this support area there has only been one call, the contribution of which towards the fulfilment of objectives was minimal. The main reasons of the unsatisfactory situation result from the low number of supported projects caused by insufficient administrative capacity. In relation to this problem, it will be necessary to support the structures supporting the preparation of employees of employment services, creation and development of non-governmental institutions and a broader involvement of autonomous administrative units in addressing the employment issues including other key partners at the regional level. Thanks to the support from the OP HRE, it was possible to support a total of 137,002 persons from the target group (the target value of the indicator is 500,000 supported persons) and to newly create over 26,000 jobs for these persons (the target number is 30,000 jobs).

Priority axis 3 *Social Integration and Equal Opportunities* is one of the most successful ones in terms of the number of submitted project applications. In priority axis 3, a total of 22 calls have been announced until 5 January 2011 while the evaluation process has been finished in 15 of these calls and specific projects have been approved. Within these 15 evaluated calls, more than 60 % of funds for this priority axis have been allocated. The term “evaluated calls” means those calls that have been contracted even though in the case of some long-term calls more projects are still being accepted and the evaluation process is still running. PA3 is also achieving the best results in terms of the speed of payment of funds. Overall, particularly calls No. 5 (an individual project within 3.1), 19 (a grant call within 3.2), 10 (an individual call within 3.4) and 26 (a grant call within 3.4) can be considered beneficial for the fulfilment of objectives of PA3. On the other hand, no benefits were received from call No. 8 in which not a single project has been supported. Even though the interest in PA3 calls is significant and most indicators are met without any major problems, only low fulfilment may be identified in support area 3.3, the goal of which is work integration of persons at risk of social exclusion or socially excluded persons, removal of barriers inhibiting their equal entrance to and staying in the labour market. A very low rate of factual fulfilment is achieved by the indicator “*number of created jobs for disadvantaged groups*” to which only two calls contributed (No. 31 and 56, i.e. calls announced within support area 3.3) and which is contractually performed at only 16%. This situation was caused mainly by the economic development and the economic crisis in the past two years. In general, we can conclude that the objectives of priority axis 3 are fulfilled without any major problems and thanks to the OP HRE a total of 124,333 persons from the target group have been supported (the target value of this indicator is 140,000 supported persons).

Priority axis 4 *Public Administration and Public Services* focuses on the increase of quality of public administration. It is the most heterogeneous priority axis in terms of the focus of calls and projects which are often very weakly or indirectly connected to human resource development. A specific group of eligible applicants – public administration entities – determines the fulfilment of the PA4 objectives particularly through individual projects. In this priority axis, a total of 14 calls have been announced so far while the

evaluation process of 12 of them has been finished and specific projects have been approved. Within these 12 evaluated calls, more than 53% of funds from the allocation have been contracted. Most projects are aimed at increasing the quality of regulations and management of public administration. The implemented projects focus on increasing the transparency and reduction of the administrative burden in a very little extend. A comparison of responses of the final beneficiaries and the target groups showed that the target groups consider the contribution of the projects to the reduction of the administrative burden much lower than the FBs. The factual fulfillment of indicators of outputs and results shows very low values for the year 2010, however, the planned value of the relevant indicators for the accepted projects is above the planned value determined in the programming document. Therefore, in terms of factual progress the set values of monitoring indicators are likely to be fulfilled without any major problems, however, it will still be necessary to continuously pay attention to this matter. The results of surveys conducted among the PA4 target group showed that the implemented projects rather do not contribute to the fulfillment of the objective of the priority axis which is to enhance the institutional capacity and efficiency of public administration but certain contributions to the fulfillment of the objective are still obvious. Thanks to the support from the OP HRE, a total of 7,394 people from the target group have been supported until 5 January 2011, however, the currently implemented projects plan to support nearly 85,000 people.

Priority axis 5 *Transnational Cooperation* focuses on the issues of international cooperation. The objective of this priority axis is to contribute to the intensification of international cooperation in the area of human resource development and employment. In this priority axis, only 2 calls have been announced and evaluated so far within which the lowest level of funds covered under a contract out of the entire programme (32% in relation to the allocation) has been reached. This situation was caused mainly by low allocation of funds assigned to the above calls. For this reason, the level of paid and certified funds is very low and does not reach the recommended development within the N+3/N+2 rule. On the other hand, the set-up of factual fulfilment of the monitoring indicators of outputs and results is very good in the currently supported projects as the aggregate target values are planned at a level corresponding to a half of the current programming period. The pace of fulfilment of these target values in supported projects will have to be closely monitored in 2011. Thanks to the support from the OP HRE, a total of 3,214 people have been supported (the target value of the indicators is 6,000 supported people) and 25 new partnerships have been created (the target value of the indicator is 50 new partnerships) within the implemented projects which adequately corresponds to half of the programming period.

METHODOLOGY AND CALCULATIONS OF SPECIFIC IMPACT INDICATORS OF THE OP HRE

In the OP HRE programming document, an indicator system is defined within which two specific monitoring indicators have been embedded, the definition of which and creation of calculation methodology was planned through a periodically performed evaluation several times during the programming period. These are the following indicators that were addressed in the Annual Operational Evaluation of the OP HRE 2010:

- Indicator “430702 – Effectiveness of the Supported Projects” – applies across all priority axes of the OP HRE;
- Indicator “430700 – Increase of Effectiveness of Strategies and Policies in HRE” – applies only to priority axis 5.

EFFECTIVENESS OF SUPPORTED PROJECTS

A methodology for calculation of the indicator 430702 – *Effectiveness of the Supported Projects* was created and tested within the project. The entire methodology is based on the combination of a quantitative and qualitative approach. On one hand, quantitative evaluation of the achieved values of indicators in the OP HRE monitoring system is strongly emphasized but a qualitative survey in the form of an online questionnaire, from which feedback (usefulness and meaningfulness of the project outputs) was received from the view of representatives of the target groups, is also included in the methodology. Since there is a high variability of performed activities and outputs across individual priority axes and their mutual comparability is very limited, several versions of effectiveness calculation by support area have been created. The proposed methodology is suitable for simple and complex evaluation of a high number of projects and their outputs but its weak point (which has been discussed with the MA) is the fact that it will not take into account the dead weight effect and other effects suitable for the evaluation of impacts.

The resulting methodology for individual priority axis / support area has the character of a simple formula which is composed of several partial indicators that should emphasize efficiency, effectiveness and usefulness (see methodological notes in the technical report of the AOE 2010). The value of the indicator is the average of the above partial calculated values of indicators. The entire methodology is based on evaluation of successfully finished projects (not the currently implemented ones). The data are sourced from the OP HRE monitoring system, i.e. data from the final reports of finished projects. Methodological notes for individual calculations and data availability are mentioned under the table below:

Table 2: Values of indicator 430702 “Effectiveness of Supported Projects”

Support area 1.1	89.99
Support area 1.2	N/A*
Support area 2.1	98.12
Support area 2.2	N/A*
Support area 3.1	94.75
Support area 3.2	N/A**
Support area 3.3	N/A*
Support area 3.4	95.15
Support area 4.1	N/A***

Source: own calculations based on the methodology set out in the evaluation question 1.3

Note:

*As of 5 January 2011, no project has been finished which would have a final report with achieved indicators submitted in MONIT7+

** As of 5 January 2011 there was only 1 project, the results of which may not be generalized as results of effectiveness in the entire support area

*** Current finished project in PA4 were supported within the call No. 32 which was very specific and projects do not show the required indicators. The proposed methodology for

PA4 should be applied in the moment when other types of PA4 projects have been completed.

The resulting values were calculated on the basis of the requirement and specifications of the project, however, the values of the indicator in individual support areas should be calculated again in the second half of 2011. That would verify the methodology on a larger number of projects and the resulting values would be much more indicative of the real situation in individual support areas. Currently it is not possible to generalize the calculated values of the indicator for the entire support area because the number of completed projects with available values of indicators is very low.

In the context of the entire evaluation, the achieved results may be accepted with certain caution. The evaluators are aware of all the methodological pitfalls that were discussed in the technical section of the evaluation report. Given the current situation of the programme monitoring, the resulting methodology represents a comprehensive approach to the evaluation of so-called “effectiveness” of projects. The resulting values may not be compared between one another (due to completely different activities). However, partial variables which are later aggregated in the final value, may be compared. From this perspective, a relatively high variability in terms of efficiency of supported projects and the fulfilment of the content objectives of the project has been detected. Feedback received from the target groups on the quality and benefits of the projects also points out that some projects may be implemented rather formally or with an inappropriate target group (however, this statement will have to be checked in a broader survey of the target groups).

EFFECTIVENESS OF STRATEGIES AND POLICIES IN HRE

The indicator of the global impact “430700 - *Increase of Effectiveness of Strategies and Policies in HRE*” follows changes in the external environment where PA5 does not have any immediate impact but the activities supported in the PA5 projects are directed at the set areas of policies and strategies. In terms of typology of individual projects, PA5 is very heterogeneous. In terms of activities, projects are aimed especially at support of sharing of good practices and transfer of know-how from abroad.

In the case of indicator 430700 we cannot use the typical concept of *effectiveness* for its definition, i.e. output value/input value because the observed monitored indicators in PA5 do not provide information about the success of the integration of target groups in the labour market or the rate of use of innovations by the selected target groups. **Therefore in the context of the concept of “global impact” of indicator 430700, the methodology of its monitoring and calculation is aimed at the success of integration of selected target groups in the labour market** in those areas of policies and strategies in which most supported projects in PA5 attempt to operate. Identification of the percentage progress of integration of selected target groups in the labour market shall be further professionally assessed in the ex-post evaluations with respect to the development of the economic cycle of the entire national economy. During the preparation of the methodological procedure, the focus of individual PA5 projects in MONIT7+ was carefully studied in relation to the identification of the impact on specific target groups.

The methodological procedure of identification of the effectiveness of strategies and policies in PA5 had to first reflect the current coverage of target groups by PA5

projects. Through data in MONIT7+, impacts of projects on 13 groups of disadvantaged people on the labour market were identified. The most significant impact was on people with physical disabilities (26.4%), job applicants (25 %), women after maternity leave (13.9%), people over 50 years of age (8.3%) and young people 15-19 years of age (8.3%). Other target groups are only of marginal significance. In terms of availability of data, there are no problems in these key target groups except for the category “women after maternity leave (or parents)” where data are available only within the Labour Force Survey conducted by the CSO. In this regard, there will be no problems with updating these data at the end of the programming period in connection with the calculation of this indicator.

Indicator 430700 is given as a one-figure percentage. Therefore, the development of the above five indicators will be followed which will be then “weighted” by the rate of frequency of partial policies in the PA5 projects. In general, the Czech Republic is covered relatively evenly by the PA5 activities and therefore statistical data available at the national level are considered in the methodology. Within the analysis, dominant areas of human resources and employment policies were determined which are addressed by the implemented projects, i.e. Social Integration Policy and Equal Opportunities (61% of projects), Active Employment Policy and Adaptability of Business (15% of projects), the development of which will have to be distinguished in the ex-post evaluation.

The last methodological step was **the identification of the weight of indicators of target groups and the weight of clusters of HRE policies and strategies** while statistical data from the CSO and the MLSA observed at the end of the years 2006 and 2008 were used for the calculation of the indicator value.

A. Social Integration Policy and Equal Opportunities – weight of policy 0.8

- People with physical disability – **change “-28.7%”** – weight within the policy 0.54
- People over 50 years of age – **change “+2.2%”** – weight within the policy 0.17
- Women after maternity leave (or parents) – **change “+1.03%”** - weight within the policy 0.29

B. Active Employment Policy and Adaptability of Business – weight of policy 0.2

- Job applicants – **change “+31.8%”** - weight within the policy 0.75
- Young people 15 – 19 years of age – **change “+23.5%”** - weight within the policy 0.25

Therefore, with this methodology the indicator of effectiveness of strategies reached the value of -5.93% in the very short period of 2007 and 2008. The target group of people with physical disabilities, at which OP HRE projects are predominantly aimed, contributed to the reduction of the effectiveness of the strategies most significantly. This target group is one of the most vulnerable within the OP HRE with regard to important technical specifics and the possibility of their active involvement in the labour market. The negative trend in this target group continues even during the year of 2009 due to the deepening economic crisis. Conversely, all other target groups included in the calculation of the strategy and policy effectiveness showed a positive trend in the monitored period. It was due to the fact that the year of 2008 may be marked as the “pre-crisis year” in which the economy was still growing. On the other hand, however, the situation in the labour market started to change significantly during 2008 while in some months of the

first half of the year more job seekers registered with the job centres compared to the situation in previous years. With regard to the negative development of the economy and the labour market in the Czech Republic in the years 2009 and 2010, we can expect further reduction in the effectiveness of HRE strategies and policies.

3. RESULTS OF EVALUATION OF SPECIFIC OP HRE-RELATED TOPICS BY PRIORITY AXIS

PRIORITY AXIS 1 - ADAPTABILITY

EVALUATION OF POTENTIAL OF CALLS IN PRIORITY AXIS 1

Most applicants in priority axis 1 used the projects particularly to support the development of human resources through provision of educational activities. On the other hand, other objectives of the priority axis, i.e. *implementation of modern forms of human resource management and development systems and expansion of opportunities for application of more flexible forms of employment* were neglected by the applicants. Despite the projection of all objectives of priority axis 1 during the designing of individual calls, the determined objectives were thus not met in their full extent. This regards mainly the issues of permanent creation of human resource development systems in businesses because the supported activities have the form of completion of education and after the completion of the implementation of projects supported from the OP HRE no human resource development management systems are left in the businesses, for which the support within the operational programmes should be used.

Based on the available materials and information we can conclude that in terms of the evaluation of the potential of individual calls individual objectives of the support areas are fulfilled only partially. Therefore the requirements of the OP HRE in area of set-up and sustainability of the human resource development management systems and implementation of more flexible forms of work are not met. There is space for adoption of appropriate adjustments while the most important ones are mentioned in the summary recommendation table in Chapter 4.

TYPES OF PROJECTS WITH THE GREATEST POTENTIAL IN PRIORITY AXIS 1

The statistical analysis confirmed the natural assumptions of the set-up of priority axis 1. These are particularly the facts when the growth of funds increases the number of supported people, successful completions of courses, supported organizations and created products. Likewise, there is a growth of funds in connection with the project length in days and the number of partners. The monitoring indicators are growing hand in hand with the length of the project and the number of partners involved.

In connection with the calls aimed solely at certain CZ-NACE² (calls No. 39, 46, 60), **there is no rational reason why only certain industries should be supported.** As of today, there is no strategic document that would set out the main direction in these issues and that would also specify the industry (based on an expert, relevant analysis) which should be supported for any reason. **Until there is a strategic document, which includes recommendations for support of selected CZ-NACE, there should be no preference.** On the other hand, priority axis 1 could be **problematic due to possible administrative overload.** In this regard, invited experts discussed a circle of possible high-potential and pro-growth industrial **sectors on which the next call could focus.** In general, it was pointed out that the absence of a strategic document in this area at the national level is very complicated for possible preference of the sectors mentioned below. The least suitable sector for preference is **construction** due to the specific nature of this sector (e.g. seasonality, employee turnover). On the other hand, **engineering** represents a significant potential under the condition of respecting the recommendations relating to the support of knowledge and skill development in employees of lower and middle level. **Retail and microbusinesses** also have considerable potential in terms of PA1 objectives, however, conditions for these final beneficiaries must be adjusted in terms of the possibility of provision of advance payments due to cash flow. Similar problem may occur in the case of **tourism** which can have a potential for PA1. Cases belonging to the category of restructured businesses in the above sectors are specific and possible preference would only make sense under the presumption of acceleration of the process from the submission to the approval. One of the main potentials is in the field of **social services** due to the demographic development in the Czech Republic. Even in this sector it would be mainly small and medium-sized enterprises which could have problems with funding of the received project under the current circumstances. Therefore, it would be necessary to consider the option of pre-funding of the implementation of projects through advance payments in this sector as well.

Although it is not possible to formulate a completely unambiguous answer to the question about the potential calls which could fulfill the objectives of PA1 as much as possible, it was still possible during the research to identify certain problematic sections obstructing the implementation of PA1:

- The percentage of indirect costs set for lower-budget projects (approx. up to CZK 2 million) is insufficient;
- in the case of micro-, small and some medium-sized enterprises, their active participation in the projects supported within the announced PA1 calls requires a partnership or guarantee of an association (or cooperation with another institution, e.g. educational institutions);
- the existing system of evaluation of the project implementation through the established indicators is misleading because attention is drawn only to the achieved target values. Minimum attention is paid to the quality of the achieved results. Even the definition of terms is not sufficiently understandable (e.g. specific x non-specific education, successfully supported person);

² Industry classification system.

- Thanks to their nature, individual projects show significantly more flexible processing structure compared to global projects and therefore have a higher potential to meet the objectives of the priority axis.

PRIORITY AXIS 2 – ACTIVE LABOUR MARKET POLICY

DEFINITION AND IMPLEMENTATION OF ACTIVITIES IN SUPPORT AREA 2.1 ENHANCEMENT OF ACTIVE EMPLOYMENT POLICIES

In 2010, 2 calls (63 and 70) were announced under priority axis 2, support area 2.1. That means that from the beginning of the programming period a total of 5 calls have been announced. Three of these calls for regional individual projects (3, 13 and 70) cover all activities defined in the OP HRE/Implementation Document. Calls for grant projects (44 and 63) are aimed more specifically at activities focusing on the support of creating new jobs for job seekers (call 44) or for job applicants and job seekers (call 63). The focus of the supported activities is specified as mediation of employment, consulting activities and consulting programmes, balance and work diagnostics, retraining and support in the labour market through a contribution to cover wage costs.

Within these calls, activities aimed at fulfilment of the strategic objective Development of cooperation with social partners and other institutions cooperating in the labour market were not closely specified.

Based on the analysis and evaluation **we do not consider it necessary to change the extent of the activities defined within the current system of call announcement.** Calls are announced for the entire country and therefore it is not necessary to narrow or atomize their extent. In the next programming period 2014+ it would be appropriate to emphasize the regional dimension of this issue, e.g. through regional bonus (see chapter on regional dimension of the OP HRE).

The performed investigations showed a relatively balanced interest in all most important supported activities. However, it is still possible to track relatively clear trends showing that in the expected projects most attention is paid to consulting activities and programmes (IP: 21 %, GP: 20 %), motivation activities (IP: 20 %, GP: 20 %) and requalification (IP: 20 %, GP: 20 %).

This confirmed that practically all projects are constructed comprehensively, i.e. that most of them always include all “introductory” activities – consultancy/diagnostics, motivation, restructuring. That can be considered a positive signal to the effort for a comprehensive solution of the issues of priority axis 2.

Based on the evaluation of fulfilment of monitoring indicators, which allow at least an approximate quantification of the benefits of projects implemented within support area 2.1, it can be concluded that until 5 January 2011 26,676 new jobs were created within this measure which represents 88.9% of the target value. Lower fulfilment has been recorded for the indicator *07.41.00 Total Number of Supported People*: 137,002 which is 28 % of the target number and *07.46.13 Number of People Who Successfully Completed a Course*: 85,492, i.e. 21.9% of the target value.

In terms of the comparison of individual and grant calls within support area 2.1 we can conclude that individual calls are much more beneficial in terms of the number of supported people and in terms of newly created jobs. A comparison of the effectiveness of individual types of announced calls evaluated as cost per a unit of output shows that in terms of cost the outputs of national individual projects are implemented most efficiently as on average the costs of one newly created job is CZK 194,647 and the average costs per each supported person are CZK 33,872. This is followed by grant projects with average costs of CZK 406,895 per each newly created job and CZK 42,846 per each supported person. As the least effective were evaluated regional individual projects with average costs of CZK 1,262,828 per each created job and CZK 77,641 per each supported person. In all announced calls (individual and grant) in support area 2.1 the allocation was not fully used even though particularly in the case of the grant call there was a large excess of applications. However, after their evaluation only high-quality projects were supported which did not come even close to the full extent of the allocation for the call. A similar situation was observed in individual projects where a higher number of applications was also submitted with budgets exceeding the allocated funds. Since low-quality applications were eliminated or returned for revision during the evaluation process, the set out allocation was not fully drawn.

Overall, the comparison of individual and grant projects leads to the conclusion that individual projects are most effective in terms of coverage of the territory and the impact on the largest possible number of people from the selected target groups and therefore even in terms of the impact on the solution of the employment issues within the Czech Republic. Grant projects have their place in terms of solutions to specific problems of special groups of citizens of a specific area. For this reason it is not possible to clearly prefer individual projects to grant projects. However, it must be considered in the calls which type of projects can solve the current situation in the labour market.

A key aspect of the benefits of the projects is the quality of aimed and individual work with the target group. This individual approach is mainly secured through individual consultancy with a professional psychologist and involvement of project assistants which work with people individually and in groups.

EVALUATION OF SUPPORT AREA 2.2 MODERNIZATION OF INSTITUTIONS AND THE IMPLEMENTATION OF A SYSTEM OF EMPLOYMENT SERVICE QUALITY AND DEVELOPMENT

In 2010, a total of 5 out of 11 submitted projects from only one previously announced call No. 11 were being implemented in support area 2.2. These projects are aimed at the following activities:

- education issues – the relevant project follows the previous activities performed within the OP HRE and its objective is to complete the works at the comprehensive education for employees of employment services;
- activities related to the development of instruments and measures of the employment services – the objective of two projects aimed at people with disabilities is to process and implement an analysis of this target group and a comprehensive programme of support of employment of people with disabilities including funding and methodology for its application;

- establishment of a fully functional employment service call centre in the entire Czech Republic and its inclusion in the structure of the MLSA;
- development of employment service institutions – the objective of these projects is to create and test a system of cooperation between employment services when creating job offers, creation of a permanent system for predicting of labour market development, particularly in terms of its qualification needs.

All 5 projects are currently in the first half of their implementation and most projects were delayed in the beginning and the schedule was moved into the year 2012. The main part of the key activities will be implemented in 2012 and thus the results will be available during that year. It will not be possible to actively use their results and outputs for better effectiveness and modernization of employment services and access to the Active Employment Policy before that period and the impact will probably show in 2013 at the earliest. Considering this situation of the solution of system projects within support area 2.2, their outputs have not been reflected in the implementation of the “follow-up” individual and grant projects in any way.

PRIORITY AXIS 3 – SOCIAL INTEGRATION AND EQUAL OPPORTUNITIES

INTERCONNECTION AND OVERLAPS OF SUPPORTED ACTIVITIES IN SUPPORT AREAS OF PRIORITY AXIS 3

In priority axis 3, some support areas (particularly 3.1) are defined very broadly in terms of the target group and the description of activities. That can be evaluated positively because only this way the broad spectrum of issues can be covered and a particular project can be adapted to a particular situation in the region, or the projects may appropriately complete one another and make the support more efficient (the same supported activities for target groups from another support area – the same project can be prepared for different target groups). On the other hand, such broadly defined support areas may overlap which is evaluated as negative. Overlaps and mutual completions may occur both in supported activities and target groups.

The characteristics of individual support areas clearly suggest that the broadest definition of supported activities and target groups is in support area 3.1. Support areas 3.2 and 3.3 are a certain “subset” of support area 3.1 and projects submitted in support areas 3.2 and 3.3 may be with minor adjustments supported in support area 3.1 as well because supported activities and target groups of support areas 3.2 and 3.3 blend with support area 3.1 – e.g. this applies to social integration of members of excluded Roma areas, integration of people with disabilities etc. Support area 3.2 is defined well and clearly particularly thanks to the clearly defined target group. Similarly we can talk about support area 3.4 where the target group is broader but the supported activities clearly define the support area. Only clearly defined target groups and supported activities allow effective use of the support – too broadly defined target groups and supported activities were eliminated by suitable set-up of calls and therefore we do not consider the overlaps important.

In addition to overlaps and mutual completion, other overlaps at the IP and GG level were identified in priority axis 3:

- a) overlaps between individual projects and global grants – individual projects implement the same or similar activities and support the same or a similar target group as global grants whether they know about a similar project of another applicant or not,
- b) in global grants (within priority axis 3) between each other where various organizations implement the same or similar projects again aimed at the same or a similar target group within global grants whether they know about the projects of another applicant or not.

This type of overlap often mentioned during the structured interviews can be considered “more dangerous” than the above overlaps mentioned due to their difficult monitoring. They threaten the effectiveness of project at least as much as the above overlaps. In general, it is more effective to implement one project aimed at the same activities and target group, e.g. through a partnership, than to implement two identical or very similar projects. The administrative burden of the OP HRE projects on the part of the applicant and the provider is still very high despite maximum efforts. In the case of implementation of one instead of two identical projects, it is possible to utilize “economies of scale”.

Although the overlaps were not completely eliminated, the first type of overlaps was eliminated through an appropriate set-up of the calls. The overlaps of the second type may be considered more dangerous because they are more difficult to trace. However, even in these cases there are instruments for their limitation – an expansion of the current project database on the ESF CR website or the MONIT7+ system would allow to identify identical or very similar project applications already in the phase of project consultations and the provider could appropriately direct the applicants with similar project intentions and e.g. support their partnership or notify the evaluators of similar projects.

SUPPORT OF IMPLEMENTATION OF SOCIAL SERVICES WITHIN GLOBAL GRANTS AND INDIVIDUAL PROJECTS OF REGIONS

In this question, we addressed overlaps and mutual completion of individual projects of regions and global grants in support area 3.1. In this support area there have been announced 10 calls, 8 of them for support of global grants, 1 call for support of individual projects of regions and 1 call for the Department of Implementation of EU Funds of the MLSA (this call was not subject to this research).

In the structured interview, respondents identified projects supported **in the form of an individual project** of a region (call No. 5) as the most effective ones. The main reason for this decision was the fact that this was the region that can allocate the funds in the area of social services which is really necessary. This way the extent of social services is determined realistically with regard to the necessity of further funding in the following periods, the project follows the medium- and long-term concepts of development of the given region. An individual project of a region also significantly reduces the administrative burden of the FB of social services as it carries it by itself. Disadvantages of this form of support include the absence of communication between regions and municipalities in some cases so that the recipient of the IP is not sufficiently informed about the necessary social services and could allocate the support inappropriately. Other disadvantages are

the risk of corruption and high administration costs for the region. Compared to IP, **global grants** can have a better idea about the needs of target groups (field services). However, a major disadvantage is the fact that in the case of a global grant it is the applicant who determined the need of the target group and this applicant may (but does not have to) base the decision on the real needs of the target group or may also follow other goals (support for an organization). Some organizations may have a problem with sustainability of the programme after the completion of public support. There is also a higher risk of overlaps in global grants = projects aimed at similar activities and a similar target group implemented by various entities.

It is very difficult to carry out a quantitative analysis of individual projects and global grants in this stage – although the monitoring indicators generally provide enough information for this assessment, a number of projects from calls in support area 3.1 are currently in various stages of implementation or evaluation. The analysis of fulfilment of monitoring indicators, which has been carried out so far, suggested that individual projects are more successful – the ratio of achieved values of monitoring indicators to the target values of these indicators is much higher in individual projects but in this stage it is very premature to draw any conclusions from the analysis of monitoring indicators. That is apparent also from the analysis of drawn funds – the rate of drawing of allocated funds within individual calls is directly correlated to the date of announcement of a given call.

PROGRESS IN SUPPORT AREA 3.2 – SUPPORT OF SOCIAL INTEGRATION OF MEMBERS OF ROMA LOCATIONS

The evaluation question is based on the document Evaluation of OP HRD projects aimed at the issues of Roma communities (see <http://www.esfcr.cz/file/7324/>). This document identifies the following problem areas in the OP HRD: unclear taxonomy of projects and related insufficiently provable and quantifiable results and two-approach projects (centralized approach, aimed at system changes, setting majority rules and standards, changes of the education system, society attitude changes etc.) and local approach at a specific region and a specific individual are overlapping in the projects in various ways and are not a suitable combination. Therefore, insufficiencies in the above document are compared with the current situation in the Final Report.

Creation of an individual support area 3.2.³ can be considered important progress compared to the OP HRD. That allows better definition of objectives, supported activities and particularly the target group. This set-up allows much better monitoring of progress made in this support area. On the other hand, it is not possible to formally compare the OP HRD and OP HRE projects in these areas (e.g. through monitoring indicators). This definition of a separate support area some insufficiencies identified in the document Evaluation of OP HRD projects aimed at the issues of Romani communities (especially the issue of project taxonomy).

The criticized absence of insufficiently demonstrable results and project outputs was only partially solved – monitoring indicators (as a monitoring instrument of project

³ In OPHRD the issues of Romani communities were included in several support areas, particularly under the measure 2.1 Integration of Specific Groups of Residents at Risk of Social Exclusion and 2.3 Increasing Capacities of Providers of Social Services

results and outputs) were simplified compared to the OP HRD and allow better monitoring of progress of individual projects. Nevertheless, there are still projects that have troubles with achieving the determined values of monitoring indicators. However, according to the findings, it does not results from inappropriately set monitoring indicators but from the fact that applicants often want to implement projects based on what the applicants consider necessary for the target group and not projects based on the needs of the actual target group. In this regard, **it is not necessary to change the system of monitoring indicators but instead the process of project evaluation should be improved** so that low-quality projects with unclear and vague formulations and without any links to the target groups are eliminated already during the evaluation process and do not reach the phase of implementation.

The above mentioned two approaches and therewith associated “confused” overlapping of the local approach and the central approach and their mutual incompatibility was removed thanks to the clear definition in support area 3.2.

PRIORITY AXIS 4 – PUBLIC ADMINISTRATION AND PUBLIC SERVICES

CONTRIBUTION TO IMPROVING THE QUALITY AND TRANSPARENCY OF PUBLIC ADMINISTRATION

The impact of projects on quality and transparency of public administration was evaluated through opinion of involved entities (applicants – FBs and target groups) and by a newly developed method path marking⁴. The evaluation of the impact of projects on the quality and transparency in public administration may be later extended by opinions of the end clients of public administration services but it would not make sense to do it now when many projects are ongoing.

The impact of projects on **the quality of public administration** was evaluated through selected signs of quality which are more closely described in the technical report (e.g. availability, reliability, safety etc.). In this evaluation, **transparency** meant the ability of public administration/any organization to communicate externally a statement about how funds are used which were collected from other entities (e.g. through taxes, gifts etc.). Specifically, it is a meaningful and quality communication of information about what the collected money was used for, what results it brought and for what reason the money was used for that specific purpose.

⁴ The principle of **path marking** is that the actual preparation process and project implementation are evaluated in terms of improvement of quality of public administration and transparency. We are asking whether the way how the project was prepared and possibly implemented contributed to the improvement of quality and transparency in public administration. We named the method „path marking“ because these projects serve as an example to other public administration entities (both in a good and bad way) and basically mark a path that other entities join during the preparation and implementation of their own projects. For example, if there is such a selection procedure during the project implementation that is in accordance with the wording of law but not with the sense of law, then maybe even though the project lists improvement of quality and transparency as its objectives but it actually contradicts itself.

All FBs were addressed in a questionnaire survey (98 respondents from PA4) and selected target groups (83 respondents). It was found that on the side of public administration entities there is a need for improvement of quality and transparency of public administration but this need is perceived differently between the target groups and the FBs. While FBs perceive the need to improve the quality of public services in all evaluated aspects, the target groups only see the need in some aspects.

The impact of projects in PA 4 on improvement of quality of public administration may be evaluated as rather positive even though the perception of the impact of projects of the target groups and FBs differs basically as much as the perception of the quality of public administration.

The impact of projects on enhancement of transparency should be – according to project intentions – significant but the involved parties (FBs, target groups) agree that the projects probably do not contribute to enhancement of transparency.

When using the path marking method, the evaluation team used the experience of evaluators (protocols in MONIT7+, recommendations from evaluation committees) and the structured interviews. A relatively high number of projects were returned for revision, some of them repeatedly, which can be considered a certain sign of low quality in public administration. A frequent reason for rejection of a project was an unclear definition of activities or some budget lines which can be considered a sign of the level of transparency of the proposed projects. Another sign of low level of transparency can be seen in implemented public procurement procedures, the results of which show only slight differences between the expected value and the tendered price.

The performed analysis showed a partial conclusion that the implemented projects contribute to the improvement of quality and transparency but their influence is not clearly only positive. This fact may lead to lower effectiveness of the used funds. In this regard, it is appropriate to reflect the recommendations stated in Chapter 4 of this document.

IMPACT ON REDUCTION OF THE ADMINISTRATIVE BURDEN OF PUBLIC ADMINISTRATION

The administrative burden (hereinafter referred to as AB) was examined in terms of the administrative burden perceived by the employees of public administration associated with project implementation.

The above evidence suggests that public administration feels the need to reduce AB because it is considered an obstacle to quality work. In this area, there is certain room for improvement; in some cases projects were perceived as the cause of higher AB.

The most significant causes of administrative burden are so-called external causes (organization of work and activities in external organizations and legislative conditions for work).

The evaluation of the contribution of projects to reduction of AB does not have a clear result. While the FBs perceive the contribution of projects as rather positive, particularly in the area where a reduction of AB is needed the most, target groups are

much more sceptical in their answers including the fact that projects did not react to the need to reduce AB in the area where it was most needed.

According to the performed questionnaire survey, most projects implemented in PA 4 are primarily focused on other aspects than reduction of administrative burden of public administration. Most projects are aimed at improvement of quality or computerization of public administration including related education.

Furthermore, the data showed that administrative burden in relation to the implementation of projects in PA 4 is undoubtedly influenced by the readiness and the ability of the managing and implementation authority to provide relevant and correct information, possible changes of calls, rules and requirement for registration during the project implementation, additional requirements for monitoring of new sub-/indicators etc.

The application of the path marking method showed that the approach of applicants to the submission of projects is rather such that the AB increases. Only less than half of the applications were prepared so that they did not have to be returned to the applicants for revision.

The administrative burden is also clearly influenced by setting of the conditions and rules of implementation within the given operational programme. A survey of the opinions of FBs showed that the high administrative burden is considered one of the most important problems with submission of applications and the subsequent implementation of projects under the OP HRE. This opinion is common to priority axis 4 and other priority axes. Contribution of projects to the reduction of administration burden can be considered rather positive but there is certain room for improvement here.

CONTRIBUTION OF PROJECTS IN PRIORITY AXIS 4

The contribution and usefulness was evaluated in terms of how the participants of educational projects (target groups) perceive it. In principle, it was about the extent to which the knowledge gained during the educational activities is applicable to their job performance.

The evaluation suggests that education within the supported projects is perceived as rather beneficial even though the people, who completed the training, do not have a clear positive opinion of this issue. The benefits and usefulness of the implemented projects is evaluated quite low (however, only 27 people responded).

The perceived usefulness (to what extent they can use what they gained in training) was evaluated as low in terms of their job performance. The real usefulness – what they actually use at work – is considered even a little bit lower.

The training participants themselves assess the usefulness and benefits of educational projects rather positively but their assessment is not clear because they do not consider the benefits of education very important for their work.

PRIORITY AXIS 5 – TRANSNATIONAL COOPERATION

Within the AOE 2010, a question related to the type of project in a group of the running projects (e.g. by the type of applicants) was solved for priority axis 5 as the running projects have the highest potential to meet the objectives of this priority axis. The performed analyses showed that applicants are primarily oriented at partners from EU 15 countries who form approximately 63 % of the entire PA5.

A relatively low rate of innovative approaches can be seen in the case of applicants from public administration. These applicants usually work with the principle *“we should work on what the law tells us to do”* while it is typical for an innovative approach to *“work on what the law does not forbid”*.

Considering the fact that at the time of processing of these analyses only 7 projects from the PO5 OP HRE will have been completed, it is not yet possible to perform a representative evaluation of impacts of PA5.

4. A SYNTHESIS OF RECOMMENDATIONS FOR FURTHER IMPLEMENTATION OF THE OP HRE

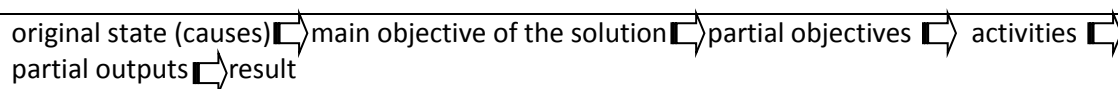
When solving the evaluation task, a number of partial and even major recommendations were identified aimed at improving the functioning and implementation of the OP HRE. Within the proposal for improvement of implementation, the evaluation team identified a number of various recommendations which are presented in this chapter in this following structure:

1. **Key recommendations to the three areas of implementation with the greatest potential for further development of the OP HRE (full-programme nature of impact)**
 - Potential for development of the issues of equal opportunities in the Czech Republic;
 - Slow progress in payment to recipients, administrative burden, error rate in preparation of the monitoring reports by the FB, inconsistency in evaluation of the MR at various levels of implementation of the OP HRE;
 - Reflection of regional needs in the labour market and ESF support.
2. **Specific recommendations related to the cross-section and partial aspects of priority axes**
 - Cross-section recommendations;
 - Recommendations by individual OP HRE priority axes.

KEY RECOMMENDATIONS IN AREAS OF IMPLEMENTATION WITH THE GREATEST POTENTIAL FOR FURTHER DEVELOPMENT OF THE OP HRE

Given that the OP HRE is currently approximately in the middle of its implementation, three areas of implementation were identified and evaluated in this evaluation, in which there is the greatest potential for further development of this programme. In this chapter, the areas of implementation with the greatest potential are closely introduced in the following structure:

- Context, causes and consequences in the given implementation area
- Specific steps and recommendations towards the development in the given area in a detailed structure according to the tables used by the Managing Authority (including schedule and assignment of responsibilities)
- Schematic representation of implementation plan for the set of proposed steps in the given area according to the following logic and causal sequence



Area of Equal Opportunities in the CR

Context, Causes and Consequences

Although the issues of equal opportunities is heavily accentuated in the OP HRE and other programmes and policies, the practical impacts in the Czech Republic are still very weak while they are applied by most FBs mostly only formally. Rather than on the solutions to the issues of equal opportunities, most projects focus on consulting and educational activities.

In the case of the OP HRE, these issues have a great potential for further improvement and in connection with the economic downturn in 2009 and 2010 this form of support became of a much more specific importance.

In the OP HRE, equal opportunities (hereinafter referred to as EO) are defined by an indicative list of eligible activities and contextually in the analytical introduction to the OP. The inclusion of the horizontal topics of the EO and a special questionnaire about the EO in the preparation of applications in the OP HRE (for all applicants) significantly contributed to the familiarity of applicants with the issues of EO.

Strengthening of these issues across the priority axes of the OP HRE would also positively solve the current unsatisfactory development in the fulfilment of the values of impact indicators of the OP HRE (particularly the low rate of employment of women, long-term unemployment of the groups 15-24 and 50+, see also Ministry of Regional Development report, January 2011, p. 31).⁵ Experts involved in the Delphi panel significantly inclined to the opinion that education about and promotion of equal opportunities in the CR must take place simultaneously with partial activities (e.g. children care services, support for new businesswomen) while activities aimed at education should not be significantly reduced. On the other hand, the expert confirmed that the current project aimed at equal opportunities in the OP HRE (support area 3.4) were not well aimed and coordinated in terms of educational activities.

The potential and impacts of the development of these issues can be seen primarily in the distribution of good practices from completed projects (SA 3.4). In SA 3.4 it would be appropriate to consider increasing the income of projects aimed at implementing EO in practice (e.g. children care services, support for new businesswomen). The following section contains a definition of key objectives which are then supplemented by specific steps necessary for implementation.

⁵ Ministry of Regional Development (2011): Analysis of the Material Progress of Operational Programmes in the Programming Period 2007 – 2013: information about the fulfillment of a task according to the decree of the Government of the CR No. 295/2010, January 2011

Specific steps and recommendations for development in the area of equal opportunities

Objective 1: To improve the current unsatisfactory development in fulfilment of values of impact indicators of the OP HRE within the issues related to equal opportunities (particularly low rate of employment of women, long-term unemployment of groups 15-24 and 50+)

Guaranteed by	Activity	Time Schedule
„XY“	<p>To implement preference of specific activities and events generally promoting equal opportunities in all areas of support within priority axes 1, 3, 5 and in area 2.1. This can be achieved either through a specific criterion or as an elective condition of acceptability of a project application, e.g.:</p> <ol style="list-style-type: none"> 1) General and specific education of parents of small children before their start in (return to) a job, 2) Creation and mediation of an office of training and retraining programmes for women, 3) Preparation for start of entrepreneurship (information about laws and regulations, creation of a business plan, basic business knowledge and skills etc.) 4) operation of children play area for short-term babysitting during the project, 5) establishment of other children care services during the project, i.e. when the parents are taking part in the projects (e.g. a week-long health vacation, full-day events of educational and entertainment character) 6) preparation, verification and implementation of non-tradition forms of employment (so-called flexible office, work from home, sharing of one job, concentrated work mode – 3+3 days, creation of part-time jobs, shared positions etc.), 7) establishment and operation of a mini-day care (for a maximum of 5 children in a household or a different area), baby-sitting etc. 	Other calls within priority axes 1, 3, 5 and in support area 2.1 announced in 2011 - 2013
„XY“	<p>To prepare separate calls for support of development of flexible forms of work, or award extra points during evaluation of the project proposal. To increase the support for flexible forms of work through a specific criterion for factual assessment.</p> <p>In connection with this recommendation, the following is suggested:</p> <p><i>i. To set out a specific criterion in the wording as follows:</i> The project leads to the creation of jobs with flexible hours for those who successfully completed educational activities</p>	Other calls within priority axes 1, 3, 5 and in support area 2.1 announced in 2011 - 2013

	<p>within the project. (0-8 points)</p> <p>This criterion evaluates the interconnection of the education with the creation of flexible job positions. It identifies how many jobs with flexible working arrangements were created for employees who were at maternity/paternity leave during the courses, for job seekers or for other employees. The value of the criterion also includes newly created jobs and job which were created before the start of the project implementation but did not have the character of a flexible job position (e.g. regular jobs permanently filled with a full-time employee). Sustainability of newly created jobs will be governed by the valid methodology of the OP HRE.</p> <ul style="list-style-type: none"> - 8 points awarded to the project, within which jobs with flexible working arrangements for more than 20% of successfully supported people (those who successfully completed the educational programme) will be provided, - 5 points awarded to the project, within which these job positions will be provided for more than 10% but less than 20% of supported people, - 2 points awarded to the project, within which job positions with flexible working arrangements will be provided for a maximum of 10% of supported people, - 0 points awarded to the project which does not lead to the creation of any jobs with flexible hours. <p>For the purposes of this specific criterion, a job position with flexible working arrangements means:</p> <ul style="list-style-type: none"> - A job with newly introduced flexible hours (at the workplace where it was not introduced before and only for employees taking care children of pre-school age); - a job where at least 50% of working hours are worked at home or outside the regular workplace; - a job with a lower number of hours a) regular (e.g. 4 hours 5 times a week) or b) flexible (20 hours a week); - a job with irregular working arrangements – so-called compressed working week (e.g. 20-40 hours a week in 3-4 days during the week); - job-sharing (part-time job and sharing of a job with another person); - a part-time job combining work from home with work at the workplace; - work based on the agreement for work or contract for work with working at the workplace as agreed with the employer. 	
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	<p>ii. To create a new monitoring indicator:</p> <p>07.01.xx (not yet implemented) – number of jobs which were created for people who successfully completed courses with flexible working arrangements. That means in particular:</p> <ul style="list-style-type: none"> - newly introduced flexible hours (at the workplace where it was not introduced before); - a job where at least 50% of working hours are worked at home or outside the regular workplace; - a lower number of hours a) regular (e.g. 4 hours 5 times a week) or b) flexible (20 hours a week); - compressed working week (e.g. 20-40 hours a week in 3-4 days during the week); - job-sharing (part-time job and sharing a job with another person); - part-time job combining work from home with work at the workplace; - work based on the agreement for work or contract for work with working at the workplace as agreed with the employer. 	
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Objective 2: To increase the potential of the area of equal opportunities through emphasis on the partnership principle with support area 3.4 of the OP HRE

Guaranteed by	Activities	Time Schedule
„XY“	<p>1. In other calls within SA 3.4 it is necessary to continue to focus particularly on the representatives of municipalities and employers who do not quite fully understand these issues (so far emphasis has been put on people 50+, young people, people with low level of education etc.). Local partnerships (particularly cross-section) are also very important as they address the issue of return to work in a certain location. Typically (not always), these are locations where there are no major employers. The applicant may be a municipality as well as a non-governmental organization (care provider).</p>	From 2012 – after acceptance of the call plan for the year 2012
„XY“	<p>2. It is necessary to continue to support the weakening of gender stereotypes, but not through general promotion but specifically through operating in individual businesses and locations. Gaining companies and towns as partners is one of the most important methods strengthening the potential of the area of equal opportunities in the Czech Republic because they have the most opportunities to employ e.g. parents after they return to work. Programming activities, which are among the most suitable for this emphasis in SA 3.4 in</p>	From 2012 – after acceptance of the call plan for the year 2012

	<p>the following years, include (<i>see the wording of the Implementation Documents of the OP HRE, p. 74</i>):</p> <ol style="list-style-type: none"> <i>Development of innovative programmes and measures aimed at harmonization of the working and the family life,</i> support of partnership between various family policy actors at the local, regional, national and international level for the purposes of <i>harmonization of the working and the family life.</i> 	
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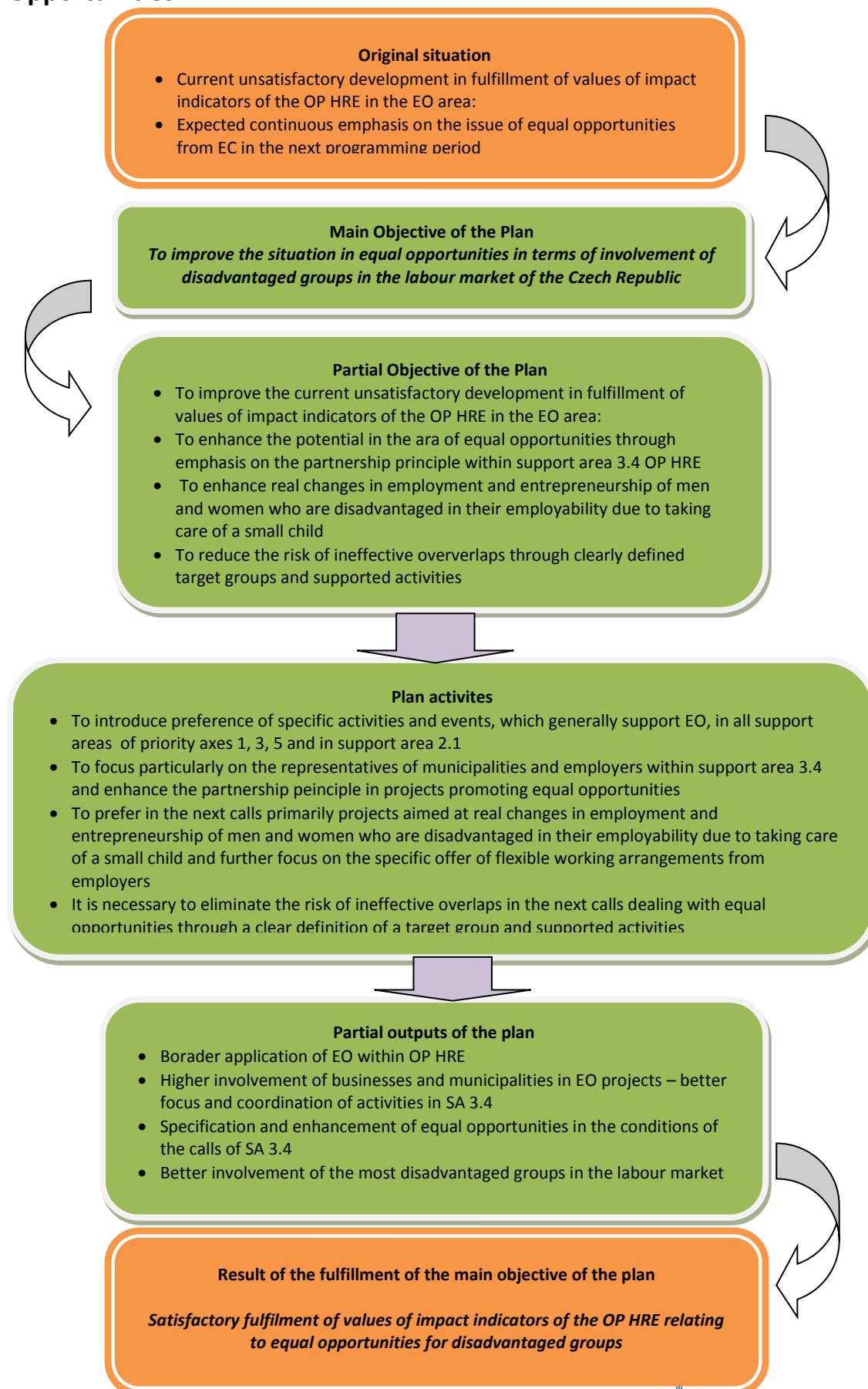
Objective 3: To enhance real changes in employment and entrepreneurship of men and women who are disadvantaged in career due to taking care of small children

Guaranteed by	Activities	Time Schedule
„XY“	1. To increase the acceptance of projects aimed at specification of EO in practice within other calls in SA 3.4 (e.g. child care services, support for new businesswomen etc.)	From 2012 – after acceptance of the call plan for the year 2012
„XY“	2. To prefer particularly projects aimed at spreading of good practices from implemented projects in other calls of SA 3.4. For this purpose, the wording of the relevant calls has to be adjusted and such projects will be awarded extra points.	From 2012 – after acceptance of the call plan for the year 2012

Objective 4: To reduce the risk of ineffective overlaps through clearly defined target groups and supported activities

Guaranteed by	Activities	Time Schedule
„XY“	1) Support area 3.4 has a defined target group but the supported activities clearly define the support area. The target groups have been mainly women on maternity leave, women with small children and less often job seekers and applicants. The next call should emphasize (without excluding other groups) help for: <ol style="list-style-type: none"> <i>Women at risk of unemployment,</i> <i>Women of pre-retirement age,</i> <i>Women interested in owning their own business (women of all ages).</i> 	From 2012 – after acceptance of the call plan for the year 2012
„XY“	2) Projects aimed at education and promotion should be more coordinated in connection to the representatives of the target groups. Other calls in SA 3.4 and thematically similar SAs in the next programming period should clearly prefer educational and promotional projects closely aimed at representatives of the target groups (not support of general awareness of the issues of equal opportunities).	From 2012, including the next programming period 2014+

Plan of Implementation of the Set of Steps in the Area of Equal Opportunities



Administrative Burden

Context, Causes and Consequences

The high administrative burden (hereinafter referred to as AB) both on the side of the final beneficiaries and the intermediary bodies is associated mainly with the formal perception of the OP HRE implementation and disproportionately strong focus on the process and formal aspect of the project implementation more than on their real benefits. The orientation of FBs towards the formal and process control of the project implementation is partially associated with the insufficiently set-up system for factual progress monitoring (particularly as far as the quality of obtained data is concerned).

The following factors have been identified as the main cause of high AB:

- Two-round system of control of monitoring reports;
- High number of documented materials and reports required;
- Necessity to submit and archive all documents in the paper form;
- A high number of errors when filling out the MR and PR caused by the requirements for a large number of provided details;
- Slow payment for payment requests.

Upon the comprehensive evaluation of experiences from the annual operational evaluation of the OP HRE we consider it crucial **to transfer the focus of control from the process and formal aspects of project implementation to factual monitoring**. The sense of this should not be using up all funds but to use them in high-quality projects and in projects where it is obvious for what the funds were used.

Reduction of the AB should firstly impact the implementation entities that could then **transfer most of their attention to the factual control** and meeting the project / project objectives. We see the second most important benefit of such a step in **improvement of the image of the OP HRE** in the society. And the third benefit in order by importance is **simplification of administration for the final beneficiaries**. In the following section, the key objectives are defined which are then supplemented by specific steps necessary for implementation.

Specific steps and recommendations to development and simplification of the area “Administrative Barriers”:

Objective 1: to accelerate the payment of required funds to the beneficiaries so that clear and undoubted expenses are paid immediately after the control of the monitoring report and not after the approval of all required expenses. Questionable expenses shall be paid additionally after they are clarified.

Comment: The current system is set up so that if there is a contradiction or inconsistency of several thousand found in a project for “x” millions, the entire payment is delayed. Therefore, it would be appropriate to simplify the system so that all eligible expenses, where there was no inconsistency identified, are paid and partial problematic would be discussed in another monitoring report and payment request.

In detail: In the case of identification of an inconsistency, the relevant entity (Managing

Authority, intermediary body, external entity – administrator of the Managing Authority for a certain support area) shall ask the beneficiary to complete the monitoring report and simultaneously gives an order to pay the part of documented costs about which there is no doubt in the monitoring report. The rest of the expenses shall be paid after proper settlement of the comments by the beneficiary. This measure will lead to faster use of the support and also to higher financial stability of the final beneficiaries particularly in the non-profit sector.

It is also necessary to set a deadline for processing of the comments to the monitoring reports as follows – if the entities authorized to submit comments to monitoring reports (MA, MB, external entity – administrator of the Managing Authority for a certain support area, specifically then relevant project and financial managers) do not ask the beneficiary to correct the given MR within 60 calendar days of the day of delivery of the MR, the MR shall be considered approved and the order for payment of the simplified payment request shall be given (if this request is part of the MR).

Guaranteed by	Activity	Time Schedule
XY	a. To process this recommendation in the form of practical methodology	By 06/2011
XY	b. To submit this document for approval to the competent authorities of the OP HRE	07 – 08/2011
XY	c. To implement this instruction in the implementation documents of the OP HRE after the approval	09/2011
XY	d. To inform the intermediary body (<i>so that they know they are allowed to</i>) and final beneficiaries (<i>so that they know that it is possible</i>) of the option of this fast payment method.	From 10/2011
XY	e. To randomly monitor whether this method is used	From 01/2012 continuously

Objective 2: To implement a stable and uniform system for solutions to non-standard situations and inquiries through establishment of a methodological advisory group that will answer the non-standard inquiries and situations and publish the solutions.

Comment: Recently, “communication” was identified as one of the administrative barriers. It is particularly the absence of deadlines for answering an inquiry and also information provided only by phone (without a written document) which do not have any importance in the case of inconsistencies etc. Respondents also stated in the questionnaire survey that same situations are evaluated by two IBs differently. The goal of this proposed measure should therefore unify the procedures within the OP HRE, particularly in the case of non-standard situations.

Guaranteed by	Activity	Time Schedule
XY	a. To submit a proposal for creation of a methodological advisory group to the relevant authorities of the OP HRE	By 06/2011
XY	b. After the approval, to compose a methodological advisory group containing at least one methodology expert of the OP HRE, a lawyer, an expert in finance and accounting. This group will be responsible for non-standard inquiries from the intermediary body. To establish the obligation to answer the inquiry within 15 working days. In the case that the answer requires more time, the methodological group must inform the inquiring IB of the specific taken steps within the given deadline.	07 – 09/2011
XY	c. To inform employees of the intermediary bodies of the establishment of the methodological advisory group and the opportunity to address it with non-standard inquiries and situations in which they are not able to make a decision themselves.	09/2011
XY	d. To implement a publicly accessible database of previously made decisions. This database shall serve as a “live manual” for final beneficiaries and IBs on how to act in certain situations. The database shall have a nature of a precedent, i.e. if a solution to a certain situation has been published in the database, this solution shall be obligatory for the given situation in the future.	By 09/2011
XY	e. To ensure implementation and maintenance of the database including informing the FB and IB about its existence and the binding nature of the decisions made.	From 01/2012 continuously

Objective 3: To simplify monitoring reports and payment requests. The factual part of monitoring reports may be reduced to an electronic form filled out through a web interface (Benefit) without the necessity of submission in the paper form. The financial part of MRs shall be reduced to an extended list of accounting documents supplemented by project account statement and a statement of project documents.

***Comment:** The administrative demands and complexity of the expected monitoring reports and payment requests lead to a high error rate in their processing by the applicants (as it results from the questionnaire survey at the level of FB and IB). A simplification of the MR and a major reduction in required documents would lead to a simplification and acceleration of the entire MR and PR approval process. We believe that the extent of the expected MR may be reduced to:*

- *Electronically filled out and submitted MR form (through Benefits or an alternative system);*
- *Extended list of accounting documents;*

- Bank statement and documents as evidence of real payment of the reported amounts.

The actual control of accounting documents will be performed during on-site inspections or within the project audit. It is not appropriate to apply new administrative regulations retrospectively to those projects that are currently already running if it does not contradict the law.

Guaranteed by	Activity	Time Schedule
XY	a. Processing of the proposal for adjustment of the expected monitoring reports and payment requests. Verification that the processed proposal is in compliance with all legal and financial regulations related to implementation of EU aid.	By 06/2011
XY	b. Approval of the proposal by relevant OP HRE authorities.	07 – 09/2011
XY	c. Adjustment of the electronic environment for submission of MR including the financial part (extended list of accounting documents) and its interconnection with the project budget. Final solution of minor and major changes in budgets in terms of their technical and procedural characteristics.	09-12/2011
XY	d. Implement this method of submission of MRs and PRs into the OP HRE Implementation Documents.	09-12/2011
XY	e. Secure distribution of information and training of employees of IB and representatives of FBs in the new MR submission method.	01 - 03/2012
XY	f. Start the new MR submission method.	04/2012
XY	g. Evaluate the operation of the new MR submission method – in IBs and FBs	10 – 12/2012

Note 1: The above steps and dates are always proposed for the option when this recommendation is implemented in this programming period.

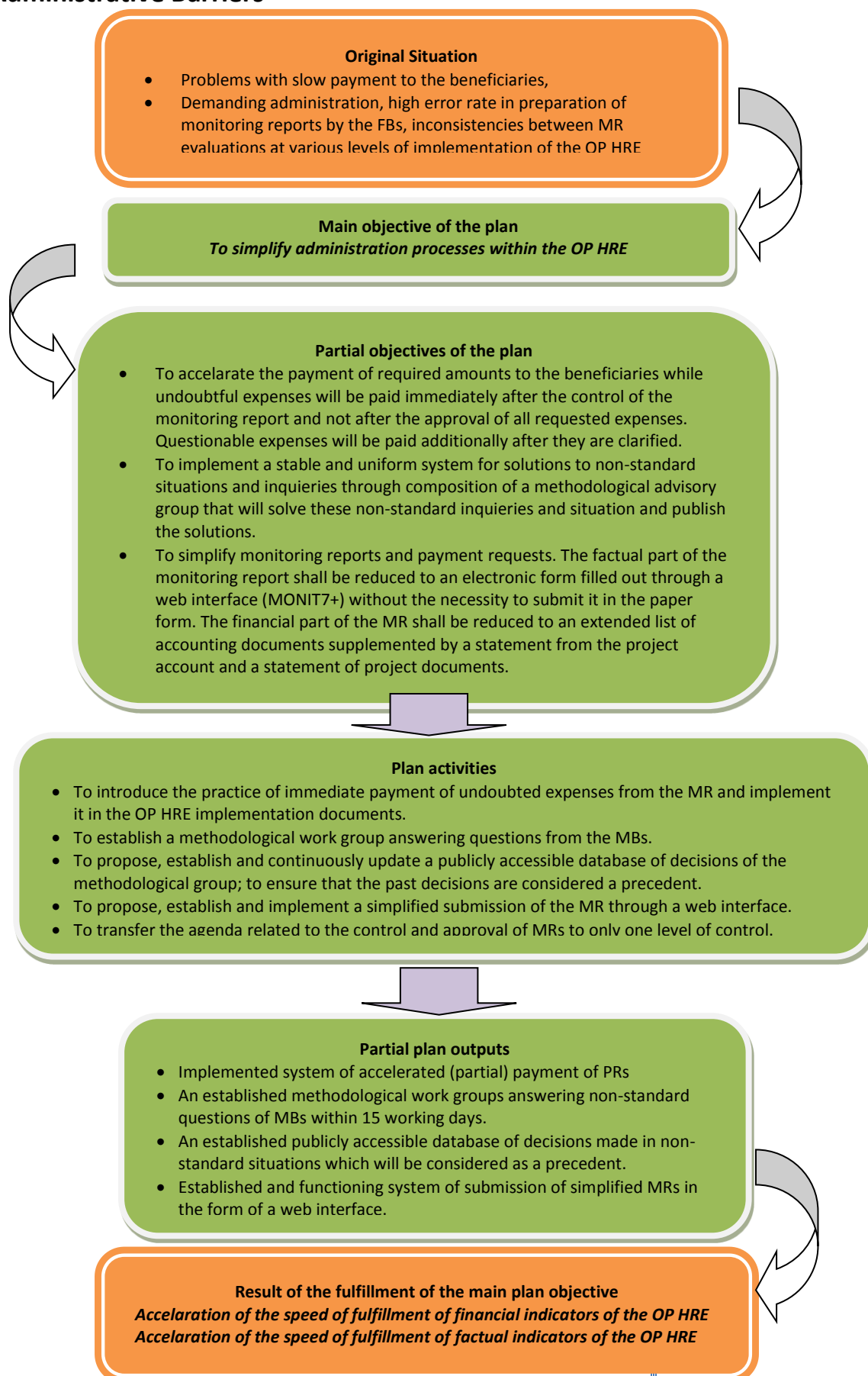
Note 2: In the ideal case, for which this proposal is designed, the extended list of accounting documents will be filled out in the Benefit environment and automatically linked to the project budget so that it is possible to automatically generate and show the current state of the use of the budget. Alternatively, the list may be submitted in an excel file and then subsequently entered into MONIT7+.

Objective 4: To remove the two-level control of monitoring reports.

Comment: The current situation is set for several controls of representatives of various institutions (external administrators and MLSA) whose competences are not clearly defined. For this reason, it has often happened that once approved project documents were retrospectively identified as inadequate or other insufficiencies were pointed out. This system greatly complicates the actual project implementation itself but also it is a burden for representatives of public administration. The removal of one level of control of MRs will be most effective particularly if the proposed simplified method of submission of MRs and payment requests is implemented.

Guaranteed by	Activity	Time Schedule
XY	a. To carry out an analysis of which level of control will be the most effective to remove.	By 09/2011
XY	b. Proposal of the measure implementation method (removal of the selected control level) to the relevant authorities of the OP HRE.	10 - 11/2011
XY	c. After the approval, to implement into the OP HRE implementation documents.	12/2011
XY	d. Handover and transfer of the agenda of the removed control level to the entity which will then continue to carry out the control.	01-06/2012
XY	e. Introduction of only one-level control of simplified MRs.	From 07/2012
XY	f. Control of the acceleration of the administration and reduction of the administrative burden (through monitoring of the time from submission of MR to its approval, random survey among IBs and FBs).	Continuously from 01/2013

Plan of Implementation of the Set of Steps in the Area of Solution to Administrative Barriers



A proposal of the extended list of accounting documents

Chapter	Budget item	Name of the item	Date of expense	No. of the document in the accounting books	Amount	Supplier	Justification for the project expenses
1	Total	Personnel costs	XXX	XXX	33 000	XXX	XXX
1	1.1.1	Project Manager	12. 2. 2011	1	10 000	Ing. Nováková	Salary of the Project Manager – project management
1	1.2.1	Assistant Manager	12. 2. 2011	2	8 000	Bc. Svobodová	Salary of the Assistant Manager – project administration
1	1.3.2	Expert	12. 2. 2011	3	15 000	Doc. Horák	Author of the publication “My Friend ESF”.
2	Total	Travel costs	XXX	XXX	0	XXX	XXX
3	Total	Equipment	XXX	XXX	5 000	XXX	XXX
3	3.2	Mobile phone	10. 1. 2011	4	5 000	T-mobile	A phone for the Project Manager which also serves as the contact and information phone for target groups.
...							
...							
Etc.							

Context, Causes and Consequences

It is logical that even though the Czech Republic is relatively homogenous due to its size, there are objective differences between individual regions. These differences are influenced mainly by the transformation success rate of individual regions and particularly of their metropolitan areas (see Hampl 2005). The labour market and regional differentiation are influenced mainly by the geographical localization inherited from the economic specialization from the previous political regime and the reached economic level in the transformation period. These factors are reflected in the labour market, i.e. in the unemployment rate, localization of economic entities and in concentration of socially excluded groups of residents etc. Differences in the labour market at the level of regions exist and they have stabilized in the recent years. However, the differences within (inside) individual regions (on the basis of ORPs or districts) are increasing.

Funds from the OP HRE and the implemented projects are currently localized on the basis of the activities of applicants in individual regions (global grants) but a significant parts of the funds is relocated into the regions through national and regional individual projects (based on so-called necessity coefficients). However, based on the obtained information and internal documents of the MA OP HRE, we can conclude that within all priority axes it simultaneously corresponds to the demands and real needs in the labour market. However, this information does not result from the central monitoring system and is only available in the relevant departments of the MLSA. The above problem with monitoring was detected in most individual projects – also within PA1 and PA2- and it will have to be addressed. According to data from MSC2007 (as of 5 January 2011) a considerable part of the funds is implemented in Prague (see the methodological procedure below).

Data from MSC2007 were processed for the evaluation of regional allocation of funds into individual regions. From MSC2007 the category “investment implemented in NUTS III” in which the relevant regional unit in NUTS III is derived on the basis of the place of implementation and the percentage of the given NUTS III in the projects as a whole. Therefore, it states the share of the real investment of the given NUTS in region. Based on the percentage of the share, it was possible to calculate financial allocation from the contracted amount. A similar methodology is usually used for reporting of geographical localization of funds for the EC. However, as mentioned above, data in the monitoring system Monit7+ and MSC2007 show values which do not correspond to the reality. In reality, funds are redistributed by the need but it does not results from the monitoring system and inaccurate data are shown (for more details see the separate document Final Evaluation Report – technical part, Chapter 4.3.2).

The nationwide impact is desirable particularly in PAs 1, 4 and partially in PA 5. In these cases, the rate of implementation of the OP HRE projects corresponds to the residential structure and sizes of cities in which there are most businesses (applicants in PA1) and public administration authorities (applicants in PA4). In the case of PAs 2 and 3, it is important to continue the support in the regional dimension and concentrate funds from the OP HRE in the regions where the greatest benefits to the labour market may be expected or where there is the greatest need for solutions to the issues related to unemployment, creation of jobs or integration of excluded communities. In the current programming period, there is a similar redistribution and it is necessary to set similar funds reallocation criteria also from the beginning of the period 2014+.

From the perspective of an evaluator, it is necessary to point out that it would not be appropriate to transfer more competences to the regional level. Calls should be always centrally managed and with a nationwide impact (most of them) but the funds should be allocated to the regions (according to the set criteria) similarly as in the current period. At the same time, it would be appropriate to test and possibly implement so-called regional calls. These selected support area calls,

the point of which are projects aimed in any way at reduction of unemployment, could be specifically regionally aimed (at regions with the most problems in the labour market or at regions where the benefits from the ESF will be the largest). This system must be tested in the second part of the current programming period and apply it to projects aimed at activities supported in PA 2 and 3 in the period 2014+.

Specific steps and recommendations in the area of regional needs in the labour market:

Objective: To continue to strengthen the emphasis on regional differentiation of support from the OP HRE (or the follow-up programme in 2014+) in suitable priority axes

Guaranteed by	Activity	Time Schedule
-relevant department	Processing of supporting analyses reflecting the current real needs in the labour market in individual regions. The analyses should be focused on the situation which is supported under the OP HRE.	2011 – 2013 (continuous updates)
MA OP HRE	Support of education related to the option of support from the ESF in regions with problems in the labour market that show low absorption capacity (such as for example Moravskoslezský, Vysočina or Karlovarský Region). The support of education arises from the results of the Delphi method. It is necessary to specifically aim the workshops at the target groups in PA2 and PA3 in structurally affected and economically weak regions.	2011 – 2013 (continuously)
MOLSA, possibly in cooperation with MRD	To finish the solution of completion of places of implementation in accordance with the approved methodology of the MRD-NOK, particularly in national individual projects	By the end of August 2011 + regular control of accuracy
MA OP HRE	To prepare and test a regionally aimed call within PA 2 and PA 3 so that the funds are concentrated only in the regions with most problems at the labour market.	Second half of 2011 (testing)

SPECIFIC RECOMMENDATIONS RELATED TO THE CROSS-SECTOR AND PARTIAL ASPECTS OF PRIORITY AXES

Other specific recommendations proposed by the evaluation team within the AOE 2010 resulted from thematically aimed evaluation questions and are summarized in the following part in the following sections:

A - B) Cross-section recommendations

- Administration of project applications, i.e. situation before approval and implementation of projects
- Monitoring of the OP HRE

C – K) Recommendations by individual priority axes of the OP HRE (note: with regard to the number of recommendations in PA1 and PA 2, these are also extended to the level of support areas and also by topics, e.g. financial setting, indicators)

With individual recommendations, there is also their importance for the OP HRE and the viability using the following scales:

“Importance” of a recommendation may be varied with respect to different levels of the OP HRE. The conventional numbering may automatically evoke recommendation evaluation as in “school”. However, for routine work within the MA it is more appropriate to identify, for which level of the implementation of the OP HRE the given recommendation is of importance.

Importance: scale A to E;

- ❖ **A** – An improvement of implementation of the entire OP HRE (i.e. including applicants or beneficiaries and including internal changes in the work of MA and IB)
- ❖ **B** – An improvement of implementation of the OP HRE only at a certain level of an OP HRE priority axis
- ❖ **C** – An improvement of implementation of the OP HRE only at the level of an OP HRE support area
- ❖ **D** – An improvement of implementation of the OP HRE only for certain groups (e.g. only some calls or selected groups of beneficiaries)
- ❖ **E** – Only an internal or minor improvement of the implementation of the OP HRE (e.g. in individual work of the MA or MB)

Note: A, B, C, D applies to applicants/beneficiaries and MA/IB while E only applies to MA/IB

Viability: scale 1- 5;

- 1 – fully within the competence of the employees of the MA OPHRE dealing with the relevant agenda (within one department)⁶
- 2 – fully within the competence of the MA OPHRE (e.g. required coordination of multiple departments or decisions of the MA management)
- 3 – viable at the level of the implementation structure of the OP HRE (coordination between MA and IB)
- 4 – viable only in a broader context according to the policies within competences of the MLSA CR
- 5 - MLSA CR cannot implement the recommendation, it transfers the suggestion to another entity (e.g. MRD, Government of the CR)

⁶ These are not only employees from the evaluation department – but generally. If it is, for example, a recommendation of publicity, whether it is addressed by employees under whose competences this issue belongs.

A) CROSS-SECTION RECOMMENDATIONS FOR CONDITIONS OF ADMINISTRATION OF PROJECT

Recommendations for 2007 - 2013	1	Communication with the applicant in the case of a proposal of lowering of the budget
	To introduce a rule that an applicant may submit an explanation for those parts of the budget which are proposed to be reduced in the total amount of more than 10% of the originally proposed budget in the process of evaluation of the project application.	
	Importance	❖ <i>A – Improvement of implementation of the entire OP HRE (e.g. including applicants or beneficiaries and including internal changes in the work of MA and IB)</i>
Recommendations for 2007 - 2013	Viability	• <i>3 – viable at the level of the OP HRE implementation structure (coordination between the MA and IB)</i>
	2	Examine the option of introduction of a simplified form of the application
	<p>To examine the option of administrative simplification of the submitted applications in standardized projects with the aim to introduce a simplified form of the application. In the case of calls, in which standard projects are expected, it is suitable to consider a simplification of the project application into the form of a form. The applicant would just fill out the factual focus of the projects, a simplified budget and monitoring indicators. Simplified applications could be very well applied, for example, in the support area 1.1. which has a relatively large absorption capacity.</p> <p>Comment: As shown by experience of the evaluators, even the conducted survey of a sample of applications in MONIT7+, a large number of applications were currently being prepared by hired agencies which is also confirmed by the same repeating wording in various applications. Simplification of the application into the form of a form would probably enable the applicants to prepare their project applications themselves without an external provider. Moreover, the projects would be evaluated according to their real focus and expected benefits instead of the ability of a hired agency to professionally describe methods of risk elimination or the composition or management of the project team.</p>	
Recommendations for 2007 - 2013	Importance	❖ <i>B – Improvement of implementation of the OP HRE only at a level of an OP HRE priority axis</i>
	Viability	• <i>2 – Fully within the competence of the MA OP HRE (e.g. requires coordination of multiple departments or decisions of the MA management)</i>
	3	To introduce automatic sending of opinions of the evaluators to the project applicants
Recommendations for 2007 - 2013	To automatically send opinions of the evaluators to the applicants, to emphasize during the training of evaluators and subsequently require that the opinions require a constructive feedback for the applicant, on the basis of which they will be able to improve the quality of their application.	
	Note: This recommendation will bring a certain increase to the administrative demands on the part of the OP HRE intermediary bodies.	
	Importance	❖ <i>D – Improvement of implementation of the OP HRE only for certain groups (e.g. only for some calls or selected groups of beneficiaries)</i>
Recommendations for 2007 - 2013	Viability	• <i>3 – viable at the level of the OP HRE implementation structure (coordination of the MA and IB)</i>

Recommendations for	4	Quality of submitted applications for individual projects
	<p>During the evaluation of individual projects (particularly in PA2 and PA4) it was detected that their large part was not approved at the first attempt due to the low quality of the project applications (e.g. unclear definition of activities or some budget categories). Therefore, it is necessary to design the future individual calls so that the competition among proposals is secured (e.g. through grouping of thematically identical calls for public administration and regional administration) and there is pressure on the applicant to prepare a quality project. Specific measures – to announce individual calls so that the number of possible applicants and the expected number of submitted applications always exceeds the allocation of the call. For example, group thematically similarly aimed calls for public administration, regions and municipalities in a single call.</p> <p>Specific example: If there is an individual call for 13 regions with a maximum extent of a project of 10 million and the allocation of the calls is 130 million, then there is no competition among the applicants. If the call is increased to 300 million and even municipalities can submit their applications, then we can expect a higher pressure on the quality of application preparation and also of projects.</p> <p>Due to the fact that the target group in PA4 are authorities, employees of authorities and elected representatives and the impact on citizens is not considered in Benefit, the impact and benefits of projects PA4 for the public through an appendix to the application (text – max. 2,000 characters) should be mentioned and this impact should be evaluated by a specific criterion.</p> <p>For individual projects over CZK 50 million, we suggest to use <i>the cost-benefit analysis</i> (CBA as an optional attachment which would be awarded extra points during factual evaluation. CBA allows assessment of societal benefits of results and outputs of the implemented projects. Only a well and responsibly prepared CBA can reflect not only financial costs but also social-economic expenses and benefits, the recipients of which or payers are not only persons related to the project but also other entities such as the public, state, regions, municipalities etc.).</p>	
	Importance	❖ <i>B – Improvement of implementation of the OP HRE only at a level of an OP HRE priority axis</i>
	Viability	• <i>3 – viable at the level of the OP HRE implementation structure (coordination of MA and IB)</i>

B) CROSS-SECTOR RECOMMENDATIONS RELATED TO THE MONITORING OF THE OP HRE

Recommendations for 2007 - 2013	5	To update calculations of the impact indicators of the effectiveness of the OP HRE projects
	<p>To update calculations of the indicator 430702 – “Effectiveness of supported projects” in the second half of 2011 – based on the methodology set out in the evaluation AOE 2010.</p>	
	Importance	❖ <i>E – Only internal or low improvement in implementation of the OP HRE (i.e. in the actual work of the MA or IB)</i>
	Viability	• <i>1 – Fully within the competence of the employees of the MA OP HRE dealing with the relevant agenda (within one department)</i>

Recommendations for 2014+	6	To introduce an indicator of the results in the monitoring reflecting the harmonization of the family and work life
	To include the indicator of the result 076010 Improvement of conditions for harmonization of the family and work life in the monitoring indicators. This indicator will measure the willingness of employees to create jobs with flexible working arrangements. The content will be defined as a number of supported organizations, in which the flexible forms of work organizations were introduced (monitored 6 months after the end of the support) or the number of jobs in these organizations.	
	Importance	❖ <i>B - Improvement in implementation of the OP HRE only at a level of an OP HRE priority axis</i>
	Viability	• <i>2 – Fully within the competence of the MA OP HRE (e.g. requires coordination of multiple departments or decisions of the MA management)</i>
Recommendations for 2014+	7	Monitoring of area of activities of projects in MONIT7+
	To introduce also the fulfilment of the objective of the priority axis in the monitoring under MONIT7+ in the next programming period. The monitoring should be conducted for individual projects through an area of activities. The monitoring system should include the option to mark a type of the supported area already within the project application. In the processing point of view, that will ensure the setting of monitoring in terms of observing and structuring of the submitted and implemented projects by their specific focus.	
	Importance	❖ <i>E - Only internal or low improvement in implementation of the OP HRE (i.e. in the actual work of the MA or IB)</i>
	Viability	• <i>5 - MLSA cannot implement the recommendation, it transfers the suggestion onto another entity (e.g. MRD, Government of the CR)</i>
Recommendations for	8	Registration of target groups
	<p>In the next programming period to introduce a registry of target groups which have been supported within the implemented project of the OP HRE or the follow-up programme. We recommend introducing the obligation of a beneficiary to electronically provide basic information on the target group in the monitoring system in the minimum extent <i>Name, Last Name, Date of Birth, Residency, contact e-mail/phone</i>. In this regard, it will be necessary to start working on adjustments of the monitoring system. The evaluation team recommends:</p> <ul style="list-style-type: none"> To implement a unified monitoring system for future operation programmes. It would be a unified methodology of data collection and monitoring at the level of managing authorities. The purpose is to be able to simply evaluate the impacts and effectiveness of the funds. One person could be supported within several projects from various operational programmes and it would appropriate to keep this information together in connection with the extent of the impact of activities on the target groups. If the applicant has submitted (or is already implementing) other similar projects and it could unnecessarily use part of the support for activities, partial outputs or events, the expenses of which are covered under other projects (e.g. repeated funding of factually identical or similar educations programmes of an applicant or partner who provides the education), it is necessary to secure reassessment of such a project and possible lowering of budget in these cases; In the next monitoring period to set the system of reporting of monitoring indicators so that even the qualitative side of the support is detectable, i.e. that it can be detected from the monitoring system which type of support the target group received such as e.g. general and/or professional education in the extent of x hours, retraining, consultancy, etc. The monitoring indicators and requirement for monitoring should state that applicants and beneficiaries have to closely describe all work with the target groups. How 	

	they contacted them, how they found out about their needs, how they decided on the solution, how they got feedback etc.
Importance	❖ <i>A - Improvement of implementation of the entire OP HRE (e.g. including applicants or beneficiaries and including internal changes in the work of MA and IB)</i>
Viability	• <i>5 - MLSA cannot implement the recommendation, it transfers the suggestion onto another entity (e.g. MRD, Government of the CR)</i>

C) RECOMMENDATIONS FOR PRIORITY AXIS 1 – SUPPORT AREA 1.1 – TO CREATE BUSINESS EDUCATION SYSTEMS

Recommendations for	9	Support of human resources development systems of a permanent nature in businesses
		To require in the calls mandatory creation of a human resources development system of a permanent nature through the following partial recommendations:
		<ul style="list-style-type: none"> i. A possible form of application of this recommendation is the preparation of the actual call or to award extra points during the evaluations of the project proposal for activities aimed at creation of conditions for the implementation of a permanent system in the given business entity. Support of development of an internal education system is enabled in call No. 34. Individual calls or point preference allow applicants to lower the costs of education of their employees. For the purposes of monitoring, education could be documented, for example, by a video recording which could simultaneously serve as educational material. ii. To define minimum requirement for the characteristics of the required human resources management system in the given call. At the present time, it is not required that the human resource management system contains individual plans of the qualification or professional development of individual employees. iii. In the case of small and medium-sized enterprises, development of knowledge and skills can be supported only for the employees at a lower or medium level, not top and higher management (their education depends on the employer). This division is not desirable in the case of micro- and small enterprises.
	Importance	❖ <i>D – Improvement of implementation of the OP HRE only for certain groups (e.g. only some calls or selected groups of beneficiaries)</i>
	Viability	• <i>3 – Viable at the level of the OP HRE implementation structure (coordination of MA and IB).</i>

D) RECOMMENDATIONS FOR PRIORITY AXIS 1 – SUPPORT AREA 1.1 – FINANCIAL SETTING

Recommendations for 2007 - 2013	10	Advance funding for micro- and small businesses in support area 1.1
		In the case of micro and small businesses, the option of payment of funds from the contracting authority in the form of advance payments in support area 1.1.
	Importance	❖ <i>C – Improvement of implementation of the OP HRE only at the level of an OP HRE support area</i>
	Viability	• <i>2 – Fully within the competence of the MA OP HRE (e.g. requires coordination of multiple departments or decisions of the MA management)</i>

Recommendations for 2007 - 2013	11	Viability of projects in support area 1.1 and testing the option of their co-funding by the final beneficiaries
	<p>When deciding on the provision of support, the indicator “viability of business” was applied just like for example in projects managed by Czechinvest. It is also desirable to test a system of co-funding in the current programming period in calls planned in support area 1.1 where there is a relatively high absorption capacity. Therefore, it is appropriate to set the rate of co-funding at the level of national co-funding, i.e. 15%. Co-funding must apply to all representatives of potential applicants in support area 1.1. The main purpose is to reduce the number of less needed applications and the overall efficiency at the level of calls and supported projects. Even the actual share and the need to prove it will be increasing with an unnecessarily high budget.</p>	
	Importance	❖ <i>C – Improvement of implementation of the OP HRE only at the level of a support area in the OP HRE</i>
	Viability	• <i>3 – viable at the level of the OP HRE implementation structure (coordination of MA and IB).</i>

E) RECOMMENDATIONS FOR PRIORITY AXIS 1 – SUPPORT AREA 1.1 – INDICATORS

Recommendations for	12	Introduction of indicators of outputs and results reflecting the achieved effects of the support
	<p>To introduce indicators of outputs and results reflecting the achieved effects of the support at the project level (e.g. reaching a more qualified job, maintaining a job, person hired for a job with flexible working arrangements).</p> <p>In connection with the implementation of this recommendation, it will be necessary to introduce the following monitoring indicators:</p> <ul style="list-style-type: none"> ✓ 07.01.xx (not yet implemented) – The number of jobs occupied by employees who were transferred to a position with higher qualification requirements due to a supported training (for people who completed course with over 40 hours of education); ✓ 07.01.xx (not yet implemented) – the number of jobs at risk which were clearly maintained for at least six months after the completion of the relevant course thanks to the implementation of the project. 	
	Importance	❖ <i>C – Improvement of implementation of the OP HRE only at the level of an OP HRE support area</i>
	Viability	• <i>3 – viable at the level of the OP HRE implementation structure (coordination of MA and IB)</i>
Recommendations for 2014+	13	Extension of requirements for the sustainability of projects in support area 1.1
	<p>To extent requirements for sustainability of outputs and results of projects. We recommend:</p> <ul style="list-style-type: none"> i. <u>07.57.00 Number of newly created / innovated products</u>; sustainability time: one calendar year from the completion of the project; during this time the beneficiary must demonstrably use at least 80% of the created/innovated products. To expand the list of products in the monitoring indicators 07.57.00 by a human resource management system. ii. <u>07.46.13 Number of People who Successfully Completed a Course – Total</u>; sustainability time: one calendar year from the completion of the project; during this time at least 80% of the successfully trained people must actively cooperate with the beneficiary (full-time or part-time employment or contracted external work). 	
	Importance	❖ <i>B – Improvement of implementation of the OP HRE only at the level of an OP HRE priority axis</i>
	Viability	• <i>2 – Fully within the competence of the MA OP HRE (e.g. requires coordination of multiple departments or decisions of the MA management)</i>

F) RECOMMENDATIONS FOR PRIORITY AXIS 1 – SUPPORT AREA 1.2

Recommendations for 2007 - 2013	14	Reassessment of objectives in support area 1.2, acceleration of implementation and reallocation
	<p>Within the entire support area 1.2 a detailed reassessment and redefinition of the fulfilment of objectives and effective aiming of funds towards the benefits to the employees of restructured businesses and their applicability in the labour market was supposed to be carried out. In this support area, it is necessary to accelerate the overall implementation and processing of applications. This includes particularly shortening the time from the submission of the applications to the issue of a decision on the implementation of the project from the MA (the main purpose is to support employees of restructured but not bankrupt businesses). Part of the financial allocation, which will not be drawn successfully, must be partially allocated within the priority axis to support area 1.1.</p>	
	Importance	❖ <i>C – Improvement of implementation of the OP HRE only at the level of an OP HRE support area</i>
Recommendations for 2007 - 2013	Viability	• <i>1 – Fully within the competences of the employees of the MA OP HRE dealing with the relevant agenda (within one department)</i>
	15	Definition of the entity of the final beneficiary in support area 1.2
	<p>A restructured business should not be the bearer of the application/project. The bearer of a project aimed at the solution of restructuring issues should be an entity closely cooperating with the employers in restructured business or sectors, social partners, educational institutions and the state. Assistance in the event of mass dismissal should be initiated/coordinated by other entities, e.g. job centres, non-governmental institutions or labour unions. The readiness of intervention within support area 1.2 must be very high in the moment of need, i.e. the relevant project must be implemented not only before the dismissal but after the dismissal of employees. The restructured company may act as a partner but that should not be a condition for the activities of support area 1.2. Restructured businesses often address the functioning of the company during hard times and pay less attention to their employees.</p>	
	Importance	❖ <i>C – Improvement of implementation of the OP HRE only at the level of an OP HRE support area</i>
	Viability	• <i>3 – viable only at the level of the OP HRE implementation structure (coordination of MA and IB)</i>

G) RECOMMENDATIONS FOR PRIORITY AXIS 2 – SUPPORT AREA 2.1

Recommendations for	16	To support factual progress in support area 2.1 through announcement of additional calls
	<p>To include training of employees, who directly ensure individual approach and get in direct contact with the target group, among the support activities (supported activities) in the future calls. To specify in the future calls activities aimed at the fulfilment of the strategic objective <i>Development of cooperation with social partners and other institutions cooperating in the labour market</i> and reflect it in the evaluation criteria.</p>	
	Importance	❖ <i>B – Improvement of implementation of the OP HRE only at the level of an OP HRE priority axis</i>
	Viability	• <i>3 – viable at the level of the OP HRE implementation structure (coordination of MA and IB)</i>

Recommendations for	17	Potential of grant projects
	In the next period to concentrate particularly on grant projects that show that the absorption capacity of that area is significantly higher than the financial amounts set in the calls. Good grant projects are able to secure solution of the current conditions in the specific conditions of the relevant areas and provide individual and aimed approach to the target groups and involvement of persons who are farthest from the labour market and people with cumulated obstacles to employment.	
	Importance	❖ <i>B – Improvement of implementation of the OP HRE only at the level of an OP HRE priority axis</i>
	Viability	• <i>2 – Fully within the competence of the MA OP HRE (e.g. requires coordination of multiple departments or decisions of the MA management)</i>

H) RECOMMENDATIONS FOR PRIORITY AXIS 2 – SUPPORT AREA 2.2

Recommendations for	18	Reallocation of funds from support area 2.2 within the priority axis
	As a possible solution to the unsatisfactory situation at the level of contracted and drawn funds from the OP HRE, it is necessary to prepare a proposal of allocation of funds that will not be drawn within support area 2.2 to support area 2.1 (particularly for grant projects).	
	Importance	❖ <i>B – Improvement of implementation of the OP HRE only at a level of an OP HRE priority axis</i>
	Viability	• <i>2 – Fully under the competences of the MA OP HRE (e.g. requires coordination of multiple departments or decisions of the MA management)</i>
Recommendations for	19	Factual focus of support area 2.2
	Support area 2.2 must be focused on strengthening of priorities of employment policies and services, financial coverage and a change of the organizational structure of employment services. The reason for low drawing of funds from support area 2.2 and insufficient number of submitted projects is the low “qualitative” capacity of the relevant departments of the MLSA and the current reorganization within this authority. Within the process of the reorganization of the system of job centres in the CR it is necessary to focus within support area 2.2 particularly on:	
	<ul style="list-style-type: none"> • Key partners at the regional level, i.e. Council for Economic and Social Agreements in individual regions and the regional Council for Human Resources Development in which also job centres are represented; • Strengthening of structures supporting the preparation of employees of employment services, creation and development of non-governmental institutions of the labour market and a broader involvement of autonomous units in the solution of the employment issues including other key partners at the regional level; • Improvement of communication not only between the MLSA as the beneficiary of aid for implementation of system projects with job centres that provide solutions to regional individual projects, but also entities – beneficiaries of support for solutions of grant projects in the area of distribution of information about the solution process in these projects and particularly about their outputs and results with recommended examples of practice for application in the current or prepared projects. To build an effective system providing feedback and exchange of experience. 	
	Importance	❖ <i>C – Improvement of implementation of the OP HRE only at the level of an OP HRE support area</i>
	Viability	• <i>4 – Viable only in a broader sense by policies under competence of the MLSA CR</i>

CH) RECOMMENDATIONS FOR PRIORITY AXIS 3 AS A WHOLE

Recommendations for or	20	Limitation of overlaps of IPs and GGs in priority axis 3
	To limit the possibility of overlaps of individual projects and global grants through careful monitoring (in the form of creating a database or completing the current project database) of supported activities and target groups in a specific region in an IP at the level of a beneficiary of an IP of a region. Results of such monitoring would be considered when evaluating project applications for global grants and projects, the combination of whose supported activities and the target group in the specific region are already supported through an individual grant, would not be supported.	
	Importance	❖ <i>B – Improvement of implementation of the OP HRE only at the level of an OP HRE priority axis</i>
	Viability	• <i>5 - MLSA CR cannot implement the recommendations, transfers the suggestion to another entity (regions)</i>

I) RECOMMENDATIONS FOR PARTIAL SUPPORT AREAS OF PRIORITY AXIS 3 – PARTIAL

Recommendations for	21	Acceleration of implementation of support area 3.2 and reallocation
	If it is not possible to draw all funds allocated to support area 3.2 (<i>Support of Social Integration of Members of Roma Communities</i>) due to submission of low-quality projects, the funds can be transferred e.g. in support area 3.1 which also works with the target group defined in support area 3.2.	
	Importance	❖ <i>C – Improvement of implementation of the OP HRE only at the level of an OP HRE support area</i>
Recommendations for	Viability	• <i>3 – viable at the level of the OP HRE implementation structure (coordination of MA and IB)</i>
	22	Acceleration of implementation of support area 3.3 and reallocation
	To support higher allocations of project class in support area 3.3 (<i>Integration of Socially Excluded Groups in the Labour Market</i>), particularly those focusing at creation of new jobs for disadvantaged groups. The MA must pay special attention to support area 3.3 in 2011 and in the case of a low pace of factual fulfilment of relevant indicators it should consider reallocations to other support areas within PA3.	
Recommendations for	Importance	❖ <i>C – Improvement of implementation of the OP HRE only at the level of an OP HRE support area</i>
	Viability	• <i>3 – viable at the level of the OP HRE implementation structure (coordination of MA and IB).</i>
Recommendations for	23	Partial reallocation of funds from support area 3.4 (call No. 10)
	To transfer part of funds from call No. 20 to support area 3.1. Call No. 10 is of a system nature for individual projects and the only applicant may be the Department of family and social benefits of the MLSA. The Department of family and social benefits is currently negotiating the transfer of funds from call No. 10 to support area 3.1 in which it wants to submit an extensive project aimed at foster care. We support this plan because it is fully in compliance with the solution to a serious deficit in family policies and child care in the CR. However, part of the released funds should be kept in area 3.4 in order to strengthen budgets of global grants (due to multifold excess demand and the above recommendations for future calls).	

	Importance	❖ <i>C – Improvement of implementation of the OP HRE only at the level of an OP HRE support area</i>
	Viability	• <i>3 – viable at the level of the OP HRE implementation structure (coordination of MA and IB).</i>

J) RECOMMENDATIONS FOR PRIORITY AXIS 4 – QUALITY AND FOCUS OF SUBMITTED PROJECTS

Recommendations for	24	Revisions of project applications – deadline, number of corrections, risks, other calls
	To establish a rule of a maximum of one revision of an application (in the case of individual projects) which will be submitted within 3 months since returning for revision. After exceeding this deadline, the application will be classified as “eliminated for lack of interest of the applicant”. A partial risk of this recommendation is under-drawing of the funds for specific calls for individual projects. Possible unused funds may be used for announcement of other calls for measures where authorities are able to submit high-quality and beneficial projects (e.g. for specific education of employees of public administration) and consider lowering the limit for the minimum project extent (e.g. to the level of CZK 200,000).	
	Importance	❖ <i>E – Only internal and low improvement of implementation of the OP HRE (i.e. in the work of the MA or IB)</i>
D Recommendations for	Viability	• <i>2 – Fully within the competences of the MA OP HRE (e.g. requires coordination of multiple departments or decision of MA management)</i>
	25	To announce a call for the issues of lowering administrative burden in public administration
	Given that the previously implemented PA4 projects only very little focused on reducing administrative burden in public administration, we recommend especially announcing and focusing the call on this issue. The call should be open to all public administration entities and they will be able to identify the weak points themselves and propose a solution. According to the conducted questionnaire survey, 64% of respondents consider the administrative burden an obstacle in their work and only 14% of respondents stated that PA4 projects contribute to reduction of the administrative burden. In this respect, we can conclude that there is a need for a solution to these issues.	
	Importance	❖ <i>B – Improvement of implementation of the OP HRE only at the level of an OP HRE priority axis</i>
	Viability	• <i>3 – viable at the level of the OP HRE implementation structure (coordination of MA and IB)</i>

K) RECOMMENDATIONS FOR PRIORITY AXIS 5 – USE OF EXPERIENCE FROM INTERNATIONAL

Recommendations for 2007 - 2013	26	Financial progress of PA 5 and possible reallocation into other PAs
	To pay increased attention to the financial progress of priority axis 5 . In the case of unsatisfactory pace of fulfilment of the values of factual indicators of PA5, it will be appropriate to prepare conditions for reallocation to other priority axes within the OP HRE. The final decision on this issue should be made by the MA at the end of 2011 so that it would be possible to prepare documents for relevant approval by the European Commission (increase of annual allocation 2013 in selected priority axes).	
	Importance	❖ <i>B – Improvement in implementation of the OP HRE only at the level of an OP HRE priority axis</i>
Recommendations for	Viability	• <i>2 – Fully within competences of the MA OP HRE (e.g. requires coordination of multiple departments or decisions of the MA management)</i>
	27	Mainstreaming of results of PA5 in the CR and programming period 2014+
	In PA5, there is quite often implementation of activities aimed at mainstreaming of results of projects including influencing the legislative process. This may help the great impact of this PA. Therefore, it is appropriate to use system analyses performed within the PA5 projects of the OP HRE for discussions on the preparations for the new programming period 2014+. For example, in the area of improvement of approach and return to the labour market for people who are subject to difficult integration, these are projects 12.00001, 12.00037, 51.00042, 51.00010 and 12.00038, 12.00125 (community partnership projects); equal opportunities of women and men – project 51.0006 and integration in the labour market for foreigners in project 12.00072.	
Recommendations for 2014+	Importance	❖ <i>B – Improvement of implementation of the OP HRE only at the level of an OP HRE priority axis</i>
	Viability	• <i>1 – Fully within the competence of employees of the MA OP HRE dealing with the relevant agenda (within one department)</i>
	28	Funding of international experts in international cooperation projects
Recommendations for 2014+	In the next programming period, it is desirable to fund “performed works” of international experts. The current situation is not set at payment for salaries of international experts which was identified as an administrative barrier and it would be appropriate to remove it in the next programming period.	
	Importance	❖ <i>D – Improvement of implementation of the OP HRE only for certain groups (e.g. only some calls or selected groups of beneficiaries)</i>
	Viability	• <i>2 – Fully under competences of the MA OP HRE (e.g. requires coordination of multiple departments or decisions of the MA management)</i>

5. EXPERIENCE FROM THE AOE 2010 AND SUGGESTED TOPICS FOR FUTURE EVALUATIONS

Throughout the entire evaluation the evaluation team was encountering **a major problem consisting in a lack of valid data and information for simple and effective evaluation of the impact of the programme**. Information and documents, on the basis of which it would be possible to carry out an evaluation of real results impacts, are not collected in a systematic way. The only data collection method focuses on collection of monitoring indicators which, however, has no explanatory value in many cases.

Moreover, **information about target groups is not recorded in any way** even though target groups are mostly the only group that can relatively objectively assess the results and impact of the performed projects. Addressing target groups through FBs was partially successful only in PA4 where 83 respondents answered. However, in other priority axes the return rate was at the level of several persons and some did not have any answers (PA 5). A positive information is that **in this connection another partial evaluation project aimed at the issues of target groups is being implemented**, collection of information on supported persons, particularly to obtain their assessment or to map the benefits of their support (whether they get a job, kept the job, etc.).

Another problem is the fact that in project applications and monitoring reports there is only **little description of the method of work with the target group**. Most FB create their own assessment of impacts of relevant projects on the target groups, however, results of these evaluation activities are then forwarded or centralized within the implementation structure of the OP HRE. For transferrable know-how it is important that other interested parties can gain from the methodological experiences of the beneficiaries.

Even the relevant recommendations are formulated in this sense. We also recommend the following evaluations which could help clarify or remove some weaknesses identified in the AOE 2010.

EVALUATION OF THE ECONOMIC EFFICIENCY OF THE PROGRAMME

When conducting this evaluation, the evaluation team identified several facts that indicate not fully efficient use of public funds. These are mainly public procurements contracted mostly for an expected value, inflated project budgets, significantly different (among individual calls) and still quite high average costs per supported person, duplicate projects or completely identical projects implemented by various applicants. We recommend carrying out this evaluation separately as an in-depth evaluation.

Justification of the proposed evaluation:

The evaluation should be conducted in order to check the efficiency of spending of funds of taxpayers, increasing efficiency and enhancement of transparency of the entire programme.

A suitable method of implementation:

Due to the extent and seriousness of the proposed evaluation, we recommend carrying it out separately or possibly together with the evaluation of administration burden of the programme mentioned below and focus on the following topics related to efficiency:

- Public contracts made within the OP HRE projects – examine how transparently and openly individual public procurements are performed and what savings are achieved in the tender;
- Existence of duplicate projects – nearly identical projects clearly processed by the same person were identified within the AOE 2010. It is necessary to focus on these projects and

examine whether the same products are not developed and paid several times within these projects.

- Costs of measures – to identify comparable measures (training, creation of a job, study) and to compare their costs in individual projects.

EVALUATION OF ADMINISTRATIVE BURDEN

The high administrative burden for final beneficiaries is the eternal evergreen in all evaluation reports, however, the real administrative burden is rather a subjective impression of final beneficiaries in particular. Therefore, we recommend to carry out an evaluation of what the real administrative burden of not only the beneficiaries but also intermediary body workers is and where there is most potential for its reduction (including the issue of monitoring report which was partially addressed in this evaluation).

Justification of the proposed evaluation:

Determining the real administrative burden of the project and programme implementation. Identification of the basic situation for assessment of the development of the administrative burden. A proposal for removal of major barriers.

A suitable implementation method:

Due to the extent and seriousness of the proposed evaluation, we recommend carrying it out separately or possibly together with the above evaluation of the efficiency of the programme.

LONGITUDINAL EVALUATION OF FACTUAL IMPACT OF THE OP HRE IN THE CR

Justification of the proposed evaluation

Substantial overload of employees of MA and IB has been causing in a long term a strong emphasis on the evaluation of administrative and financial inconsistencies and on the other hand the real impacts and added value of supported projects are not evaluated. The proposed long-term evaluation should focus on the quality of outputs and results of selected projects in individual priority axes. This way at least a randomly selected sample of projects could be examined. We recommend to implement the evaluation system by the end of the current programming period and to introduce it as an integral part of the programme evaluation from 2014+. The implementation will give the contracting authority a real idea of the actual benefits of the projects funded from the ESF.

A suitable implementation method:

A combination of quantitative and qualitative evaluation of a sample of case studies in individual priority axes.