**Report on the Implementation**

**of the Integrated Operational Programme**

**for the period**

**17 April 2015 – 30 September 2015**



**For the 16th meeting of IOP Monitoring Committee of 30 November 2015**

**CONTENTS**

[INTRODUCTION 7](#_Toc434907444)

[1 PROGRAMME IDENTIFICATION 8](#_Toc434907445)

[2.1 Summary tables on progress towards IOP implementation 10](#_Toc434907446)

[2.2 Progress towards indicators at programme level 15](#_Toc434907447)

[2.3 Main activities in the period 17 April 2015 to 30 September 2015 15](#_Toc434907448)

[2.3.1 Important IOP milestones in the period 17 April 2015 to 30 September 2015 15](#_Toc434907449)

[2.3.2 Overview of ongoing and newly announced calls in the period 17 April 2015 to 30 September 2015 16](#_Toc434907450)

[2.3.3 Changes and additions to important IOP documents 16](#_Toc434907451)

[2.4 Major problems encountered in the implementation of the programme and the measures taken 17](#_Toc434907452)

[2.4.1 Risk of under-execution of the programme allocation 17](#_Toc434907453)

[2.4.2 Addressing IOP error rate in the 2013 Annual Audit Report 19](#_Toc434907454)

[2.4.3 Dormant and risky IOP projects 20](#_Toc434907455)

[2.4.4 Czech Post 21](#_Toc434907456)

[2.4.5 Administrative capacity for program termination 21](#_Toc434907457)

[2.4.6 Crisis management and the fulfilment of Government Resolution No 124/2015 22](#_Toc434907458)

[2.4.7 Methodology of financial flows in connection with the performance of AA audit 22](#_Toc434907459)

[2. 4. 8 Warning letter of the Commission concerning 10 projects in Intervention Area 2.1 22](#_Toc434907460)

[2. 4. 9 Suspension of payments for the Intervention Area 5.1 23](#_Toc434907461)

[2. 4. 10 Horizontal audit of ICT projects 23](#_Toc434907462)

[2. 4. 11 High number of external audits with the MA IOP and some beneficiaries 23](#_Toc434907463)

[2.5 Major projects 24](#_Toc434907464)

[2.6 Measures taken on the conclusions from the last Monitoring Committee 24](#_Toc434907465)

[2.7 Risk analysis in relation to the completion of programme take-up 24](#_Toc434907466)

[2.7.1 Risk analysis in relation to the completion of programme take-up 27](#_Toc434907467)

[2.7.2 Forecast of IOP take-up trends 28](#_Toc434907468)

[2.8 Risk analysis in relation to future progress in programme implementation 31](#_Toc434907469)

[2.9 Expected schedule for the announcement of calls 35](#_Toc434907470)

[2.10 Overview of approved projects 35](#_Toc434907471)

[2.11 Progress in the implementation of financial instruments 38](#_Toc434907472)

[3 PROGRESS AT PRIORITY AXIS LEVEL 39](#_Toc434907473)

[3.1 Priority axis 1a, 1b – Modernisation of public administration 39](#_Toc434907474)

[3.1.1 Focus of priority axes/intervention areas 39](#_Toc434907475)

[3.1.2 Progress in the implementation of priority axes / intervention areas 41](#_Toc434907476)

[3.1.3 Progress towards indicators 42](#_Toc434907477)

[3.1.4 Problems and measures taken 44](#_Toc434907478)

[3.1.5 Example of a project 45](#_Toc434907479)

[3.2 Priority Axis 2 – Introduction of ICT in territorial public administration 46](#_Toc434907480)

[3.2.1 Focus of priority axes / intervention areas 46](#_Toc434907481)

[3.2.2 Progress in the implementation of priority axes / intervention areas 47](#_Toc434907482)

[3.2.3 Progress towards indicators 48](#_Toc434907483)

[3.2.4 Problems and measures taken 50](#_Toc434907484)

[3.3 Priority axis 3 – Improving public services quality and accessibility 50](#_Toc434907485)

[3.1.3 Focus of priority axes / intervention areas 50](#_Toc434907486)

[3.2.3 Progress in the implementation of priority axes / intervention areas 52](#_Toc434907487)

[3.3.3 Progress towards indicators 55](#_Toc434907488)

[3.3.4 Problems and measures taken 62](#_Toc434907489)

[3.5.3 Example of a project 66](#_Toc434907490)

[3.4 Priority Axis 4a, 4b – National support for tourism 67](#_Toc434907491)

[3.1.4 Focus of priority axes / intervention areas 67](#_Toc434907492)

[3.2.4 Progress in the implementation of priority axes / intervention areas 69](#_Toc434907493)

[3.4.3 Progress towards indicators 70](#_Toc434907494)

[3.4.4 Problems and measures taken 73](#_Toc434907495)

[3.5 Priority Axis 5 – National support for territorial development 74](#_Toc434907496)

[3.1.5 Focus of priority axes / intervention areas 74](#_Toc434907497)

[3.2.5 Progress in the implementation of priority axes / intervention areas 75](#_Toc434907498)

[3.5.3 Progress towards indicators 78](#_Toc434907499)

[3.4.5 Problems and measures taken 83](#_Toc434907500)

[3.5.5 Example of a project 84](#_Toc434907501)

[3.6 Priority axis 6a, 6b – Technical assistance 86](#_Toc434907502)

[3.1.6 Focus of priority axes / intervention areas 86](#_Toc434907503)

[3.2.6 Progress in the implementation of priority axes / intervention areas 87](#_Toc434907504)

[3.6.3 Progress towards indicators 89](#_Toc434907505)

[3.4.6 Problems and measures taken 90](#_Toc434907506)

[ADMINISTRATIVE SUPPORT OF THE PROGRAMME 91](#_Toc434907507)

[4.1 Information on implementing and the results of the audits and financial controls 91](#_Toc434907508)

[4.2 Implementation of the communication plan and the publicity related activities 97](#_Toc434907509)

[4.3 The evaluations and studies performed 99](#_Toc434907510)

[4.3.1 Evaluation of the managing authority 99](#_Toc434907511)

[4.3.2 Evaluation and studies of intermediate bodies 100](#_Toc434907512)

[4.4 Other activities of the Managing Authority and the Monitoring Committee 102](#_Toc434907513)

[4.4.1 Activities of the Managing Authority 102](#_Toc434907514)

[4.4.2 Activities of the Monitoring Committee 102](#_Toc434907515)

[4.4.3 Activities of working groups 103](#_Toc434907516)

[4.5 Administrative capacity of the implementation structure 104](#_Toc434907517)

[5 MAIN CONCLUSIONS 108](#_Toc434907518)

[LIST OF ABBREVIATIONS 109](#_Toc434907519)

[Annexes 112](#_Toc434907520)

[Annex 1 - Activities in the field of publicity for the period 17 April 2015 – 30 September 2015 113](#_Toc434907521)

[Annex 2 – IOP Crisis Plan 2015 119](#_Toc434907522)

[Annex 3 - Overview of measures adopted in relation to the conclusions of the 15th meeting of MC IOP 127](#_Toc434907523)

[Annex 4 – List of major projects 128](#_Toc434907524)

**List of Tables:**

[Table Nr. 1 - Allocation by years and objectives (EUR) 8](#_Toc434911857)

[Table Nr. 2 - IOP intermediate bodies by intervention areas 9](#_Toc434911858)

[Table Nr. 3 - Status of IOP take-up, cumulatively as of 31 March 2012 (CZK/EUR million) 10](#_Toc434911859)

[Table Nr. 4 - Progress in IOP take-up for the period 17 April 2015 to 30 September 2015 (CZK/EUR million) 12](#_Toc434911860)

[Table Nr. 5 - Overview of the ongoing calls in the period 17 April 2015 to 30 September 2015 16](#_Toc434911861)

[Table Nr. 6 – Overview of dormant and high-risk projects 20](#_Toc434911862)

[Table Nr. 7 - Progress towards n+3/n+2 (in EUR) under the Convergence objective 25](#_Toc434911863)

[Table Nr. 8 - The fulfilment of the n+2/n+3 rule (in EUR) in the RCE objective 26](#_Toc434911864)

[Table Nr. 9 - Outlook for the under-execution of the allocation (CZK) 27](#_Toc434911865)

[Table Nr. 10 - Payment applications submitted by the end of the programming period 28](#_Toc434911866)

[Table Nr. 11 - Cumulative progress at the level of Intervention Areas 1.1a and 1.1b (in CZK/EUR million) 41](#_Toc434911867)

[Table Nr. 12 - Output indicators 43](#_Toc434911868)

[Table Nr. 13 - Result indicators 43](#_Toc434911869)

[Table Nr. 14 - Cumulative progress at the level of Intervention Area 2.1 (in CZK/EUR million) 47](#_Toc434911870)

[Table Nr. 15 - Output indicators 48](#_Toc434911871)

[Table Nr. 16 - Result indicators 49](#_Toc434911872)

[Table Nr. 17 - Cumulative progress at the level of Intervention Area 3.1 (in CZK/EUR million) 52](#_Toc434911873)

[Table Nr. 18 - Cumulative progress at the level of Intervention Area 3.2 (in CZK/EUR million) 53](#_Toc434911874)

[Table Nr. 19 - Cumulative progress at the level of Intervention Area 3.3 (in CZK/EUR million) 53](#_Toc434911875)

[Table Nr. 20 - Cumulative progress at the level of Intervention Area 3.4 (in CZK/EUR million) 54](#_Toc434911876)

[Table Nr. 21 - Output indicators 58](#_Toc434911877)

[Table Nr. 21 - Result indicators 60](#_Toc434911878)

[Table Nr. 22 - Cumulative progress at the level of Intervention Areas 4.1a and 4.1b (in CZK/EUR million) 70](#_Toc434911879)

[Table Nr. 22 - Overview of ongoing calls in the Priority Axis 4a and 4b 71](#_Toc434911880)

[Table Nr. 23 - Output indicators 72](#_Toc434911881)

[Table Nr. 24 - Result indicators 72](#_Toc434911882)

[Table Nr. 25 - Cumulative progress at the level of Intervention Area 5.1 (in CZK/EUR million) 76](#_Toc434911883)

[Table Nr. 26 - Cumulative progress at the level of Intervention Area 5.2 (in CZK/EUR million) 77](#_Toc434911884)

[Table Nr. 27 - Cumulative progress at the level of Intervention Area 5.3 (in CZK/EUR million) 77](#_Toc434911885)

[Table Nr. 28 - Overview of ongoing calls in PA 5 78](#_Toc434911886)

[Table Nr. 29 - Number of calls completed in IDP 78](#_Toc434911887)

[Table Nr. 30 - Information on the state of IDP allocation take-up for Intervention Area 5.2 79](#_Toc434911888)

[Table Nr. 31 - Output indicators 81](#_Toc434911889)

[Table Nr. 32 - Result indicators 82](#_Toc434911890)

[Table Nr. 33 - Cumulative progress at the level of Intervention Areas 6.1a and 6.1b (in CZK/EUR million) 88](#_Toc434911891)

[Table Nr. 34 - Cumulative progress at the level of Intervention Areas 6.2a and 6.2b (in CZK/EUR million) 89](#_Toc434911892)

[Table Nr. 35 Overview of ongoing calls in PA 6 90](#_Toc434911893)

[Table Nr. 36 - Output indicators 90](#_Toc434911894)

[Table Nr. 37 - Result indicators 91](#_Toc434911895)

[Table Nr. 37 - Overview of training events held 103](#_Toc434911896)

[Table Nr. 38 - Administrative capacity of the IOP implementation structure 105](#_Toc434911897)

[Table Nr. 39 - Monitoring administrative capacity in the programming period 2007–2013 107](#_Toc434911898)

[Table Nr. 40 - Draft administrative capacities of IB IOP for the period December 2015 – June 2016 107](#_Toc434911899)

[Table Nr. 41 - Monitoring of fluctuation by types of positions and implementation bodies 108](#_Toc434911900)

**List of Charts:**

[Chart Nr. 1 - IOP take-up as of 30 September 2015 15](#_Toc434912371)

[Chart Nr. 2 - Progress towards the plan of the financial volume of the submitted payment applications 29](#_Toc434912372)

[Chart Nr. 3 - Progress towards the plan of the number of the submitted payment applications 30](#_Toc434912373)

[Chart Nr. 4 - Percentage of excluded projects by status 36](#_Toc434912374)

[Chart Nr. 5 - Excluded projects by intervention areas 37](#_Toc434912375)

[Chart Nr. 6 - The comparison of physical and financial progress in Intervention Area 1.1 44](#_Toc434912376)

[Chart Nr. 7 - The comparison of physical and financial progress in Intervention Area 2.1 50](#_Toc434912377)

[Chart Nr. 8 - The comparison of physical and financial progress in Intervention Area 3.1 62](#_Toc434912378)

[Chart Nr. 9 - Comparison of physical and financial progress in Intervention Area 3.2 62](#_Toc434912379)

[Chart Nr. 10 - Comparison of physical and financial progress in Intervention Area 3.3 63](#_Toc434912380)

[Chart Nr. 11 - Comparison of physical and financial progress in Intervention Area 3.4 63](#_Toc434912381)

[Chart Nr. 12 - The comparison of physical and financial progress in Intervention Area 4.1 73](#_Toc434912382)

[Chart Nr. 13 - The comparison of physical and financial progress in Intervention Area 5.1 83](#_Toc434912383)

[Chart Nr. 14 - The comparison of physical and financial progress in Intervention Area 5.2 83](#_Toc434912384)

[Chart Nr. 15 - The comparison of physical and financial progress in Intervention Area 5.3 84](#_Toc434912385)

# INTRODUCTION

**Integrated Operational Programme** (the “IOP”) is implemented in the programming period   
2007–2013. The programme is aimed at addressing common regional challenges in the areas   
of infrastructure, public administration, public services and regional development: the development   
of information technologies in public administration, improving infrastructure for social services, public health, employment services and security services, risk prevention and management, promotion of tourism, cultural heritage, improving the environment in housing estates and the development   
of systems for the creation of territorial policies. The IOP Managing Authority is the Ministry   
of Regional Development; the Ministry of Interior, Ministry of Labour and Social Affairs, Ministry   
of Health and the Centre for Regional Development act as intermediary bodies.

In 2015, the IOP Programming Document changed in accordance with Article 33 of Council Regulation No. 1083/2006; the change was approved by the IOP Monitoring Committee on 16 June 2015. Changes were made to the financial tables in relation to the loss of allocation in 2014. The IOP allocation thus totals EUR 1,615.15 million, of which the crucial part is allocated for the Convergence objective – EUR 1,591.4 million, with EUR 23.8 million being allocated for the Regional Competitiveness and Employment objective.

**Details concerning the progress and implementation of the IOP in the period from** **17 April 2015 to 30 September 2015** are presented in this Implementation Report intended for the 16th meeting   
of the IOP Monitoring Committee, prepared by the IOP Managing Authority in cooperation with other actors involved in the programme.

**The Report on the Implementation of the Integrated Operational Programme** as of 30 September 2015 (the “Report”) provides comprehensive information on the status of implementation of the programme and the progress made ​​in achieving the objectives of the programme as a whole as well   
as the objectives set for each priority axis. The Report builds on the previous IOP Implementation Report prepared as at 17 April 2015 and presented to the 15th Meeting of the IOP Monitoring Committee held on 16 June 2015.

This Report is prepared in accordance with the current version of the Methodology for the Monitoring of SF and CF programmes 2007–2013 and with the Guidance on the Creation of the Implementation Report issued by the Ministry of Regional Development, which acts as the National Coordination Authority (NCA) of the National Strategic Reference Framework of the Czech Republic (NSRF) based on Government Resolution no. 198 of 22 February 2006.

In terms of its substantive structure, the Report contains data on key activities undertaken since the last MC meeting, on programme implementation (difficulties in programme implementation, major projects, description of the course of the programme implementation, provision of financial support), on controls and audits, on the provision of technical assistance, on administrative capacity, on the Communication Plan (fulfilling the duties concerning publicity, examples of successful projects)   
and on the progress towards the evaluation plan.

The report has been prepared for the needs of the 16th meeting of the IOP Monitoring Committee held on 19 November 2015. The Report is presented to the members of the Monitoring Committee for information.

# 1 PROGRAMME IDENTIFICATION

The Integrated Operational Programme is implemented in the Czech Republic based on the National Strategic Reference Framework for the programming period 2007–2013.

The IOP strategy involves interventions at national level with nation-wide impact to improve the quality of life of the population and enhance the attractiveness of the Czech Republic for investors   
as a result of increased quality, efficiency and accessibility of public administration and public services. Given the systemic approach to interventions, it is necessary that the focus of selected areas targets the entire territory of the Czech Republic, including the City of Prague. Therefore, in accordance with Article 32(1) of the General Regulation, the IOP is designed as a multi-objective programme and, following discussions with the EC, it may also provide support under the Regional Competitiveness and Employment (RCE) objective, in addition to the main focus concerning the support of regions under the Convergence objective.

Table Nr. 1 - Allocation by years and objectives (EUR)

|  |  |  |  |
| --- | --- | --- | --- |
| **Year** | **ERDF**  **Convergence** | **ERDF**  **Competitiveness** | **Total** |
| **1** | **2** | **3=1+2** |
| 2007 | 192,686,939 | 3,951 894 | 196,638,833 |
| 2008 | 202,164,946 | 4,030 931 | 206,195,877 |
| 2009 | 211,684,389 | 4,111 551 | 215,795,940 |
| 2010 | 221,648,970 | 2,635,524 | 224,284,494 |
| 2011 | 237,465 225 | 4,277 657 | 241,742 882 |
| 2012 | 247,398,119 | 2,057,180 | 249,455,299 |
| 2013 | 278,308,099 | 2,736 597 | 281,044,696 |
| **Total 2007–2013** | **1,591,356 687** | **23,801,334** | **1,615 158,021** |

*Source: Programming document, 2015*

*Note: The allocation is based on the programming document submitted to the EC for approval. The revision of the programming document is due to a change in the financial tables made in connection with the quantification of the allocation loss for 2014. As of 30 September 2015, this version of the programming document was not approved by the EC.*

Government Decree No. 175/2006 appointed the Ministry of Regional Development as the IOP Managing Authority. The MA carries out the tasks under Article 60 of Council Regulation (EC) No 1083/2006. Pursuant to Article 59(2), or Article 42(1) of Council Regulation (EC) No 1083/2006, the MA delegates some of the tasks to the intermediate bodies.

Due to insufficient administrative capacity of the MoLSA and MoI, in 2009 the MoRD and the MoLSA and MoI concluded Addenda to the Agreement on delegating the tasks of the IOP Managing Authority. The Addenda concerned the involvement of the CRD in the administration of projects under Intervention Areas 2.1, 3.1, 3.3 and 3.4. Since 1 July 2012, changes to delegated activities in the Intervention Areas 2.1 and 3.4 were made. This involved the transfer of the remaining administrative activities from the Ministry of the Interior to the Ministry of Regional Development and the Centre for Regional Development.

During 2013, a change was made to the Agreement on delegating the tasks of the IOP Managing Authority to the Ministry of Culture as the intermediate body for the Intervention Area 5.1 National support for the utilization of the cultural heritage potential. The activities of the Ministry of Culture were transferred as of 1 November 2013 to the Ministry of Regional Development and the Centre for Regional Development.

The competences concerning the individual IOP intervention areas are presented in the table below.

**Table Nr. 2 - IOP intermediate bodies by intervention areas**

|  |  |
| --- | --- |
| **Intervention area** | **Intermediate body** |
| **1.1 a, b** Developing information society in public administration | |Ministry of Interior (SF department) |
| **2.1** Introducing ICTs in territorial public administration | |Ministry of Interior (SF department) until 30 June 2012  Centre for Regional Development until 1 July 2012 |
| **3.1** Social integration services | Ministry of Labour and Social Affairs (Department of EU Funds Implementation and the Department of Programme Financing)  Centre for Regional Development |
| 3.2 Public health services | Ministry of Health (Department of European Funds) |
| 3.3 Employment services | Ministry of Labour and Social Affairs (Department of EU Funds Implementation and the Department of Programme Financing)  Centre for Regional Development |
| 3.4 Services concerning security, risk prevention and management | |Ministry of Interior (SF department) until 30 June 2012  Centre for Regional Development until 1 July 2012 |
| **4.1 a, b** National support for tourism | Centre for Regional Development |
| **5.1** National support to utilize the potential of cultural heritage | Ministry of Culture (Department of Strategy and Grant Policy) until 31 October 2013  Centre for Regional Development until  1 November 2013 |
| **5.2** Improving the environment in problematic housing estates | Centre for Regional Development |
| **5.3** Modernisation and development of systems for the creation of territorial policies | Centre for Regional Development |
| **6.1 a, b** Activities associated with IOP management  **6.2 a, b** Other costs of IOP technical assistance | Centre for Regional Development |

2 OVERVIEW OF PROGRAMME IMPLEMENTATION

## 2.1 Summary tables on progress towards IOP implementation

In accordance with the NCA Guidance on the Creation of the Implementation Report, the column **Applications submitted** contains all the applications registered in IS Monit7+ as of 31 March 2012, i.e. also those that have been rejected and thus excluded from implementation. **Funds covered by   
a Decision/Contract** represent the financial value of projects for which a Grant Decision or Statement of Expenditure has been issued, and do not include projects unfinished due to beneficiary withdrawal or MA/IB decision.

In this Report, **approved projects** shall mean **projects for which a Decision / Statement of Expenditure has been issued** (provided in the tables). Summary applications use exchange rate applicable upon accounting the application; reimbursed applications use the exchange rate applicable in October 2015 (i.e. EUR 1 = CZK 27.208).

**Table Nr. 3 - Status of IOP take-up, cumulatively as of 31 March 2012 (CZK/EUR million)**

| **PA/IA** | **Total allocation of support for 2007–2013** | | **Submitted applications** | | | | **Funds covered by a Decision / Contract (Addendum)** | | | | **Funds paid out to beneficiaries (accounted funds)** | | | **Summary applications accounted by the PCA** | | | **Certified funds (including refunds)** | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **CZK million** | **EUR million** | **Number** | **CZK million** | **%** | **EUR million** | **Number** | **CZK million** | **%** | **EUR million** | **CZK million** | **%** | **EUR million** | **CZK million** | **%** | **EUR million** | **CZK million** | **%** | **EUR million** |
| **a** | **b** | **c** | **c/a** | **d** | **e** | **e/a** | **f** | **f/a** | **g** | **g/a** | **h** | **h/a** |
| 1.1a | 7,624.07 | 290.94 | 141 | 12,273.40 | 160.98 | 461.82 | 76 | 6,887.63 | 90.34 | 263.81 | 4,926.61 | 64.62 | 191.8 | 4,911.21 | 64.42 | 191.23 | 4,726.84 | 62 | 184.09 |
| 1.1a | **7,624.07** | **290.94** | **141** | **12,273.40** | **160.98** | **461.82** | **76** | **6,887.63** | **90.34** | **263.81** | **4,926.61** | **64.62** | **191.8** | **4,911.21** | **64.42** | **191.23** | **4,726.84** | **62** | **184.09** |
| 1.1b | 523.72 | 20.07 | 0 | 944.11 | 180.27 | 35.52 | 0 | 529.82 | 101.16 | 20.29 | 378.97 | 72.36 | 14.75 | 377.79 | 72.13 | 14.71 | 363.6 | 69.43 | 14.16 |
| 1.1b | **523.72** | **20.07** | **0** | **944.11** | **180.27** | **35.52** | **0** | **529.82** | **101.16** | **20.29** | **378.97** | **72.36** | **14.75** | **377.79** | **72.13** | **14.71** | **363.6** | **69.43** | **14.16** |
| 2.1 | 3,912.66 | 148.51 | 6,069 | 5,618.21 | 143.59 | 211.2 | 5,672 | 4,322.32 | 110.47 | 163.57 | 2,730.32 | 69.78 | 105.06 | 2,631.56 | 67.26 | 101.43 | 2,479.87 | 63.38 | 95.78 |
| 2.1 | **3,912.66** | **148.51** | **6,069** | **5,618.21** | **143.59** | **211.2** | **5,672** | **4,322.32** | **110.47** | **163.57** | **2,730.32** | **69.78** | **105.06** | **2,631.56** | **67.26** | **101.43** | **2,479.87** | **63.38** | **95.78** |
| 3.1 | 1,472.06 | 54.64 | 474 | 3,210.61 | 218.1 | 118.54 | 128 | 1,321.85 | 89.8 | 49.11 | 915.69 | 62.2 | 34.19 | 827.59 | 56.22 | 30.96 | 764.04 | 51.9 | 28.6 |
| 3.2 | 6,501.32 | 248.48 | 267 | 11,258.47 | 173.17 | 423.33 | 212 | 8,350.69 | 128.45 | 316.45 | 5,307.39 | 81.64 | 204.6 | 5,095.32 | 78.37 | 196.81 | 4,677.46 | 71.95 | 180.87 |
| 3.3 | 1,065.43 | 40.21 | 29 | 1,854.55 | 174.07 | 69.21 | 17 | 774.24 | 72.67 | 29.35 | 536.04 | 50.31 | 20.75 | 536.04 | 50.31 | 20.75 | 375.25 | 35.22 | 14.5 |
| 3.4 | 7,294.69 | 271.29 | 159 | 10,511.86 | 144.1 | 389.53 | 154 | 7,735.31 | 106.04 | 287.48 | 2,908.43 | 39.87 | 110.07 | 2,773.37 | 38.02 | 105.11 | 2,709.11 | 37.14 | 102.73 |
| 3 | **16,333.50** | **614.62** | **929** | **26,835.48** | **164.3** | **1,000.61** | **511** | **18,182.10** | **111.32** | **682.4** | **9,667.55** | **59.19** | **369.62** | **9,232.32** | **56.52** | **353.62** | **8,525.86** | **52.2** | **326.71** |
| 4.1a | 1,604.28 | 60.57 | 113 | 3,970.60 | 247.5 | 147.54 | 42 | 1,467.44 | 91.47 | 55.51 | 1,194.19 | 74.44 | 45.49 | 1,157.12 | 72.13 | 44.13 | 1,054.14 | 65.71 | 40.22 |
| 4.1a | **1,604.28** | **60.57** | **113** | **3,970.60** | **247.5** | **147.54** | **42** | **1,467.44** | **91.47** | **55.51** | **1,194.19** | **74.44** | **45.49** | **1,157.12** | **72.13** | **44.13** | **1,054.14** | **65.71** | **40.22** |
| 4.1b | 81.01 | 3.1 | 0 | 396.61 | 489.57 | 14.7 | 0 | 112.87 | 139.32 | 4.27 | 91.86 | 113.39 | 3.5 | 89.01 | 109.87 | 3.39 | 81.5 | 100.6 | 3.11 |
| 4.1b | **81.01** | **3.1** | **0** | **396.61** | **489.57** | **14.7** | **0** | **112.87** | **139.32** | **4.27** | **91.86** | **113.39** | **3.5** | **89.01** | **109.87** | **3.39** | **81.5** | **100.6** | **3.11** |
| 5.1 | 5,676.33 | 213.74 | 70 | 14,902.98 | 262.55 | 552.85 | 25 | 5,627.13 | 99.13 | 211.93 | 4,376.20 | 77.1 | 165.95 | 4,198.81 | 73.97 | 159.43 | 3,642.22 | 64.17 | 139.06 |
| 5.2 | 5,522.10 | 213.38 | 1,547 | 6,917.79 | 125.27 | 264.68 | 1,466 | 6,176.64 | 111.85 | 237.43 | 4,640.95 | 84.04 | 180.99 | 4,606.46 | 83.42 | 179.72 | 4,370.09 | 79.14 | 170.73 |
| 5.3 | 400.01 | 15.53 | 700 | 498.69 | 124.67 | 19.16 | 591 | 404.61 | 101.15 | 15.7 | 402.5 | 100.62 | 15.62 | 402.5 | 100.62 | 15.62 | 397.48 | 99.37 | 15.42 |
| 5 | **11,598.43** | **442.64** | **2,317** | **22,319.46** | **192.44** | **836.68** | **2,082** | **12,208.38** | **105.26** | **465.06** | **9,419.65** | **81.21** | **362.56** | **9,207.77** | **79.39** | **354.78** | **8,409.79** | **72.51** | **325.22** |
| 6.1a | 705.34 | 27.18 | 55 | 1,231.07 | 174.54 | 46.5 | 50 | 813.19 | 115.29 | 31.14 | 606 | 85.92 | 23.53 | 600.33 | 85.11 | 23.32 | 550.22 | 78.01 | 21.36 |
| 6.2a | 180.56 | 6.9 | 84 | 382.89 | 212.05 | 14.33 | 76 | 186.26 | 103.15 | 7.11 | 104.62 | 57.94 | 4.11 | 104.01 | 57.6 | 4.08 | 101.06 | 55.97 | 3.97 |
| **6.a** | **885.9** | **34.07** | **139** | **1,613.96** | **182.18** | **60.83** | **126** | **999.45** | **112.82** | **38.25** | **710.62** | **80.21** | **27.63** | **704.34** | **79.51** | **27.4** | **651.28** | **73.52** | **25.33** |
| 6.1b | 12.97 | 0.5 | 0 | 22.63 | 174.55 | 0.85 | 0 | 14.95 | 115.3 | 0.57 | 11.14 | 85.94 | 0.43 | 11.04 | 85.14 | 0.43 | 10.12 | 78.03 | 0.39 |
| 6.2b | 3.32 | 0.13 | 0 | 7.04 | 212.03 | 0.26 | 0 | 3.42 | 103.14 | 0.13 | 1.92 | 57.96 | 0.08 | 1.91 | 57.61 | 0.08 | 1.86 | 55.98 | 0.07 |
| **6.b** | **16.29** | **0.63** | **0** | **29.67** | **182.19** | **1.12** | **0** | **18.37** | **112.82** | **0.7** | **13.07** | **80.24** | **0.51** | **12.95** | **79.53** | **0.5** | **11.98** | **73.54** | **0.47** |
| **Total** | **42,579.87** | **1,615.16** | **9,708** | **74,001.50** | **173.79** | **2,770.03** | **8,509** | **44,728.38** | **105.05** | **1,693.86** | **29,132.83** | **68.42** | **1,120.93** | **28,324.07** | **66.52** | **1,091.20** | **26,304.85** | **61.78** | **1,015.09** |

*Data source: MSC2007 as of 30 September 2015,*

*The certified funds data were generated in the entire Report as at 10 August 2015 due to a technical error caused by faulty data transfer between the IS Viola and MSC2007.*

*Source of funding: EU share*

*EUR/CZK exchange rate:*

* *the allocations in column (a) are not converted directly using the applicable exchange rate, as the data is further refined through summary applications accounted in IS Viola using the algorithm used in columns (c) - (f);*
* *for the conversion of columns (c) - (f): 27.208, or the exchange rate applicable upon the accounting of the payment application in IS Viola;*
* *The conversion of columns (g) - (h) uses the exchange rate applicable upon the accounting the summary application in IS Viola.*

Given that priority axes have multiple objectives, the number of submitted applications and Projects covered by a Decision/Contract is given for support areas related to the Convergence objective (a). The number in support areas that fall under the Regional Competitiveness and Employment objective (b) is zero.

**As at 30 September 2015, a total of** 9,708 project applications totalling EUR 2,770.03 million were submitted, representing 173.79% of the total programme allocation. A significant excess of project applications was reported in Intervention Areas 4.1 (247.5%) and 3.1 (218.1%).

8,509 projects with a financial value of EUR 1,693.86 million were approved, representing 105.05% of the total programme allocation. In some intervention areas, the volume of approved funds exceeds 100% of the allocation. The MA IOP expects that thanks to savings in projects, beneficiaries will receive lower amounts, thereby covering the costs of projects constituting the over-commitment.

**Beneficiaries were paid a total of** EUR 1,120.93 million, representing 68.42% of the total allocation. Given their allocation, the largest share of funds reimbursed is in Intervention Areas 5.3 (100.62%), 5.2 (84.04%) and 3.2 (81.64%). The smallest share of funds was reimbursed in Intervention Areas   
3.4 (39.87%) and 3.3 (50.31%).

**In summary payment applications,** the PCA accounted a total of EUR 1,091.2 million, representing 66.52% of the programme allocation. The trend is the same as in the case of funds reimbursed to beneficiaries. The largest share of funds accounted in summary applications is in Intervention Areas 5.3 (100.62%), 5.2 (83.42%) and 3.2 (78.37%). The smallest share is in Intervention Area 3.4, representing 38.02% of the allocation.

**Certified expenditure** submitted to the EC total EUR 1,015.09 million, representing 61.78 % of the total programme allocation. The largest volume of certified expenditure as a share of intervention area allocation is in the Intervention Areas 5.3 (99.37 %), 5.2 (79.13 %) and 3.2 (71.95 %).

**Table Nr. 4 - Progress in IOP take-up for the period 17 April 2015 to 30 September 2015 (CZK/EUR million)**[[1]](#footnote-2)

| **Support Area** | **Total allocation of support for 2007–2013** | | **Submitted applications** | | | | **Funds covered by a Decision / Contract (Addendum)** | | | | **Funds paid out to beneficiaries (accounted funds)** | | | **Summary applications accounted by the PCA** | | | **Certified funds (including refunds)** | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **CZK million** | **EUR million** | **Number** | **CZK million** | **%** | **EUR million** | **Number** | **CZK million** | **%** | **EUR million** | **CZK million** | **%** | **EUR million** | **CZK million** | **%** | **EUR million** | **CZK million** | **%** | **EUR million** |
| **a** | **b** | **c** | **c/a** | **d** | **e** | **e/a** | **f** | **f/a** | **g** | **g/a** | **h** | **h/a** |
| 1.1a | 7,624.07 | 290.94 | 0 | 0.00 | 0.00 | 2.62 | 4 | 167.49 | 2.20 | 6.82 | 20.58 | 0.27 | 0.77 | 48.62 | 0.64 | 1.78 | -40.93 | -0.54 | -1.58 |
| **1.1a** | **7,624.07** | **290.94** | **0** | **0.00** | **0.00** | **2.62** | **4** | **167.49** | **2.20** | **6.82** | **20.58** | **0.27** | **0.77** | **48.62** | **0.64** | **1.78** | **-40.93** | **-0.54** | **-1.58** |
| 1.1b | 523.72 | 20.07 | 0 | 0.00 | 0.00 | 0.20 | 0 | 12.88 | 2.46 | 0.52 | 1.58 | 0.30 | 0.06 | 3.74 | 0.71 | 0.14 | -3.15 | -0.60 | -0.12 |
| **1.1b** | **523.72** | **20.07** | **0** | **0** | **0** | **0.2** | **0** | **12.88** | **2.46** | **0.52** | **1.58** | **0.3** | **0.06** | **3.74** | **0.71** | **0.14** | **-3.15** | **-0.60** | **-0.12** |
| 2.1 | 3,912.66 | 148.51 | 0 | 0.00 | 0.00 | 1.12 | 3 | -20.65 | -0.53 | -0.09 | 228.02 | 5.83 | 8.39 | 194.80 | 4.98 | 7.15 | 61.52 | 1.57 | 2.19 |
| **2.1** | **3,912.66** | **148.51** | **0** | **0.00** | **0.00** | **1.12** | **3** | **-20.65** | **-0.53** | **-0.09** | **228.02** | **5.83** | **8.39** | **194.80** | **4.98** | **7.15** | **61.52** | **1.57** | **2.19** |
| 3.1 | 1472.06 | 54.64 | 0 | 0.00 | 0.00 | 0.89 | 0 | -7.89 | -0.54 | -0.07 | 167.91 | 11.41 | 6.19 | 138.66 | 9.42 | 5.09 | 101.59 | 6.90 | 3.69 |
| 3.2 | 6,501.32 | 248.48 | 0 | 0.00 | 0.00 | 2.33 | 15 | 1,582.79 | 24.35 | 58.91 | 508.87 | 7.83 | 18.74 | 390.49 | 6.01 | 14.35 | 63.54 | 0.98 | 2.01 |
| 3.3 | 1,065.43 | 40.21 | 0 | 0.00 | 0.00 | 0.47 | 0 | -5.95 | -0.56 | -0.11 | 0.68 | 0.06 | 0.03 | 0.68 | 0.06 | 0.03 | -160.11 | -15.03 | -6.22 |
| 3.4 | 7,294.69 | 271.29 | 0 | 0.00 | 0.00 | 2.78 | -1 | -76.18 | -1.04 | -0.98 | 233.55 | 3.20 | 8.59 | 122.19 | 1.68 | 4.48 | 68.62 | 0.94 | 2.50 |
| **3** | **16,333.50** | **614.62** | **0** | **0.00** | **0.00** | **6.46** | **14** | **1,492.78** | **9.14** | **57.75** | **911.01** | **5.58** | **33.54** | **652.03** | **3.99** | **23.95** | **73.64** | **0.45** | **1.98** |
| 4.1a | 1,604.28 | 60.57 | 0 | 0.00 | 0.00 | 1.02 | 0 | -36.95 | -2.30 | -1.20 | 82.52 | 5.14 | 3.04 | 123.70 | 7.71 | 4.53 | 34.34 | 2.14 | 1.14 |
| **4.1a** | **1,604.28** | **60.57** | **0** | **0.00** | **0.00** | **1.02** | **0** | **-36.95** | **-2.30** | **-1.20** | **82.52** | **5.14** | **3.04** | **123.70** | **7.71** | **4.53** | **34.34** | **2.14** | **1.14** |
| 4.1b | 81.01 | 3.10 | 0 | 1.56 | 1.92 | 0.17 | 0 | -7.06 | -8.72 | -0.25 | 6.35 | 7.84 | 0.23 | 9.52 | 11.75 | 0.35 | 3.05 | 3.77 | 0.10 |
| **4.1b** | **81.01** | **3.10** | **0** | **1.56** | **1.92** | **0.17** | **0** | **-7.06** | **-8.72** | **-0.25** | **6.35** | **7.84** | **0.23** | **9.52** | **11.75** | **0.35** | **3.05** | **3.77** | **0.10** |
| 5.1 | 5,676.33 | 213.74 | 0 | 0.00 | 0.00 | 3.87 | -2 | -218.79 | -3.85 | -7.38 | 398.11 | 7.01 | 14.63 | 423.46 | 7.46 | 15.49 | -6.95 | -0.12 | -0.27 |
| 5.2 | 5,522.10 | 213.38 | 44 | 411.31 | 7.45 | 15.88 | 48 | 421.28 | 7.63 | 15.98 | 239.74 | 4.34 | 8.83 | 359.11 | 6.50 | 13.16 | 189.35 | 3.43 | 6.64 |
| 5.3 | 400.01 | 15.53 | 0 | 0.00 | 0.00 | 0.03 | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -1.19 | -0.30 | -0.05 |
| **5** | **11,598.43** | **442.64** | **44** | **411.31** | **3.55** | **19.79** | **46** | **202.49** | **1.75** | **8.60** | **637.85** | **5.50** | **23.46** | **782.57** | **6.75** | **28.65** | **181.22** | **1.56** | **6.33** |
| 6.1a | 705.34 | 27.18 | 2 | 52.54 | 7.45 | 2.15 | 1 | -40.91 | -5.80 | -1.40 | 37.48 | 5.31 | 1.38 | 49.16 | 6.97 | 1.81 | 27.16 | 3.85 | 0.99 |
| 6.2a | 180.56 | 6.90 | 4 | 31.79 | 17.61 | 1.26 | 4 | -1.23 | -0.68 | -0.01 | 2.25 | 1.24 | 0.08 | 4.90 | 2.71 | 0.18 | 3.62 | 2.01 | 0.13 |
| **6.a** | **885.90** | **34.07** | **6** | **84.33** | **9.52** | **3.41** | **5** | **-42.14** | **-4.76** | **-1.41** | **39.73** | **4.48** | **1.47** | **54.06** | **6.10** | **1.98** | **30.79** | **3.48** | **1.12** |
| 6.1b | 12.97 | 0.50 | 0 | 0.97 | 7.45 | 0.04 | 0 | -0.75 | -5.80 | -0.03 | 0.69 | 5.31 | 0.03 | 0.90 | 6.97 | 0.03 | 0.50 | 3.85 | 0.02 |
| 6.2b | 3.32 | 0.13 | 0 | 0.58 | 17.60 | 0.02 | 0 | -0.02 | -0.68 | 0.00 | 0.04 | 1.24 | 0.00 | 0.09 | 2.71 | 0.00 | 0.07 | 2.01 | 0.00 |
| **6.b** | **16.29** | **0.63** | **0** | **1.55** | **9.52** | **0.06** | **0** | **-0.77** | **-4.76** | **-0.03** | **0.73** | **4.48** | **0.03** | **0.99** | **6.10** | **0.04** | **0.57** | **3.48** | **0.02** |
| **Total** | **42,579.87** | **1,615.16** | **50** | **498.75** | **1.17** | **34.85** | **72** | **1,768.06** | **4.15** | **70.71** | **1,928.37** | **4.53** | **70.98** | **1,870.02** | **4.39** | **68.57** | **341.05** | **0.80** | **11.17** |

*Data source: MSC2007 as of 30 September 2015*

*The certified funds data were generated in the entire Report as at 8 October 2015 due to a technical error caused by faulty data transfer between the IS Viola and MSC2007.*

*Source of funding: EU share*

*EUR/CZK exchange rate:*

* *the allocations in column (a) are not converted directly using the applicable exchange rate, as the data is further refined through summary applications accounted in IS Viola using the algorithm used in columns (c) - (f);*
* *for the conversion of columns (c) - (f): 27.208, or the exchange rate applicable upon the accounting of the payment application in IS Viola;*
* *the conversion of columns (g) - (h) uses the exchange rate applicable upon the accounting the summary application in IS Viola.*

**In the period from 17 April 2015 to 30 September 2015,** a total of 50 project applications in the amount of EUR 34.85 million were submitted (1.17% of programme allocation). The largest volume was submitted in the Intervention Area 5.2: EUR 19.79 million, representing 7.45% of the intervention area allocation.

72 projects with a volume of EUR 70.71 million were approved (4.15 % of programme allocation). The largest increase in the volume of approved funds was reported in Intervention Area 3.2, namely by EUR 58.91 million, representing an increase of 24.35%.

Compared with the previous reporting period, the volumes of funds covered by a Decision/Contract decreased in Intervention Areas 3.4 and 5.1. The decrease is due to the withdrawal of the beneficiaries from the project mainly because they had to repeat the procurement procedure and did not manage to implement the project within the specified deadline.

In the reporting period, beneficiaries were reimbursedEUR 70.98 million (4.53% of programme allocation). The largest volume of funds was reimbursed in Intervention Areas 3.2 (EUR 18.74 million) and 5.2 (EUR 8.83 million).

In the reporting period, **summary applications accounted by the PCA** totalled EUR 68.57 million (% allocation). The trend corresponds to the progress in reimbursements to beneficiaries. The largest volume of funds under summary applications is in Intervention Areas 3.2 (EUR 14.35 million) and 5.1 (EUR 15.49 million).

**Certified expenditure** increased by EUR 11.7 million (%) compared to the previous monitoring period. The largest volume of funds was certified in Intervention Areas 5.2 (EUR 6.64 million) and 3.1 (EUR 3.69 million).

Progress in IOP take-up from 17 April 2015 to 30 September 2015 is shown in Chart 1. The blue part of the columns shows take-up as at 17 April 2015 and the red part of the columns shows progress in the period 17 April 2015 to 30 September 2015. The total height of the columns shows the cumulative state of take-up as at 30 September 2015.

Chart Nr. 1 - IOP take-up as of 30 September 2015

*Source: MSC2007 as of 30 September 2015;*

*Source of funding – EU share*

*EUR/CZK exchange rate:*

* *the allocations in the column “2007–2013 Allocation” are not converted directly using the applicable exchange rate, as the data is further refined through summary applications accounted in IS Viola using the algorithm used in columns “Applications submitted” and “Funds reimbursed to beneficiaries”;*
* *for the conversion of columns “Applications submitted”, “Funds covered by a Decision/Contract” and “Funds reimbursed to beneficiaries”: 27.208, or the exchange rate applicable upon the accounting of the payment application in IS Viola;*
* *the conversion of columns “Summary applications accounted by the PCA” and “Certified funds” uses the exchange rate used upon accounting in IS Viola.*

## 2.2 Progress towards indicators at programme level

In accordance with the NCA Guidance on the Creation of the Implementation Report, the chapter contains indicators monitored the Managing Authority, rather than external sources. At the programme level, three impact indicators are defined. Their values ​​are not generated from the project level and are monitored by an external source. Therefore, the chapter provides no indicator.

## 2.3 Main activities in the period 17 April 2015 to 30 September 2015

### 2.3.1 Important IOP milestones in the period 17 April 2015 to 30 September 2015

| **Date** | **Activity** |
| --- | --- |
| 16/06/2015 | 15th meeting of the IOP Monitoring Committee |
| 13/07/2015 | End of the period for the IOP’s 14th certification of expenditure |
| 03/09/2015 | Change of IOP programming document presented to the EC |
| 8-10/9/2015 | International meeting of the representatives of the Ministry of Health of the Czech Republic and the Ministry of Health of the Slovak Republic with the IOP beneficiaries in Brno |
| 10/09/2015 | In its letter dated 10 September 2015, ref. no. Ares(2015)3740120, the EC resumed the payment period for Support Area 5.1. |

### 2.3.2 Overview of ongoing and newly announced calls in the period 17 April 2015 to 30 September 2015

In the period from 17 April 2015 to 30 September 2015, project applications were being submitted within 4 calls; no new call was announced. As at 30 September 2012, a total of 1,723 project applications in the amount of EUR 572.01 million were submitted under ongoing calls. A total of 1,654 projects in the amount of EUR 292.66 million were approved. The total allocation of all ongoing calls in the reporting period amounted to EUR 294.57 million.Detailed information on the calls under each priority axis is provided in Chapter 3.

**Table Nr. 5 - Overview of the ongoing calls in the period** 17 April 2015 to 30 September 2015

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Call order number** | **Call number** | **Submission of project applications** | | **Call type** |  | **Call allocation** | **Support applications submitted** | | **Projects covered by a Decision / Agreement** | |
|
| **Starting date of project application receipt** | **Date of call closure** | **Euro** | **number** | **Euro** | **number** | **Euro** |
| 44 | 12 | 07/09/2011 | 30/04/2015 | on-going | 4.1 | 56,037,951 | 31 | 75,361,508 | 22 | 51,501,721 |
|  |  |  |  |  |  | 4,205,182 | 31 | 9,669,972 | 22 | 3,960,971 |
|  |  |  |  | Call total | | 60,243,133 | 62 | 85,031,480 | 44 | 55,462,692 |
| 16 | 7 | 22/05/2009 | 15/07/2015 | on-going | 5.2 | 192,573,322 | 1,546 | 423,488,271 | 1,507 | 184,668,573 |
| 5 | 01 | 05/06/2008 | 30/10/2015 | on-going | 6.1 | 29,449,400 | 55 | 54,706,339 | 53 | 46,719,820 |
| 5 | 01 | 05/06/2008 | 30/10/2015 |  |  | 541,481 | 0 | 1,005,759 | 0 | 858,930 |
|  |  |  |  | Call total | | 29,990,881 | 55 | 55,712,098 | 53 | 47,578,750 |
| 37 | 10 | 27/09/2010 | 30/10/2015 | on-going | 6.2 | 11,761,247 | 60 | 7,639,975 | 57 | 48,687 68 |
| 37 | 10 | 27/09/2010 | 30/10/2015 |  |  |  | 0 | 140,458 | 0 | 89,510 |
|  |  |  |  | Call total | | 11,761,247 | 60 | 7,780,433 | 50 | 4,958,278 |
| CONV total | | | | | | 289,821,920 | 1,692 | 561,196,093 | 1,639 | 287,758,882 |
| RCO total | | | | | |  | 31 | 9,669,972 | 22 | 3,960,971 |
| **IOP total** | | | | | | **294,568,583** | **1,723** | **572,012,282** | **1,654** | **292,668,293** |

*Source: IS Monit7+ as at 30 September 2015;*

*EUR/CZK exchange rate: 27.208; Source of funding – public funds total*

### 2.3.3 Changes and additions to important IOP documents

**Changes to IOP Programming Document**

The revision of the IOP Programming Document in accordance with Article 33 and Article 93   
of Council Regulation no. 1083/2006 was approved by the IOP Monitoring Committee on 16 June 2015.

The revision is due to a change in the financial tables made after the quantification of the allocation loss for 2014. The change also concerns the adjustment of intermediate bodies and financial units in Intervention Areas 2.1, 3.4 and 5.1. It is an approved formal change which was incorporated into the Programming Document through the revision.

**Guidance Notes and Binding Opinions of the MA IOP**

Guidance Note No. 60 – Publicity

The Guidance Note was issued to provide for the designation of informational and publicity outputs in accordance with the Guidance Note for publicity and communication of ESI Funds 2014–2020 in the event that the materials inform about the Integrated Regional Operational Programme.

Guidance Note No. 61 – Update of Chapter C. 5 Inspections

The Guidance Note was issued to update the inspection procedures concerning procurement and checklists in line with the current needs of the IOP.

Guidance Note No. 62 – IOP closure

The Guidance Note was issued because of the revision of the “Commission Decision of 20 March 2013 on the approval of the guidelines on the closure of operational programmes adopted for assistance from the European Regional Development Fund, the European Social Fund and the Cohesion Fund (2007-2013) (EC closure guidelines)” in May 2015 and the setting of the procedure in the case of IOP closure.

**Description of IOP management and inspection systems**

An update of the document was made based on changes in the Description of the Management and Control System at the PCA level for the programming period 2007–2013.

## 2.4 Major problems encountered in the implementation of the programme and the measures taken

### 2.4.1 Risk of under-execution of the programme allocation

In 2015, the main objective is to conclude the final procurement procedures, successfully complete project implementation and maximise the take-up of available resources from the available programme allocation. It is also necessary to prepare the closure of the programme.

The entire allocation within the Convergence objective is covered with projects for which a legal act has been issued; the commitment of the allocation for the Regional Competitiveness and Employment stands at 95.2 %.

As of 30 September 2015, the beneficiaries submitted payment applications totalling 64.7 % of the programme allocation. Based on the data in the IS Monit7+, the MA IOP expects that by the end of January 2016, beneficiaries will submit 651 payment applications with a financial volume of CZK 14.14 billion. The beneficiaries plan to submit the large financial volume of payment applications of CZK 8.8 billion (21 % of programme allocation) in December 2015 and January 2016, which is related to the use of the deadline for eligibility of expenditure in certain calls.

Although the volume of payment applications submitted in 2015 and January 2016 (CZK 15.9 billion) is the highest for all the years of programme implementation, the number of payment applications (896) is similar as in 2014. Therefore, the administrative capacity of MA IOP and IB can be considered as adequate. The biggest risk is shifts in project implementation completion deadlines and consequently the submission of payment applications at the end of 2015, and the consequent accumulation of a large financial volume and number of payment applications at the end of 2015 and beginning of 2016.

These changes can be prevented only to a limited extent, because if the deadline postponement is not approved, the beneficiary may decide to withdraw from project implementation, which would only deepen under-execution of the programme.

Based on the plans of submitted payment applications and the experience gained from the programme implementation, the MA IOP updates every month the predicted under-execution of the allocation.   
It takes into account the level of savings in procurement procedures, ineligible expenditure in the payment applications and factors in that a certain share of high-risk and dormant projects will not be implemented and be withdrawn. The predicted programme under-execution oscillates from CZK 2.039 billion to CZK 4.131 billion. The under-execution expected by the MA IOP is in accordance with   
a realistic medium scenario of CZK 2.37 billion.

**Causes of the state of take-up**

The key issue is extending the implementation of some projects. In July 2012, the IOP Managing Authority in cooperation with intermediate bodies started to carry out a system **of supervision and management of dormant projects** (project implementation deadlines are on the verge of feasibility), high-risk projects (difficult communication with the beneficiary, meeting deadlines is very problematic) and risky projects (increased risk that implementation deadlines will not be met according to the original project implementation schedule). Over time, this system has developed, increasingly focusing on individual counselling and supervision of individual projects, e.g. with involvement of MA IOP, for example in project steering committees.

The reasons for the current state of project implementation and take-up:

* delay in project implementation and schedule (delayed supplies, complaint procedure, delayed works, archaeological findings);
* repeated procurement (appeals with the OPC, submission of no or only one tender);
* repeated challenges by unsuccessful bidders during the procurement procedures;
* projects of the Ministry of Interior with Czech Post, ICT branch as the general contractor, lacking relevant experience in the implementation of public contracts (21 projects with CZK 971 million yet to be taken-up);
* turnover of implementation team staff and repeated changes of project managers;
* lengthy and complicated internal processes in the case of major beneficiaries (e.g. publicly co-funded organizations of State organisational units).

The key risks lie outside the direct control of the MA IOP or IB IOP. The MA IOP seeks to highlight these issues (e.g. using documents submitted to the Government) and assist all beneficiaries to properly complete their projects).

**Measures adopted and implemented by MA IOP and IB IOP**

The IOP Managing Authority prepared and updated the Strategy to Complete IOP Take-Up with an outlook to 2015, which was acknowledged by the Government on 4 March 2015. Taking into account the approaching end of the programming period, there is limited time to implement measures to take up the remaining allocation. The implementation of measures initiated in 2013 and 2014 is ongoing.   
It primarily means focused and responsible work of the entire implementation structure and compliance with take-up plans, extraordinary measures were adopted in the form over-commitment in some intervention areas.

The MA IOP issued Guidance No 46, which regulates IOP Operating Manual in terms of the call deadlines, so that expenditure become eligible by 31 December 2015. The 2015 update of the Strategy to Complete IOP Take-Up dealt with the tools to reduce the impending under-execution of the allocation, such as utilizing project pipeline from completed calls or announce a new call for fast projects. These measures have been completed, all replacement projects have been included into the programme and the last call for the purchase of equipment for oncology centres in the amount of CZK 1.7 billion.

In 2015 a set of 23 cross-cutting and 11 specific measures to maximize take-up. All one-off measures were met within the specified deadlines; the MA checks the progress towards interim measures in meetings with intermediate bodies.

The key measure for the entire implementation structure is to provide maximum support and cooperation to problematic beneficiaries in order to help them implement projects in time and submit payment applications without errors. By concentrating on this objective, the amount of programme allocation take-up can be maximised.

Overview of adopted and implemented measures:

* effort to prevent staff turnover - to finance ministerial IB IOP until July 2016, the Government of the Czech Republic approved the document of the MoRD “Information on the necessary conditions for the proper completion of the Integrated Operational Programme 2007–2013” (Government Resolution No 604 of 29 July 2015);
* simplify and accelerate the processes of beneficiaries to avoid extending project implementation deadlines – it is a continuous appeal to beneficiaries;
* a monthly update of payment applications overview in order to be able to assess the impact on the administrative capacity within IB IOP and MA IOP;
* monitoring compliance with the plan for the submission of payment applications, identification of the causes of the failure to submit individual payment applications by the scheduled deadlines;
* update of the list of risky projects and a list of measures to maximize take-up – quarterly and monthly status updates on project progress;
* support for beneficiaries in the preparation of procurement procedures;
* monitoring the deadlines to approve tender dossier by the IBs;
* preparing the application to extend the last summary application with the PSA from 30 April 2016 (original deadline) to 31 May 2016 or 30 June 2016;
* participation of IB IOP and MA IOP in steering committees of major projects (such as operation centre projects with the CP OZ as the general contractor);
* negotiations at the deputy minister level in evaluating the performance of tasks and deadlines for key projects – projects of the Ministry of Interior with the CP OZ as the general contractor (approx. CZK 1 billion), and projects in the fields of culture and tourism;
* increased support for beneficiaries in the preparation and preliminary check of payment applications and monitoring reports;
* extension of the deadline for the approval and reimbursement of payment applications;
* reduced project stages, individual training of key beneficiaries;
* preparation of a guidance on the application of the unfinished projects.
* sufficient administrative capacity at IB IOP;
* maximum reduction and optimisation of the IB IOP and MA IOP deadlines while maintaining necessary control standard;
* modification and optimisation of IB IOP and MA IOP procedures.

### 2.4.2 Addressing IOP error rate in the 2013 Annual Audit Report

In the 2013 annual audit report, the AA auditors identified individual errors accounting for 2.46%   
of the total expenditure audited, and based on this data they extrapolated the error rate.

In the period 7 to 11 April 2014, European Commission staff (DG Regio) conducted an audit mission no. 2013/CZ/REGIO/C4/1332/1 aimed at verifying the activities of the Audit Authority of the Ministry of Finance. The audit was conducted on a sample of 12 projects where the AA performed audits of operations in 2013.

The MA IOP received the draft report of the audit mission in the Czech language on 11 August 2014 and, in collaboration with the beneficiaries and the intermediate body, it prepared objections within one month. On 19 March 2015, the MA IOP received the final report from the EC Audit. The EC auditors did not comply with the objections to three findings; the resulting error rate is 2.97%. One of the measures resulting from this audit mission is the audit of IT projects to be conducted in 2015 (see Chapter 2. 4. 10 Horizontal audit of ICT projects). The MA IOP still disputes the finding no. 1 from the above EC audit mission, whereby the auditors increased the correction previously imposed by the AA for illegal conduct in awarding public contracts in the projects Population Register, Register   
of Rights and Duties and Information System of National Registers from 5 % to 10 % of the amount used to finance the public contracts in question (correction increase of a total of CZK 41,079,836.96). The MA IOP in cooperation with the AA and PCA prepared a response to the final audit report, which was sent to the Commission on 20 August 2015.

### 2.4.3 Dormant and risky IOP projects

Based on periodic evaluations performed by IB IOP and after MA IOP audit, 47 high-risk projects worth approx. CZK 6 billion were registered as of 1 July 2015. Unlike in previous report in April 2015, no dormant projects were identified as of 1 July 2015. The MA IOP in cooperation with IB IOP closely monitor the status of high-risk projects (with at least two risk parameters), and have identified 89 risky projects worth more than CZK 2.8 billion. The MA IOP and IBs already address and determine measures for risk projects.

Compared to evaluating problem projects by April 2015, one dormant project worth about CZK 299 million withdrew. The category of high-risk projects saw an increase of 22 projects worth approximately CZK 2.6 billion. These projects were transferred from the category of risk projects   
in particular due to the tight implementation schedule. A frequent reason is their approval during   
the summer and autumn of 2014 and implementation period of approximately one year, including   
the execution of all public contracts. This primarily concerns the projects of cities and municipalities under the 22nd call in Intervention Area 2.1 and projects of State organisational units under the 17th call in Intervention Area 1.1.

**Table Nr. 6 – Overview of dormant and high-risk projects**

| **beneficiary** | **dormant** | | **high-risk** | | **risky** | | **total** | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **number** | **volume** | **number** | **volume** | **number** | **volume** | **number** | **volume** |
| **CZK** | **CZK** | **CZK** | **CZK** |
| Ministry of the Interior |  |  | 8 | 4,393,449,629 | 5 | 956,805,203 | 13 | 5,350,254,832 |
| MRD |  |  | 1 | 78,973,332 | 3 | 238,003,279 | 4 | 316,976,611 |
| MoH |  |  | 2 | 139,572,290 |  |  | 2 | 139,572,290 |
| MoA |  |  | 1 | 299,491,700 | 1 | 28,895,650 | 2 | 328,387,350 |
| MoC |  |  | 1 | 23,150,404 | 2 | 341,841,958 | 3 | 364,992,362 |
| SMEs |  |  | 1 | 19,200,000 |  |  | 1 | 19,200,000 |
| MIT |  |  |  |  | 1 | 33,946,550 | 1 | 33,946,550 |
| MoLSA |  |  | 1 | 240148780 |  |  | 1 | 240,148,780 |
| Healthcare facilities |  |  | 1 | 29,750,000 | 2 | 43,922,995 | 3 | 73,672,995 |
| Regions, municipalities |  |  | 31 | 829,273,814 | 71 | 834,509,817 | 102 | 1,663,783,631 |
| GDC |  |  |  |  | 1 | 93,020,764 | 1 | 93,020,764 |
| Other |  |  |  |  | 1 | 22,589,213 | 1 | 22,589,213 |
| Other – church |  |  |  |  | 2 | 266,298,324 | 2 | 266,298,324 |
| **Total** | **0** | **0** | **47** | **6,053,009,949** | **89** | **2,859,833,752** | **136** | **8,912,843,701** |

*Source: Managing Authority of the Integrated Operational Programme, 1 July 2015*

State organizational units and their publicly co-funded organizations implement 15 high-risk and 12 risky projects worth about CZK 6.336 billion, which represent the main risk for take-up in 2015.   
By the end of 2015, submission of payment applications is planned for high-risk projects in the amount of approximately CZK 4.362 billion. Risky projects are then expected to have payment applications submitted in the amount of approximately CZK 2.386 billion.

Since July 2012, when the MA IOP adopted measures for dormant and high-risk projects, there has been a partial improvement in the implementation of certain projects of State organizational units. The riskiest projects remain under the responsibility of the Ministry of Interior and the Fire and Rescue Service (FRS), in connection with the Czech Post, ICT services branch as the general contractor.

### 2.4.4 Czech Post

In the reference period, Czech Post, ICT branch (the “CP ICT”) is involved in the implementation   
as a supplier of two projects in Intervention Area 1.1 with a total value of about CZK 1 billion, and fourteen projects in Intervention Area 3.4 with a total value of CZK 1 billion, which are linked to other projects in Intervention Area 3.4 with a total value of CZK 1 billion. These are projects of the Ministry of Interior, General Directorate of Fire Rescue Service and the Regional Directorates of the Fire Rescue Service. None of these projects have been completed in the period and their implementation will continue after 30 September 2015.

The CP ICT still fails in the role of the contracting authority and unduly prolongs the execution   
of public contracts. There are ongoing meetings of MA IOP, IB MoI and CRD with the beneficiaries, IBs IOP (CRD and the SFD MoI) consult forthcoming public contracts and postpone the submission of payment applications to the latest deadlines. In the reporting period, the project of NIS IRS was modified whose general contractor is CP ICT to a “hybrid option”, which the MA IOP approved   
on 21 July 2015. The approval increased the chances of completion by the deadline of 30 November 2015.

The failure to complete this project can jeopardize the implementation of all projects under the 11th call in Intervention Area 3.4 in the amount of CZK 2 billion of total eligible costs.

The Ministry of Interior and the representatives of CP ICT hold intensive meetings aimed   
at completing the projects, where the MoI is the beneficiary and the CP ICT the general contractor.   
In September 2015, the general contractor was at risk of inadequate staff capacity, because the employment contracts of relevant employees mostly terminate by the furthest deadline for most projects (i.e. 30 November 2015). The beneficiary managed to guarantee the extension of the contracts for all key staff of the contractor until the end of 2015.

The IB MoI SFD monitor the progress towards project completion and their risks, reports the measures to MA IOP and submits the information each month to the Government.

### 2.4.5 Administrative capacity for program termination

As of 30 November 2015, or 31 December 2015, the eligibility of IOP TA expenditure ends, and since the MoLSA, MoI and MoH will no longer act as IBs in IROP for the programming period 2014–2020, they will not be eligible for funding of administrative capacities under IROP TA.

In the period from January 2016 to July 2016, they will carry out activities connected with the termination of IOP in accordance with the Agreements on the delegation of tasks of the IOP Managing Authority to MoLSA, MoI and MoH as intermediate bodies in the implementation of IOP for the period 2007–2013.

Based on the analysis of administrative capacity at the end of the programming period, the Ministry of Regional Development as the Managing Authority of IOP prepared a document for the meeting of the Government entitled “Information on the necessary conditions for the proper completion of the Integrated Operational Programme 20072013”, which states that from January 2016 to July 2016 it is necessary to ensure functional positions within the intermediate bodies, financed from the individual chapters of the State budget. The Government of the Czech Republic approved the document at its meeting on 29 August 2015.

### 2.4.6 Crisis management and the fulfilment of Government Resolution No 124/2015

Crisis management of the programme continues in 2015, being implemented, among other things, through an emergency plan approved by GR 124/2015. The crisis plan lists six cross-cutting risks and 3 specific risks relevant to the IOP and measures, whose implementation should contribute   
to eliminating those risks.

In addition to cross-cutting risks the following risks were identified for 2015:

* failure to cover disposable allocation,
* failure to complete projects,
* failure to fulfil contracts on the delegation of IOP Managing Authority activities   
  to Intermediate Bodies.

During August 2015, the crisis plan was extended to include two additional risks:

* failure to complete projects in time,
* incomplete audits of the European Commission.

Fulfilling the crisis plan, namely the measures to eliminate the identified risks are reported by the MA IOP NCA through monthly reports, identically to 2014.

A list of measures laid down by GR 124/2015 is given in Annex 2.

### 2.4.7 Methodology of financial flows in connection with the performance of AA audit

The MA IOP and IB IOP have consistently been pointing to some improperly defined provisions   
of the Methodology of financial flows and audits of programmes co-financed from the Structural Funds, the Cohesion Fund and the European Fisheries Fund for the programming period 2007–2013 (hereinafter the “Methodology”). These primarily include irregularities arising from the final audit report of the AA (EC, ECA, PCA audits) and always mean a confirmed irregularity. A confirmed irregularity is forwarded to the financial administration body (FAB) as a suspected breach   
of budgetary discipline.

If the FAB identifies no breach of budgetary discipline and does not impose a payment or identifies   
a breach of budgetary discipline and imposes a smaller payment than required by the audit report, the MA/IB should recover the funds concerning the irregularity in question from the beneficiary. However, the MA/IB recovering the funds has no basis in Act No 218/2000 Sb., on budgetary rules, nor in any other law. Also the methodology does not address further course of action in similar cases. If the tax offices fail to confirm the findings of the audit reports or if they confirm them in a lower amount, the funds concerning the irregularities are not recoverable from beneficiaries and are to   
be paid from the State budget, which unnecessarily burdens public finances.

Dealing with these situations has a negative impact on programme implementation, burdens the beneficiaries and the administrative capacities of the programme and leads to the build-up of requests for payment from the State budget

### 2. 4. 8 Warning letter of the Commission concerning 10 projects in Intervention Area 2.1

The EC sent the MA IOP a warning letter concerning 10 IT projects in Intervention Area 2.1, ref. no. Ares(2014)3831088 – 18 November 2014, in which it notified the interruption of payments in accordance with Article 91(1) of Regulation (EC) 1083/2006 because of a police investigation of 10 projects in calls 6, 8 and 9. The EC informed that no payment applications for the projects concerned will be processed until the investigation is completed. The MA subsequently received information about another project which is the subject to police investigation. On 29 May 2015, the NCA passed this information to the European Commission.

At the moment, suspension of certification concerns 11 projects in Intervention Area 2.1. MA IOP in cooperation with the PCA is working on the next steps in order to prevent the loss of funds if the suspicion of a criminal offense is not confirmed.

### 2. 4. 9 Suspension of payments for the Intervention Area 5.1

In its letter dated 26 March 2015, ref. no. Ares(2015)1337985, the EC informed about the suspension of the payment period for Support Area 5.1. This was due to deficiencies of a systemic nature, identified by a system audit in 2013, which was conducted by the Audit Authority of the Ministry   
of Finance at the IB Ministry of Culture.

The CRD entered into the IS Monit7+ the checklists of audits of public contracts executed by the IB MoC and also re-audited public contracts for which the above checklists were not found. The MA IOP and CRD have adopted other corrective measures requested by the EC based on a system audit of IOP 2013. On 22 June 2015, the MA IOP passed the summary information on the fulfilment of corrective measures to the AA. The AA checked it and confirmed their adequacy. Re-auditing the public contracts identified irregularities concerning the beneficiaries amounting to CZK 41,401,896.15. Potential corrections will be imposed as part of the ongoing audits of operations or public administration audits of the MA IOP. On 31 July 2015, the Czech Republic sent a response, informing on the corrective measures taken; subsequently, in a letter dated 10 September 2015, ref. no. Ares (2015)3740120, the European Commission resumed the payment period for Support Area 5.1.

### 2. 4. 10 Horizontal audit of ICT projects

On 3 February 2015, the AA launched an extraordinary system audit with the MA IOP entitled “Audit of IT projects under Priority Axis 1 of the Integrated Operational Programme”, which is aimed at verifying the existence and proper focus of the investment strategy in IT projects under Priority Axis 1, eligibility of expenditure incurred, compliance with 3E rules (effective, economical and efficient use of public funds) and compliance with public procurement rules. The audit was launched in response to the findings of the EC audit mission no. 2013/CZ/REGIO/C4/1332/1. The areas concerned will be examined on a sample of 16 projects, in which the AA auditors launched extraordinary audits of operations. At the time of the implementation report, 11 audits of operations were completed, with the most significant findings being identified for the project “Modifying the information system of State property as a separate graphic data layers over RTIARE”, where the auditors concluded that some public contracts were illegally awarded in a negotiated procedure without prior publication, and imposed a correction of CZK 181 million.

### 2. 4. 11 High number of external audits with the MA IOP and some beneficiaries

Towards the end of the programming period, the projects are under enhanced surveillance of external control and audit bodies. For example, in the first half of 2015 the SAO launched at least 6 audits, targeting either a specific projects or procedures of the MA and IB IOP (e.g. audits no. 15/02, 15/03, 15/06). The Audit Authority conducted extraordinary audits of operations of 16 selected projects in Intervention Area 1.1 and an extraordinary system audit of the MA. The 2014 system audit of the MA IOP was launched on 6 November 2014. Its aim was to verify the effective functioning of the management and control system of MA IOP. The 2014 IOP system audit was completed on 20 August 2015.

External controls and audits always place an important, however predictable burden on the beneficiary; nevertheless, if multiple controls and audits concerning the same project overlap, it leads to a situation where the project implementation team spends most of its time on responding to the inquiries and requests of the audit group, which leads to further delays in project implementation.

## 2.5 Major projects

On 31 October and 1 November 2011, the MA IOP resented the European Commission with an application for the approval of the project “Preparedness of the Fire Rescue Service of the Czech Republic to deal with floods” CCI 2013CZ161PR007 and “Improving the capacity of the Police of the Czech Republic to save lives and protect property during floods” CCI 2013CZ161PR006.

The project “Improving the capacity of the Police of the Czech Republic to save lives and protect property during floods” – CCI 2013CZ161PR006 has total eligible expenditure of CZK 1.35 billion; the project aims to strengthen the effectiveness of the operations of the Police during natural disasters, notably severe floods. Because the project was not approved by 25 February 2015, on 26 February 2015 Notice of project termination; the MA IOP withdrew support application.

The project “Preparedness of the Fire Rescue Service of the Czech Republic to deal with floods” – CCI 2013CZ161PR007 has total eligible expenditure of CZK 1.45 billion; the project aims to strengthen the effectiveness of the operations of the Fire Rescue Service during natural disasters, notably severe floods.

As requested by the European Commission, on 30 May 2014 the MA IOP submitted a modified application, which clarified the purpose of the acquired equipment and extended the needs analysis   
of the project. The European Commission approved the project on 14 August 2014.

The project is facing procedural complications due to delayed procurement because it had to be repeated following the submission of one or no tender. The original number of 27 contracts was raised on 44. The project is at risk of non-completion as scheduled.

Based on the measure under the Emergency plan to complete IOP take-up, which was approved by Government Decree No 124/2015, the representatives of MA IOP hold bimonthly meetings with the representatives of the beneficiary MoI - DG FRS. The purpose is mainly a detailed monitoring   
of progress towards project schedule and resolution of implementation problems. To reduce the risk   
of project non-completion, the MA IOP extended the deadline to 31 December 2015.

In connection with the extension of the project deadline, the MA IOP presented the EC with updated documents for the decision on the approval of the changes well in advance, so that additional documents can be presented and potential response to comments can be made.

On 17 September 2015, the IOP MA received a response from the European Commission concerning the extension of the deadline for project implementation stating that the Commission will not issue   
a new decision. On 21 September 2015, the MA IOP approved the extension of the project until 31 December 2015.

Progress towards the completion of major projects is summarized in Annex 4.

## Measures taken on the conclusions from the last Monitoring Committee

The previous 15th meeting of the IOP Monitoring Committee was held on 16 June 2015. A plethora of conclusions and tasks for MA and individual IBs were worded at the meeting (see Annex 3).

## Risk analysis in relation to the completion of programme take-up

On 26 February 2015, the MA IOP received a letter from the EC containing the quantification of allocation loss due to non-compliance with the limit according to the n+2 rule for 2014, and prepared a revision of the IOP Programming Document. The revision was approved by the IOP Monitoring Committee on 16 June 2015. Financial tables were modified, and the IOP allocation thus totals EUR 1,615.15 million, of which the crucial part is allocated for the Convergence objective – EUR 1,591.4 million, with EUR 23.8 million being allocated for the Regional Competitiveness and Employment objective.

**Progress towards the n+2 rule**

The MA IOP monitors the take-up of funds from the SF in individual phases of project application administration, and compares the take-up rate with the limit for the given year. The allocation take-up is monitored separately for the Convergence objective and the Regional Competitiveness and Employment objective.

At the beginning of 2015, the MA IOP estimated the amount of available programme funds at CZK 1.22 billion. This amount does not take into account the existence of dormant and risky projects. These projects represent a risk of additional funds which will be impossible to be taken up. A more detailed nalysis of the risk of under-execution of the programme allocation is presented in subsequent chapters.

Table Nr. 7 - Progress towards n+3/n+2 (in EUR) under the Convergence objective

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Financial plan – year** | **Total allocation of EU funds, 2007–2013, annual** | **N+3/N+2 limits – summary\*** | **Interim payments from EC – annual** | **Applications for interim/final payment submitted to EC – annual** | **Advance payments from EC + payment applications from the Czech Republic – annual** | **Advance payments from EC + payment applications – summary** | **Difference between payments and limits – summary** | **Allocation of major projects to be deducted under the n+3/n+2 rule** | **Difference between payments (including major projects) and limits** |
| **a** | **b** | **c** | **d=b+c** | **e** | **f=e-a** |
| 2007 | 192,686,939 |  |  |  |  |  |  |  |  |
| 2008 | 202,164,946 |  | 77,650,533 |  | 77,650,533 | 77,650,533 |  |  |  |
| 2009 | 211,684,389 |  | 62,120,427 | 5,008,671 | 67,129,098 | 144,779,631 |  |  |  |
| 2010 | 221,648,970 |  |  | 80,625,348 | 80,625,348 | 225,404,979 |  |  |  |
| 2011 | 237,465,225 | 234,279,436 |  | 161,307,463 | 161,307,463 | 386,712,442 | 152,433,006 |  | 152,433,006 |
| 2012 | 247,398,119 | 478,078,315 |  | 159,216,619 | 159,216,619 | 545,929,061 | 67,850,746 |  | 67,850,746 |
| 2013 | 278,308,099 | 1,001,421,489 |  | 393,274,551 | 393,274,551 | 939,203,612 | -62,217,878 | 97,501,024 | 35,283,146 |
| 2014 | 0 | 1,280,934,098 |  | 245,236,035 | 245,236,035 | 1,184,439,647 | -96,494,451 | 97,501,024 | 1,006,573 |
| 2015 | 0 | 1,591,356,687 |  | 12,498,357 | 12,498,357 | 1,196,938,004 | -394,418,683 |  | -394,418,683 |
| **Total** | **1,591,356,687** | **1,591,356,687** | **139,770,960** | **1,057,167,044** | **1,196,938,004** | **1,196,938,004** | **-394,418,683** |  |  |

*Source: MSC as of 30 September 2015*

*Note: The column Applications for interim payments submitted to the EC is modified. In December 2011, the 8th interim payment application was submitted, totalling EUR 28,120,764.12 for CONV objective and EUR 1,442,828.55 for the RCE objective, which was withdrawn in February 2012. The annual applications for 2011 include the amount of the 8th interim payment; in 2012, the difference between the 9th and 8th payments will be factored in to avoid duplication*.

Table Nr. 8 - The fulfilment of the n+2/n+3 rule (in EUR) in the RCE objective

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Financial plan – year** | **Total allocation of EU funds, 2007–2013, annual** | **N+3/N+2 limits – summary\*** | **Interim payments from EC – annual** | **Applications for interim/final payment submitted to EC – annual** | **Advance payments from EC + payment applications from the Czech Republic – annual** | **Advance payments from EC + payment applications – summary** | **Difference between payments and limits – summary** |
| **a** | **b** | **c** | **d=b+c** | **e** | **f=e-a** |
| 2007 | 3,951,894 |  |  |  |  |  |  |
| 2008 | 4,030,931 |  | 1,468,975 |  | 1,468,975 | 1,468,975 |  |
| 2009 | 4,111,551 |  | 1,175,180 | 3,569 | 1,178,749 | 2,647,724 |  |
| 2010 | 2,635,524 |  |  | 850,986 | 850,986 | 3,498,710 |  |
| 2011 | 4,277,657 | 4,689,580 |  | 3,580,803 | 3,580,803 | 7,079,513 | 2,389,933 |
| 2012 | 2,057,180 | 9,459,780 |  | 2,947,396 | 2,947,396 | 10,026,909 | 567,129 |
| 2013 | 2,736,597 | 17,690,259 |  | 7,045,526 | 7,045,526 | 17,072,435 | -617,824 |
| 2014 | 0 | 20,406,088 |  | 3,333,651 | 3,333,651 | 20,406,087 | -1 |
| 2015 | 0 | 23,801,334 |  | -13,321\* | -13,321 | 20,392,766 | -3,408,568 |
| **Total** | **23,801,334** | **23,801,334** | **2,644,155** | **17,748,611** | **20,392,766** | **20,392,766** | **-3,408,567** |

Source: MSC as of 30 September 2015

Note: The column Applications for interim payments submitted to the EC is modified. In December 2011, the 8th interim payment application was submitted, totalling EUR 28,120,764.12 for CONV objective and EUR 1,442,828.55 for the RCE objective, which was withdrawn in February 2012. The annual applications for 2011 include the amount of the 8th interim payment; in 2012, the difference between the 9th and 8th payments will be factored in to avoid duplication.

\* *The table of advance payments shows a negative Interim payment application for 2015. The reason is that the statement of expenditure in Objective 2 in PA1 has been subject to corrections exceeding the costs; also, 100% of the Objective 2 in PA 4 has been taken up and the limit for payment requests has been applied.*

### 2.7.1 Risk analysis in relation to the completion of programme take-up

The predicted completion of allocation take-up is provided in the table 10 below – Outlook for the under-execution of allocation. Take-up plans are based on predictions determined based on project schedules in IS Monit7+. Predictions are adjusted for estimated savings due to procurement procedures and payment applications, which are based on past experience. The beneficiaries must spend the funds by 31 December 2015, i.e. the end of the eligibility of expenditure for the programming period 2007–2013. The administration of the payments will extend to 2016.

The predicted under-execution also takes into account the percentage of the amount of dormant and high-risk projects. These projects are very likely not to be completed by the deadline or within the volume planned. Based on the inclusion of dormant and high-risk projects, 3 prediction scenarios were created:

Optimistic scenario: Deduction of 10% of the volume of high-risk and dormant projects.

Medium scenario: Deduction of 15% of the volume of high-risk projects and 30% of dormant projects.

Pessimistic scenario: Deduction of 50% of the volume of high-risk and dormant projects.

Data as of 30 September 2015 indicate the risk of allocation under-execution of CZK 2.0 billion under the optimistic scenario, CZK 2.3 billion under the medium scenario and CZK 4.1 billion under the pessimistic scenario.

The latest update of problematic projects as of 1 July 2015 indicated no dormant projects; therefore, only the percentage of high-risk projects is to be deducted.

For more information see Chapter 2.4.1 Risk of allocation under-execution.

Table Nr. 9 - Outlook for the under-execution of the allocation (CZK)

|  |  |  |  |
| --- | --- | --- | --- |
| **Forecast of (under) execution of the IOP allocation after deducting part of dormant and high-risk projects** | | | |
| **Intervention area** | **Optimistic scenario** | **Medium scenario** | **Pessimistic scenario** |
| 1.1a | -1,486,891,832 | -1,543,059,710 | -1,936,234,860 |
| 1.1b | -51,633,835 | -55,954,441 | -86,198,684 |
| 2.1 | -373,758,379 | -380,053,810 | -424,121,832 |
| 3.1 | -230,330,640 | -230,330,640 | -230,330,640 |
| 3.2 | 952,793,389 | 952,793,389 | 952,793,389 |
| 3.3 | -599,774,076 | -609,980,400 | -681,424,668 |
| 3.4 | -885,681,770 | -1,053,158,476 | -2,225,495,419 |
| 4.1a | -267,330,445 | -271,360,685 | -299,572,365 |
| 4.1b | 21,829,839 | 21,519,820 | 19,349,689 |
| 5.1 | -323,702,902 | -336,431,299 | -425,530,080 |
| 5.2 | 1,258,441,521 | 1,258,441,521 | 1,258,441,521 |
| 5.3 | -3,756,714 | -3,756,714 | -3,756,714 |
| 6.1a | 28,279,099 | 28,279,099 | 28,279,099 |
| 6.2a | -77,416,515 | -77,416,515 | -77,416,515 |
| 6.1b | 523,949 | 523,949 | 523,949 |
| 6.2b | -687,283 | -687,283 | -687,283 |
| **IOP total** | **-2,039,096,595** | **-2,300,632,197** | **-4,131,381,413** |
| **Convergence** | **-2,009,129,265** | **-2,266,034,242** | **-4,064,369,084** |
| **RCE** | **-29,967,330** | **-34,597,955** | **-67,012,329** |
| *Ministry of the Interior* | *-1,538,525,667* | *-1,599,014,151* | *-2,022,433,544* |
| *MoLSA* | *-830,104,716* | *-840,311,040* | *-911,755,309* |
| *MoH* | *952,793,389* | *952,793,389* | *952,793,389* |
| *MRD* | *-623,259,601* | *-814,100,395* | *-2,149,985,950* |

*Source: IS MONIT7+ as of 30 September 2015*

*Source of funding: EU share*

### 2.7.2 Forecast of IOP take-up trends

The following table shows the expected trends in the submission of payment applications for the period October 2015 to the end of the programming period   
in accordance with project schedules. Based on past experience, the MA assumes that the volume of actually submitted payment applications will be lower due to savings.

Table Nr. 10 - Payment applications submitted by the end of the programming period

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Support area/IB** | **October 2015** | | **November 2015** | | **December 2015** | | **January 2016** | | **total** | |
| **number** | **volume** | **number** | **volume** | **number** | **volume** | **number** | **volume** | **number** | **volume** |
| 1.1 | 2 | 4,135,250 | 0 | 0 | 22 | 1,660,708,538 | 1 | 106,758,832 | 25 | 1,771,602,620 |
| 2.1 | 27 | 130,123,887 | 24 | 110,727,617 | 109 | 567,315,665 | 0 | 0 | 160 | 808,167,169 |
| 3.1 | 3 | 34,380,201 | 2 | 54,617,584 | 12 | 183,267,764 | 0 | 0 | 17 | 272,265,549 |
| 3.2 | 2 | 35,678,964 | 6 | 439,393,903 | 4 | 116,265,391 | 25 | 1,788,619,365 | 37 | 2,379,957,623 |
| 3.3 | 1 | 9,498,557 | 1 | 15,653,968 | 7 | 243,178,574 | 0 | 0 | 9 | 268,331,099 |
| 3.4 | 3 | 90,843,110 | 1 | 649,069,615 | 83 | 1,717,518,858 | 4 | 1,985,931,699 | 91 | 4,443,363,281 |
| 4.1a | 3 | 24,364,925 | 0 | 0 | 0 | 0 | 9 | 122,887,365 | 12 | 147,252,291 |
| 4.1b | 3 | 1,874,224 | 0 | 0 | 0 | 0 | 9 | 9,452,577 | 12 | 11,326,801 |
| 5.1 | 2 | 180,887,604 | 1 | 81,882,483 | 0 | 0 | 5 | 358,210,358 | 8 | 620,980,445 |
| 5.2 | 10 | 145,742,184 | 23 | 185,335,530 | 35 | 323,652,864 | 0 | 0 | 68 | 654,730,578 |
| 5.3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6.1 | 1 | 16,268,870 | 1 | 586,656 | 8 | 35,615,943 | 4 | 62,342,439 | 14 | 114,813,908 |
| 6.2 | 0 | 0 | 1 | 104,527 | 9 | 14,949,079 | 3 | 29,655,995 | 13 | 44,709,601 |
| **IOP total** | **57** | **673,797,775** | **60** | **1,537,371,883** | **289** | **4,862,472,676** | **60** | **4,463,858,630** | **466** | **11,537,500,965** |
| *MRD* | *49* | *590,104,803* | *51* | *1,027,706,428* | *244* | *2,659,052,409* | *34* | *2,568,480,433* | 378 | 6,845,344,073 |
| *Ministry of the Interior* | *2* | *4,135,250* | *0* | *0* | *22* | *1,660,708,538* | *1* | *106,758,832* | 25 | 1,771,602,620 |
| *MoLSA* | *4* | *43,878,758* | *3* | *70,271,552* | *19* | *426,446,338* | *0* | *0* | 26 | 540,596,648 |
| *MoH* | *2* | *35,678,964* | *6* | *439,393,903* | *4* | *116,265,391* | *25* | *1,788,619,365* | 37 | 2,379,957,623 |

*Source: IS MONIT7+ as of 30 September 2015;*  *Source of funding: EU share, currency: CZK;*  *Note: This is a plan of submitted payment applications based on data from IS Monit7+.*

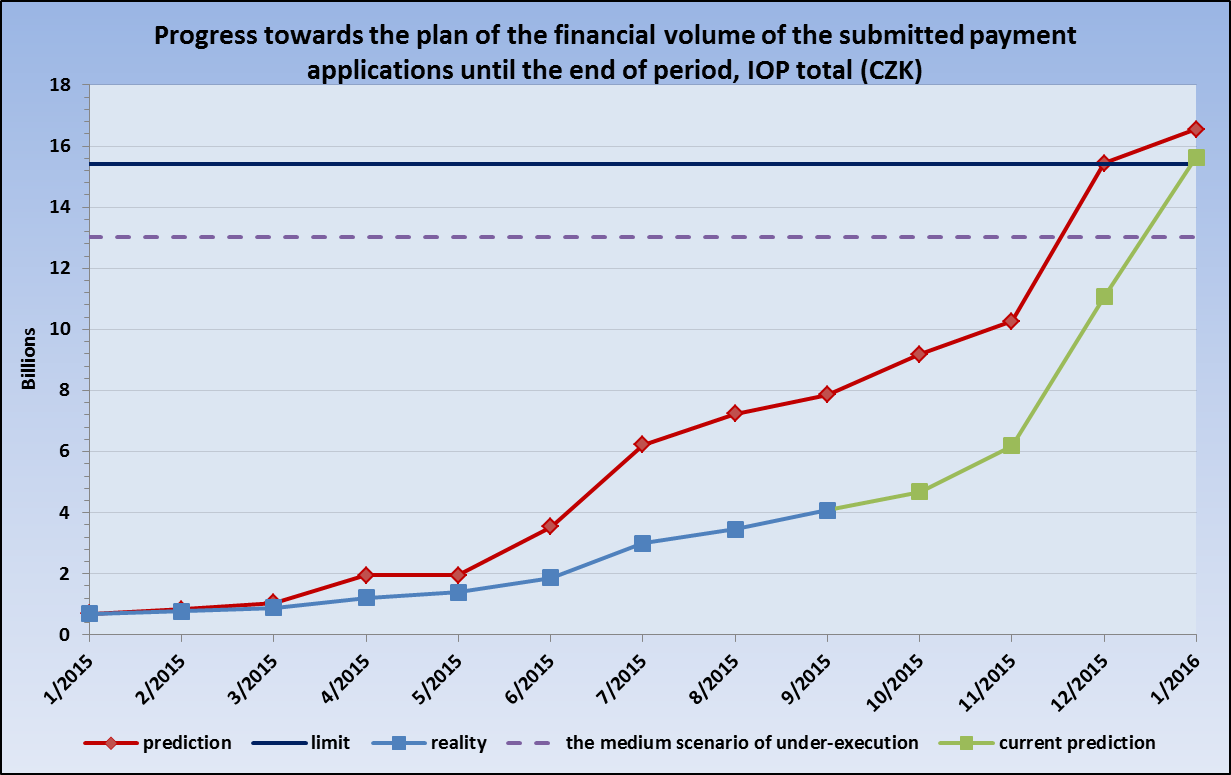
Charts 2 and 3 show the progress towards the predicted amount and number of submitted payment applications in 2015 and January 2016. The prediction is based on the planned project schedules. To fully take-up the IOP allocation, the financial volume of payment applications submitted by the end of January 2016 must reach CZK 15.4 billion. The planned financial volume of payment applications submitted by February 2015 even exceeded this limit by CZK 1 billion. However, the predictions of the submitted payment applications do not take into account savings from procurement procedures and payment applications, which experience from previous years shows will materialise; they also do not take into account problematic projects that lead to the need to have a larger financial volume of payment applications to cover shortfalls caused by unfinished projects. Therefore, the limit will not be reached.

The chart contains a dashed line, showing the current estimated amount of under-execution in the medium scenario (CZK 2.3 billion). In addition to predictions provided in February 2015, the chart also shows the current plan of 7 October 2015, which fluently connects into the line of actually submitted payment applications. The line clearly shows that there is a considerable shift in project completion, especially to December 2015 and January 2016, i.e. to the end of the programming period. These current predictions also do not include projected savings and risk of incompletion of some problematic projects; the reality will therefore be lower. The line in Chart 3 with the numbers of submitted payment applications has a shape similar to the line in Chart 2 with volumes. Here, also, the payment applications are shifted to later months.

The differences between the plan and reality are primarily due to:

* shifts in project schedules,
* savings in PPs and payment applications.

Chart Nr. 2 - Progress towards the plan of the financial volume of the submitted payment applications

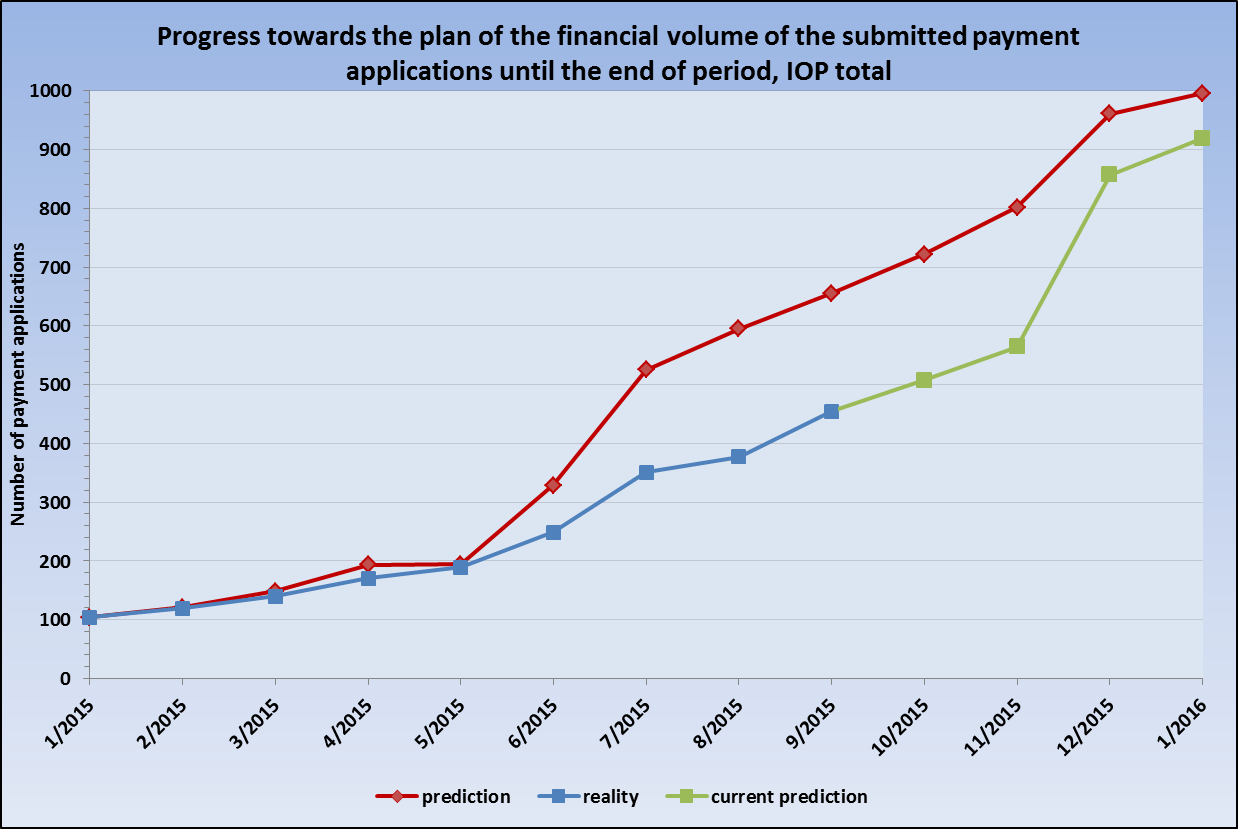


*Source:*  *prediction: IS Monit7+ IOP as of 10 February 2015*

*Current predictions and reality: IS Monit7+ IOP as of 07/10/2015*

*Note:*  *The predictions include the new call under IA 3.2 of CZK 1.6 billion and the take-up of the entire allocation of IA 5.2.*

Chart Nr. 3 - Progress towards the plan of the number of the submitted payment applications



*Source:*  *prediction: IS Monit7+ IOP as of 10 February 2015*

*Current predictions and reality: IS Monit7+ IOP as of 07/10/2015*

*Note:*  *The predictions include the new call under IA 3.2 of CZK 1.6 billion and the take-up of the entire allocation of IA 5.2.*

According to the predictions from February 2015, 507 payment applications worth CZK 6,795,769,968 were to be submitted in the period from April to the end of September. According to the data from the IS Monit7+ of 7 October 2015, 315 payment applications worth CZK 3,166,177,412 were submitted. The prediction of the number and volume of submitted payment applications are therefore not met.

## 2.8 Risk analysis in relation to future progress in programme implementation

The MA IOP coordinates the management of risks in IOP implementation. The NCA submits   
a comprehensive report on IOP risk management after the approval of IOP risk catalogue.   
It continuously monitors the measures adopted to eliminate the risks and their effectiveness.

| **Risk name** | **Risk description** | **Measures implemented so far to eliminate the risk, and risk development** | **Proposed measures to eliminate risks in the future** |
| --- | --- | --- | --- |
| **Failure to comply with the Agreements on the delegation of tasks to IBs and mandatory procedures according to OM IOP and IB manuals. Failure to meet the deadlines specified in management documents** | Failure to comply with the procedures established by the MA can have serious consequences for programme implementation. It may lead to incorrect decisions, disputes and complaints. Failure to comply with established procedures makes it impossible to plan follow-up and complicates financial management of the programme, resulting in programme errors and non-compliance with prediction plans. It may entail additional costs for beneficiaries. | In 2015, the MA IOP launched 28 audits of delegated activities, of which 20 were finished. | Monitor compliance with the agreements on delegated activities of IBs, impose corrective measures and monitor their implementation. In addition, for each IB conduct at least four audits of delegated activities according to the focus in the Annual Audit Plan of the MA IOP. Use external assistance regarding controls of project implementation under  a contract with the company Cautor. |
| Monthly Monitoring Reports of IBs are mainly used as a basis for meetings with the IBs. | Consistently use the Monthly Monitoring Reports of IBs to assess the compliance with procedures specified in management documents. |
| **Insufficient audit trail** | Incomplete procedures to archive information and documentation, absence of or non-compliance with mandatory procedures to archive documents and audit trail, failure to enter data into information systems. Insufficient documentation of handover agenda among workers as well as the implementation bodies.  Insufficient archivation of email correspondence. The risk of losing important documents. This risk is associated with the risk of increased error rate. | Compliance with archiving procedures and ensuring audit trail was checked as part of the audit of delegated activities. | Check compliance with procedures for archiving and ensuring audit trail as part  of the on-the-spot audit  of delegated activities appropriately to the subject-matter of audit. Obligatorily make the checking  of completeness, accuracy and timeliness of the data entered into IS Monit part  of the audit of delegated activities. |
| **Lack of high-quality projects submitted** | Under-execution is one of the main risks of the programme, and may lead to a number of other risks:   * delays in announcing calls, * delays in project implementation (postponement of stages and completion of projects), * problematic management of dormant and risk projects, * insufficient administrative capacity, * errors in project implementation, * shortcomings in project management and in the fulfilment of the schedule, * risks arising from foreign currency fluctuations (miscalculation of absorption capacity), * irregularities, * errors in project administration, * incurring ineligible expenditure, | For 2015, the MA IOP in cooperation with IB IOP prepared an updated set of measures to fully take-up the allocation. They involve 23 cross-cutting measures and 11 other measures for individual intervention areas. The MA continuously monitors and controls progress towards measures. As of 2015, 6 cross-cutting measures and 4 measures specific for individual intervention areas were fulfilled. Progress towards other measures is being made in the course of 2015. | Continue in the reinforced monitoring of dormant and high-risk projects and implement measures that will lead to the timely completion of projects.  Regularly inform MoRD management and the Government.  The MA IOP will prepare another (8th) update of dormant and high-risk projects for August 2015.  In September, under ref. 31332/2015-26, the 7th update of dormant and high-risk projects was submitted. |
| Take-up predictions and their fulfilment are regularly monitored. | Continuously monitor and assess take-up predictions and their fulfilment (monthly). |
| Measures to eliminate allocation losses were prepared, monitored and evaluated and submitted to the government in accordance with GR 646/2014 in January 2015 through the updated “Strategy to Complete IOP Take-Up”. It is based on the result of grants take-up in 2014, focusing on maximum take-up of the programme in 2015/2016 and staff capacities of MA IOP and IB IOP in 2015/2016. | Continue to evaluate and implement measures, and use tools to complete the take-up of the programme allocation. |
| **Failure to fulfil monitoring indicators of the programme** | Failure to meet the planned values ​​of monitoring indicators can lead to financial corrections.  Failure to meet indicative objectives measured by result indicators may lead to problems when closing the programme. | Monitoring was carried out within the updated “Strategy to Complete IOP Take-Up”; the last update was sent to the government in February 2015 with January data.  The MoRD management is informed on a monthly basis about the current state of affairs through IOP Monthly Monitoring Reports. | Continuously implemented; in September, the MA IOP presented the MoRD management with the IOP Monthly Monitoring Report with August data. |
| **Failure to complete projects in time,** | With regard to the end of the eligibility of expenditure by 31 December 2015, there is a risk of non-completion of project implementation by this date. It is necessary to ensure sufficient funds for projects that will receive additional funding from the State budget (mainly the State organizational units or publicly co-funded organizations of State organizational units). | It is important to ensure consistent work with this type of projects and the implementation of measures that will lead to the timely completion of project implementation. (use to be made of the current text of the document “Analysis of the IOP take-up completion”, in order to identify appropriate measures in individual intervention areas.  The possibility to finance unfinished projects from the beneficiary’ resources.  Reflecting the rules for unfinished projects into IOP programme documentation. | Continue in the reinforced monitoring of dormant and high-risk projects and implement measures that will lead to the timely completion of projects.  For effective management  of this risk, it is necessary  to map projects being at risk of not completing implementation in 2015, including the quantification of the amount of funds necessary to ensure funding from national sources. With a view to minimizing  the risk, it is necessary  to communicate with the beneficiaries about the possibility of speeding  up the implementation  of projects and their ability to potentially provide additional funding from their own resources  The MA IOP prepared IOP criteria for inclusion of projects among unfinished projects, i.e. the chapter “IOP closure” for the OM IOP. The MA IOP issued  a guidance on programme closure.  Quarterly inform the Government until 31 January 2016. |
| **The failure to ensure funds for staff and financial capacity of IB IOP at the time of programme closure.** | MoI, MoH and MoLSA no longer act as IBs of the MA IROP in the programming period 2014–2020; however, the Agreement on the delegation of activities requires that the completion of the proper take-up and programme termination are ensured. TA IOP funds for IBs IOP to finance administrative capacities are ensured until 30 November 2015. The activities of the IBs are necessary at least until mid-2016. | The MA IOP prepared the document “Information on the necessary conditions for the proper completion of the IOP” (approved by the Czech Government in July 2015) and in cooperation with IBs IOP it prepared the document “Administrative capacity at the end of the IOP programming period”, which regulates the provision for administrative capacities and funding sources in individual IBs IOP after 2015 until mid-2016.  In May 2015, a deputy minister meeting was held, whose aim was to increase systemization and funds for staff after the termination of IOP by mid-2016 is provided by individual IBs in cooperation with the Ministry of Finance. | Continue implementing the measures specified in the document “Administrative capacity at the end of the IOP programming period” and document that the MoRD prepared for the meeting of the Government “Information on the necessary conditions for the proper completion of the Integrated Operational Programme 2007–2013”, which was approved by the Government on 29 August 2015 |
| **Insufficiently effective control of the economy and efficiency of expenditure** | Inadequate legislation and absent or ambiguous way to control effectiveness, efficiency and economy. Difficult determination of prices usual for the assessment of economy in projects.  Insufficient use of information from grant applications and the progress of implementation for 3E. | To assess the effectiveness, efficiency and economy, use is made of information from the final reports of evaluations, controls and audits to check the effectiveness, efficiency and economy or to establish procedures and methods to monitor them. | As a matter of priority, focus 3E on the assessment stage of project applications. Use the Chapter A.1.3.4 of the OM IOP.  Evaluation is carried out mainly before concluding contracts.  Use Guidance no. 61, which updates the audit procedures of PPs and CLs in accordance with the needs of IOP. |
| To evaluate and propose 3E, external expert services are used. | Use the information from 3E to revise procedures for auditing PPs and the eligibility of expenditure in relation to the effectiveness, efficiency and economy. |
| **Breach of rules for awarding public contracts.** | The breach of the rules for awarding public contracts is one of the most common irregularities in project implementation and accounts for the largest amount of ineligible expenditure.  Assessment of the correctness of the procedure of awarding public contracts by the Office for the Protection of Competition may pose a significant delay in project implementation, because it may take several months before it issues its decision.  Before the award, all contracts are not checked and deficiencies and irregularities are not revealed in time, affecting the take-up and error rate of the programme. According to the findings of the 2014 audit, the bulk of irregularities are found in the tender dossier (discriminatory criteria, measurability of the award criteria) and in incorrect evaluation procedures, or in unauthorized award within negotiated procedure without prior publication. | In addition to the audits of delegated activities during PPs, the MA IOP carries out project checks, verifying the correctness of the procedures adopted by IBs when evaluating public contracts. | Measures to reduce the risk must, as a matter of priority, concentrate on the approval of the tender dossier.  Focus the audits of delegated activities of IBs on checking and compliance with the procedures in procurement audits. |
| Based on GR 144 of 5 March 2014, the MA IOP provides quarterly updates to the Deputy Minister of Regional Development. | Continue implementing the measures. (MA IOP letter ref. 31297/2015-26). |
| The database of OPC decisions concerning public contracts updated in August 2015 is used during public contract audits or providing consultations to applicants and beneficiaries. | Use the updated database. |
| The IOP training system was extended to include to the issue of the text of the Public Procurement Act and its amendment. Exchange of good practice, the activities of the Working Group on Public Procurement. | Continue implementing the measures.  Until August 2015, 410 persons were trained, of which at 20 in PP and 17 in audits. |
| **Failure to take-up allocation for FI JESSICA** | The implementation of FI JESSICA is conditional on transferring the allocation to the accounts of users by the end of 2015. There is a risk of the failure to provide the credit in the full amount of the allocation in time. | In August 2015, transferring the entire allocated amount to the accounts of end users.  The MA IOP mapped the absorption capacity, identifying low interest in the continuation of the FI JESSICA in IDP areas. The result was notified to the MoRD-NCA as part of the implementation of the emergency plan. | The MA IOP examines the process for the reuse of FI JESSICA funds. |
| **Failure to complete the implementation of a major project of DG Fire Rescue Service** | Due to its volume, the project includes a large number of procurement procedures and the related procedural complications. The implementation of a significant number of public contracts significantly influences the course, the schedule and the administrative complexity of the project. | On 29 July 2015, the third meeting between MA IOP and the General Directorate of FRS was held, based on the measure of the crisis plan to complete IOP take-up.  Meetings are held once every two months; the aim is to monitor project schedule,  following the meeting between the MA IOP and the General Directorate of FRS, the project implementation was postponed from 30 November 2015 to 31 December 2015. | Closely monitor the fulfilment of the project schedule, implement measures to complete the project by the deadline, i.e. 31 December 2015 |
| **Failure to administer the large volume of payment applications submitted in 2015 and 2016** | In order to fully take-up the funds, it is necessary to ensure the smooth administration of reimbursed funds, certification of expenditure and sending payment applications to the EC. In the course of 2015 and early 2016, it is necessary to ensure the appropriate distribution of expenditure in summary applications submitted to the MoF-PCA. It is necessary to ensure timely and mutual exchange of information between the managing authority and system administrators, and set the appropriate schedules for data transmissions. If necessary, make use of extraordinary certifications. | By the 15th day of each month, the MA IOP sends the MoRD-NCA information on the progress towards predictions and the justification of any non-compliance. | By 31 December 2015, the MA IOP must prepare a plan of certifications until the end of the programming period, which will be subsequently approved by the MoF-PCA and the Department for the Monitoring System Administration.  The deadline for the submission of final summary application is 30 April 2016; the MA IOP applied with the MoF-PCA for an exemption from the Methodology of financial flows and audit and may therefore present summary applications by 31 May 2016, in exceptional cases by 30 June 2016.  According to the Guidance for the closure of the programming period of the MoRD-NCA, the deadline for the last certification  is 31 August 2016. |

## 2.9 Expected schedule for the announcement of calls

Until the end of 2015, no calls are planned.

An overview of ongoing calls of IOP is available at: [http://www.strukturalni-fondy.cz/cs/Jak-na-projekt/Prehled-otevrenych-vyzev-%e2%80%93-archiv](http://www.strukturalni-fondy.cz/cs/Jak-na-projekt/Prehled-otevrenych-vyzev-%E2%80%93-archiv) (an overview of open calls).

## 2.10 Overview of approved projects

The list of approved projects and beneficiaries is updated on a monthly basis by the MA and published at: <http://www.strukturalni-fondy.cz/cs/Microsites/Integrovany-OP/Zadatele-a-prijemci/Seznam-podporenych-projektu>.

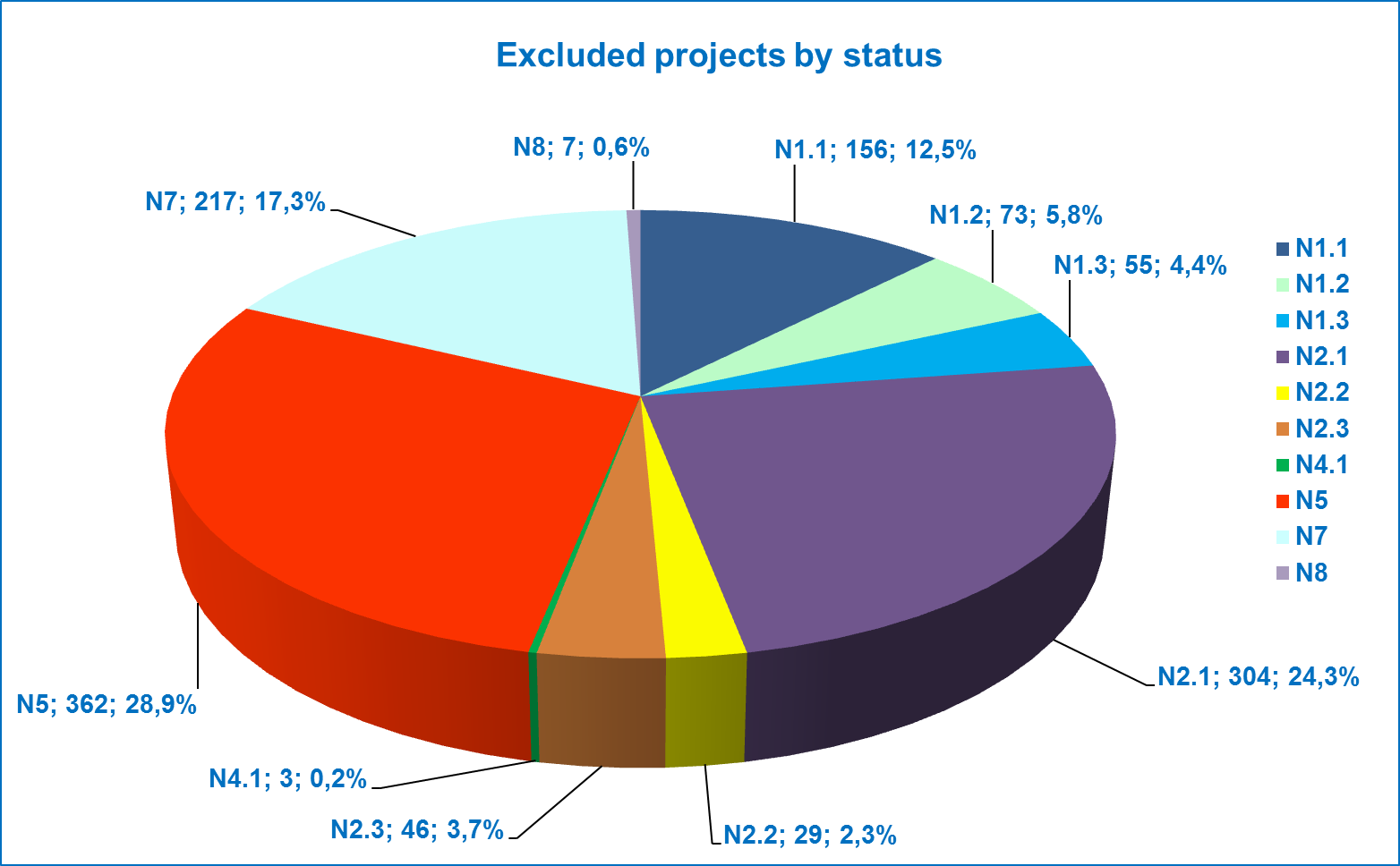
Information on approved projects is transferred from IS Monit7+ and made available at [www.risy.cz](http://www.risy.cz/), operated by the Centre for Regional Development, which also facilitates the search for projects based on various parameters.

Based on the amendment to Act No 218/2000 Sb., on budgetary rules, grant providers must transmit data on project applications submitted after 1 August 2012 into the publicly accessible information system DOTINFO ([www.dotinfo.cz](http://www.dotinfo.cz/)). The MA and IBs use it to record the data required.

**Information on excluded projects[[2]](#footnote-3)**

The following Chart 6 shows the percentage of excluded projects by individual administration stages.

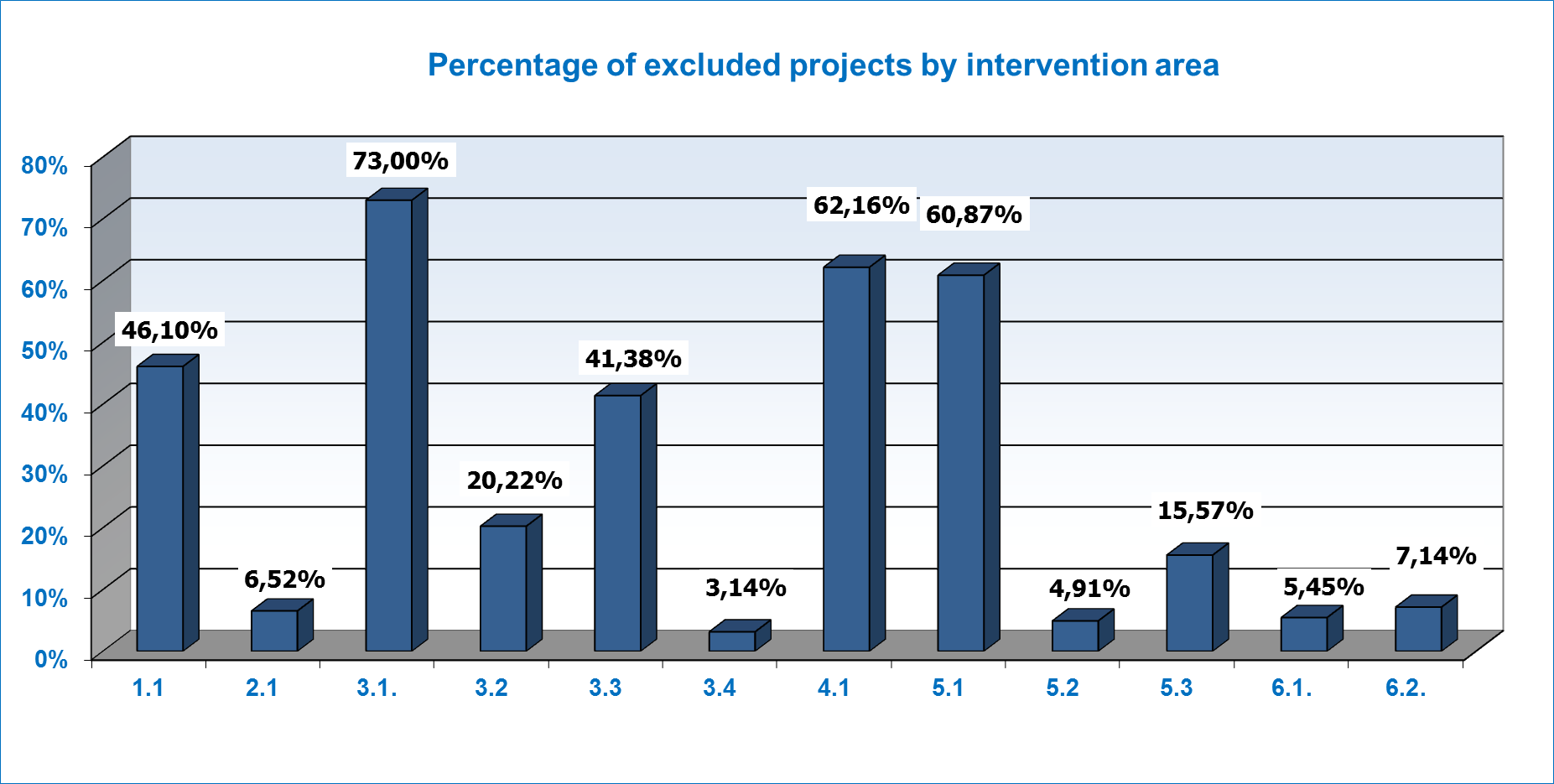
Chart Nr. 4 - Percentage of excluded projects by status



*Source: IS MONIT7+ 30 September 2015*

|  |
| --- |
| ***N1.1 Project application failed to meet at least one of the eligibility criteria*** |
| ***N1.2 Project application failed to meet formal requisites*** |
| ***N1.3 Administration suspended due to lack of funds*** |
| ***N2.1 Project failed to meet evaluation requirements*** |
| ***N2.2 Letter on rejection of project application based on ex-ante check was sent*** |
| ***N2.3 Project was not recommended for funding by the Selection Committee*** |
| ***N4.1 Grant Decision/Statement of expenditure was denied*** |
| ***N5 Project application withdrawn by the applicant*** |
| ***N7 Project was not completed/withdrawn*** |
| ***N8 Contract was terminated by the MA/IB*** |

Chart Nr. 5 - Excluded projects by intervention areas



*Source: IS MONIT7+ 30 September 2015*

For the reporting period, no project was excluded and no project withdrew from implementation **in Intervention Area 1.1**. The evaluation of the last 17th call was completed in the previous period.

For the reporting period, no project was excluded **in Intervention Area 2.1**. The evaluation   
of projects under the last 22nd call was completed in the previous period. 6 projects withdrew from implementation in the 22nd call, in most cases due to problems with the implementation   
of procurement and concerns of beneficiaries that projects cannot be implemented by 30 November 2015.

From the beginning of calls **in Intervention Area 3.1,** 346 projects out of 474 submitted project applications were excluded, accounting for 73% of the total number of applications submitted. The most frequent reason for the exclusion is non-compliance with project evaluation criteria (N2.1) with  
a share of excluded applications in relation to the total number of submitted applications being 40.08%. The main reasons for the exclusion of project applications for the non-compliance with project evaluation criteria are related mainly to activity 3.1 c), where the share of excluded applications was the highest. Although the MoLSA adopted in 2013 and 2014 corrective measures   
in the form of intensive individual consultations with applicants, these activities did not have   
a significant impact on reducing the share of rejected applications.

The next most common reason for exclusion was the withdrawal of the project by the applicant, making up 13.92% of the excluded applications, and the failure to complete the project. Over the reporting period, one project application was withdrawn by the applicant and 1 project was not completed.

**In Intervention Area 3.2,** 267 project applications were submitted. During the evaluation process for all the calls and the entire programming period, 2 projects were excluded based on non-compliance with the formal requirements and 2 projects on the basis of the failure to meet the acceptance criteria. Another 16 projects were excluded when evaluating the quality of the project (accounting for 5.99%). The selection committee did not recommend 13 projects to be funded, mainly because of the risk of project unsustainability. At the end of the programming period, there is a significant reduction of the number of excluded projects. The quality of project applications has increased, which has positively reflected in the entire evaluation system. There were 17 projects which were withdrawn for various reasons from implementation by the beneficiaries. It can be expected that this number will grow, because projects will not be implemented according to the original schedules because of problems with the procurement procedures or long delivery times. As of 30 September 2015, the total share   
of excluded projects is 20.22%.

**In Intervention Area 3.3,** 12 out of 29 project applications have been excluded since the beginning   
of the announcement of calls. Of the 29 project applications submitted, 1 project failed when checking eligibility, 6 project applications were excluded on the basis of non-compliance with the project evaluation criteria, representing 20.69% of the total number of submitted project applications.   
3 projects were unfinished / withdrawn by the applicant, which amounts to 10.34% of the total number of applications. The overall percentage of rejected applications out of the total submitted projects is 41.4%. For the reporting period, no project was withdrawn.

Since the beginning of the announcement of calls, 159 project applications have been submitted during the entire programming period **in Intervention Area 3.4** and no project was excluded during the evaluation process. One project under 23rd call was not completed/withdrawn by the applicant, which amounts to 0.63% of the total number of applications. As the reason for withdrawal, the beneficiary stated the impossibility to supply technological equipment and vehicles due to repeated procurement procedure. As of 30 September 2015, the total share of excluded projects was 3.14 %.

In the Intervention Area **4.1,** 222 project applications were submitted and 32 projects were excluded in the evaluation process throughout the programming period (14.41% of the total number of submitted project applications) on the basis of non-compliance with eligibility criteria, 76 projects (34.23%   
of the total submitted project applications) were excluded on the basis of failure to meet project quality criteria. 22 projects were not completed / withdrawn by the applicant, which amounts to 9.91 % of the total number of applications.

As of 30 September 2015, the total share of excluded projects was 62.16 % of the total number   
of submitted project applications. The high percentage was due to the poor quality of submitted project applications.

**In Intervention Area 5.1,** 42 out of 70 project applications have been excluded since the beginning   
of the announcement of calls. 16 applications were excluded due to the failure to meet the acceptance criteria, representing 23.19% of the total number of applications, 6 projects were excluded due to the failure to meet quality criteria, 4 projects were not recommended for funding by the selection committee and 3 projects were excluded as a result of suspended administration due to lack   
of funding, and the projects were not implemented. A total of 4 projects were not completed / withdrawn by the applicant (making up 5.80%). At the end of the reporting period, the total share   
of excluded projects was 60.87%.

In the reporting period, **Intervention Area 5.2** recorded an increase in excluded projects compared to the previous year of about 6%. Due the total number of implemented projects, the number is acceptable. The most common reason for project withdrawal by an applicant is the problem with the co-financing and project withdrawal by a city in activity 5.2a) Revitalisation of public areas.

**In Intervention Area 5.3**, the implementation of all projects is complete.

## 2.11 Progress in the implementation of financial instruments

In accordance with Article 44 of Council Regulation (EC) No 1083/2006, the Integrated Operational Programme implemented a pilot verification of the financial instrument JESSICA to support the regeneration of residential buildings with a total allocation of CZK 609,869,489. Part of the allocation was used to build modern social housing by regenerating existing apartments.

At the end of the reference half-year, the MA IOP registers 147 concluded credit agreements with   
a total value in excess of CZK 580 million.

Since December 2014, the submission of applications has been suspended because their volume exceeded the allocation of JESSICA. Since August 2015, returned payments have been used for new credits. In the credit agreements, the supported projects show the monitoring indicator entitled “number of regenerated apartments” of 5,870, with 106 of the 147 projects being aimed, in addition   
to regeneration, also on energy savings exceeding 40% on arithmetic average. Both monitoring indicators exceeds the forecast set out in the investment strategy.

On 23 June 2015, the MA IOP launched, in accordance with the control plan, a public administration control No 33/2015/I. The SHDF is the audited person and the subject of audit is the verification of the procedures of the HF and the effectiveness of the management and control system of project no. CZ.1.06/2.5.00/16.08424 entitled “Implementation of the JESSICA in IOP”. On 17 September 2015, an on-the-spot investigation was carried out at the headquarters of HF SHDF, and the MA IOP intends to carry out an investigation even with the FRM administrator. At the time of this report, the audit is not complete; so far there have been no serious findings.

Toward the end of the programming period, the MA IOP is finishing the preparation of the exit strategy for JESSICA and the utilization and repayment of loans and interest concerning similar activities in the field of housing policy. The experience gained from the implementation of the pilot verification of JESSICA in IOP is also used in the preparation of the implementation of financial instruments in the programming period 2014–2020 in the Integrated Regional Operational Programme.

Based on past experience, the pilot implementation of JESSICA can be considered successful.

# 3 PROGRESS AT PRIORITY AXIS LEVEL

The MA IOP monitors the commitments from approved projects and the values of monitoring indicators achieved as of 30 September 2015. The commitments are calculated from the target values of projects starting with status P4 in IS Monit7+ (project with issued Decision/Statement   
of expenditure). The achieved values are calculated based on projects starting with status P45 in IS Monit7+ (project under implementation), with the exception of the “Number of projects” type of indicators, in which the values are aggregated starting with status P5 (Project implementation was completed). The baseline values from 2005 are taken over from the Programming Document.

## 3.1 Priority axis 1a, 1b – Modernisation of public administration

### 3.1.1 Focus of priority axes/intervention areas

Priority axes 1a and 1b aim to achieve faster and more reliable provision of state administration services to the public, and, by implementing electronic administration, to enable citizens and business entities to communicate simply and quickly with state administration authorities.

Specific goals:

* improve the level of services of electronic public administration (eGovernment)
* increase the use of the Internet by citizens for communication with public administration
* reduce the administrative burden of citizens, entrepreneurs and public sector

Supported activities:

* creation, development and maintenance of national basic and other relevant registers of the public administration, including safe and protected access system,
* construction of the public administration communication infrastructure,
* creation of access points for communication with the public administration information systems,
* digitisation of public administration services.

Beneficiaries:

* State organizational units and publicly co-funded organizations established by them.

### 3.1.2 Progress in the implementation of priority axes / intervention areas

In the reference period, the intervention area saw partial progress in the implementation of the remaining projects. It saw successful completion of four projects. Progress can also be seen in a significant shift in the implementation of projects and take-up of the 17th call; most of the projects are headed towards early completion and submission of final MRs and payment applications. Minimum progress in disbursement over the reporting period is due to the fact that almost all the projects have one stage and their final payment applications will be submitted by the end of 2015. For this reason, for the period from   
11 December 2014 to 13 July 2015, the IB MoI submitted only four applications in the 14th IOP certification of expenditure amounting to about CZK 36 million. The IB MoI adopts measures to ensure sufficient administrative capacity and preparation for the accumulation of applications and monitoring reports at the turn of the year. It also holds intensive meetings with beneficiaries and monitors progress in projects to ensure maximum take-up of the allocation.

**Table Nr. 11 - Cumulative progress at the level of Intervention Areas 1.1a and 1.1b (in CZK/EUR million)[[3]](#footnote-4)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Support Area** | **Snapshot date** | **Total allocation of support for 2007–2013** | | **Submitted applications** | | | | **Funds covered by a Decision / Contract (Addendum)** | | | | **Funds paid out to beneficiaries (accounted funds)** | | | **Summary applications accounted by the PCA** | | | **Certified funds (including refunds)** | | |
| **Date** | **CZK million** | **EUR million** | **Number** | **CZK million** | **%** | **EUR million** | **Number** | **CZK million** | **%** | **EUR million** | **CZK million** | **%** | **EUR million** | **CZK million** | **%** | **EUR million** | **CZK million** | **%** | **EUR million** |
| **a** | **b** | **c** | **c/a** | **d** | **e** | **e/a** | **f** | **f/a** | **g** | **g/a** | **h** | **h/a** |
| 1.1a | 2015/04/17 | 7,650.81 | 290.94 | 141 | 12,273.40 | 160.42 | 459.20 | 72 | 6,720.14 | 87.84 | 257.00 | 4,906.03 | 64.12 | 191.03 | 4,862.60 | 63.56 | 189.45 | 4,767.76 | 62.32 | 185.67 |
| 2015/10/02 | 7,624.07 | 290.94 | 141 | 12,273.40 | 160.98 | 461.82 | 76 | 6,887.63 | 90.34 | 263.81 | 4,926.61 | 64.62 | 191.80 | 4,911.21 | 64.42 | 191.23 | 4,726.84 | 62.00 | 184.09 |
| Difference |  |  | 0 | 0.00 | 0.00 | 2.62 | 4 | 167.49 | 2.20 | 6.82 | 20.58 | 0.27 | 0.77 | 48.62 | 0.64 | 1.78 | -40.93 | -0.54 | -1.58 |
| 1.1b | 2015/04/17 | 588.52 | 22.38 | 0 | 944.11 | 160.42 | 35.32 | 0 | 516.93 | 87.84 | 19.77 | 377.38 | 64.12 | 14.69 | 374.05 | 63.56 | 14.57 | 366.75 | 62.32 | 14.28 |
| 2015/10/02 | 523.72 | 20.07 | 0 | 944.11 | 180.27 | 35.52 | 0 | 529.82 | 101.16 | 20.29 | 378.97 | 72.36 | 14.75 | 377.79 | 72.13 | 14.71 | 363.60 | 69.43 | 14.16 |
| Difference |  |  | 0 | 0.00 | 0.00 | 0.20 | 0 | 12.88 | 2.46 | 0.52 | 1.58 | 0.30 | 0.06 | 3.74 | 0.71 | 0.14 | -3.15 | -0.60 | -0.12 |

*Source: Current MC – MSC2007 as of 30 September 2015; The certified funds data were generated in the entire Report as at 10 August 2015 due to a technical error caused by faulty data transfer between the IS Viola and MSC2007.*

*Previous MC – MSC2007+ as at 16 April 2015*

*EUR/CZK exchange rate: Current MC – 27,208; Previous MC – 27,473*

*Source of funding – EU share*

No call was open in the reporting period **in Intervention Areas 1.1a and 1.1b**.

### 3.1.3 Progress towards indicators

In the calls of MoI, data on progress towards indicators are set for the end date of project implementation. The value reached is the average of the values ​​reached as provided by beneficiaries in the final monitoring reports. There are no ongoing changes in the planned target indicator values throughout the project, with some exceptions. The values of share indicators vary depending on the number of completed projects and their reported target values. This is not a qualitative improvement, but the average ratio between the number of projects and their reported values. As a result, the values ​​fluctuate in both directions on the number line.

**150109 Share of registers connected to the central register**

The value as at 30 September 2015 is 96.04%. The commitment under the approved projects increased because of new projects in the 17th call. There was a slight reduction in the value achieved as of 30 September 2015, because the period saw one completed project with a low share of connected registers. After the completion of the remaining projects, the share to the level of commitment will reduce. The planned value in IOP Programming Document is 75%. The commitment from approved projects is 87.24%. In intervention area 1.1 the indicator shows 14 projects.

**150110 Share of central State administration bodies using the shared KIVS**

The value as at 30 September 2015 is 93.50 %. The commitment under the approved projects slightly increased because of new projects in the 17th call. The value achieved as of 1 October 2015 increased due to the fact that it is a mutual indicator and a project with a high share was completed. After the completion of the remaining projects, the share to the level of commitment will increase. The planned value in IOP Programming Document is 80 %. The commitment from approved projects is 93.35%. This indicator shows 17 projects.

**150111 Share of ministerial and agenda portals linked to the Public Administration Portal**

The value reached as at 30 September 2015 is 78.16% and it is based on the values ​​of 6 completed projects. The planned value in IOP Programming Document is 75%. The commitment from approved projects is 78.16%.In intervention area 1.1, the indicator is achieved by 6 beneficiaries from among central State administration bodies. The values ​​of the MI are final; all projects that have chosen the MI have been completed.

**150112 Share of digitized documents**

The value as at 30 September 2015 is 25.02%. The planned value in IOP Programming Document is 20 %. The commitment from approved projects is 43.45 %. The value achieved as of 30 September 2015 increased slightly due to the fact that it is a mutual indicator and a project with a high share was completed. After the completion of the remaining projects, the share to the level of commitment will increase. In intervention area 1.1, the indicator was demonstrated by 11 beneficiaries from among central State administration bodies.

**150113 Share of bodies with electronic records management system and electronically controlled circulation of documents**

As of 30 September 2015, the values ​​achieved, the value planned in the IOP Programming Document and the commitment under the projects approved are 100%. After conversion, the MI shows the final value.

**152105 Reduction of the administrative burden of citizens, entrepreneurs and public sector**

The value as at 30 September 2015 is 75 %. The planned value in IOP Programming Document   
is 75%. The commitment from approved projects is 75%. After conversion, the MI shows the final value.

**Table Nr. 12 -** **Output indicators**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Code** | **Indicator name** | **Unit of measurement** | **Baseline value** | **Target value** | **Commitment from approved projects** | **The value as at 30 September 2015** | **In the Decision as at 30 September 2015** |
| 150106 | Number of built national registers of public administration | Number | 0 | 4 | 5 | 5 | 3,421,312,462 |
| 150109 | Share of registers connected to the central register | % | 0 | 75 | 87.28 | 93.04 | 3,421,312,462 |
| 150110 | Share of central State administration bodies using the shared KIVS | % | 0 | 80 | 93.35 | 93.50 | 2,390,361,549 |
| 150111 | Share of ministerial and agenda portals linked to the Public Administration Portal | % | 19 | 75 | 78.16 | 78.16 | 499,948,687 |
| 150112 | Share of digitized documents | % | 0 | 20 | 43.45 | 25.02 | 1,105,825,844 |
| 150113 | Share of bodies with electronic records management system and electronically controlled circulation of documents | % | 20 | 100 | 100.00 | 100.00 | 1,105,825,844 |

*Source: MSC as of 30 September 2015 and information from the IB concerning percentage indicators*

**Table Nr. 13 - Result indicators**

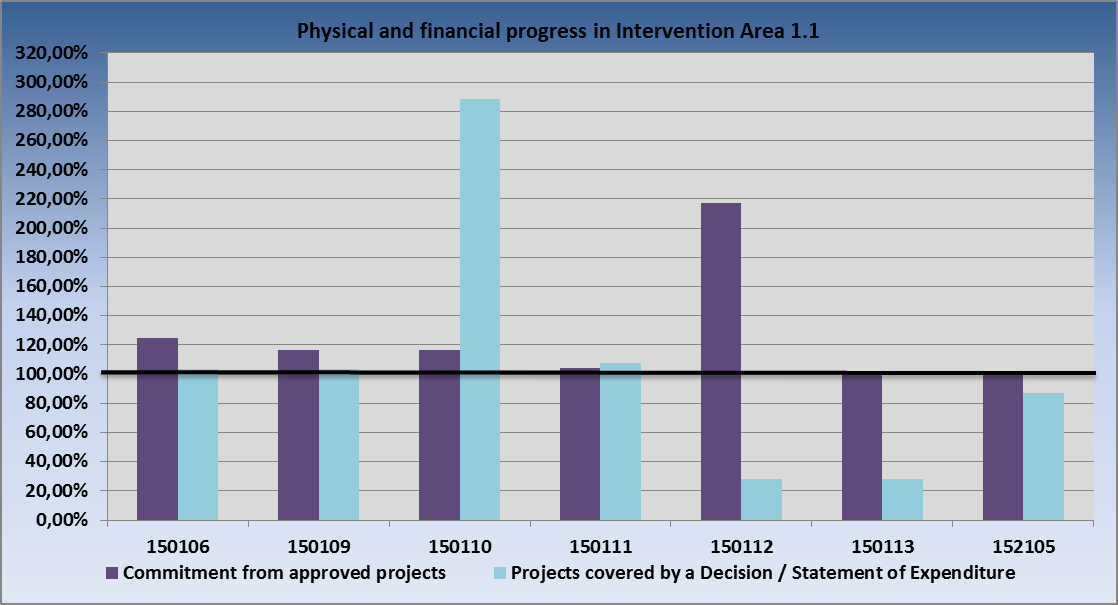
|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Code** | **Indicator name** | **Unit of measurement** | **Baseline value** | **Target value** | **Commitment from approved projects** | **The value as at 30 September 2015** | **In the Decision as at 30 September 2015** |
| 152105 | Reducing the administrative burden of citizens, entrepreneurs and public sector | % | 100 | 75 | 100% | 75 | 7,417,448,542 |

*Source: MSC as of 30 September 2015 and information from the IB concerning percentage indicators*

In the charts Comparison of physical and financial progress, the purple column shows the commitment from approved projects, i.e. the total planned value of the indicator, which the beneficiaries provided in grant applications, expressed as % of the total value specified in the IOP Programming Document; the same figure is provided in the indicator tables.

The blue column shows the funds of projects for which a Grant Decision has been issued,   
as a percentage of the allocation of the activity under which the indicator falls.

Chart Nr. 6 - The comparison of physical and financial progress in Intervention Area 1.1



*Source: MSC as of 30 September 2015 and information from the IB concerning percentage indicators*

### 3.1.4 Problems and measures taken

**The risk of under-execution of the remaining allocation in 2015**

In Intervention Area 1.1, there is a relatively high amount of funds which are yet to be submitted in payment applications (about CZK 2 billion). The main causes include the presence of high-risk projects with implementation delays and take-up, many projects have the end of implementation set to the end of the eligibility of expenditure and the funds will be submitted in payment applications at the end of 2015.

Therefore, the full take-up of the allocation in intervention Area 1.1 IOP is at risk.

**Measures taken**

There are ongoing consultations with beneficiaries, monitoring of risky projects and their crisis management, working with beneficiaries in preparing monitoring reports and payment applications, division of projects into stages, reducing the deadlines of beneficiaries and IBs, preliminary check   
of the procurement documentation, timely resolution of problems and proposals of solutions.

Other measures may include active cooperation with the IOP Managing Authority (simplification   
of procedures, trilateral meetings with risk beneficiaries, documents for the Government concerning risky projects, documents for the Government and Government resolutions concerning the completion of IOP, etc.). The IB MoI also adopts measures in human resource area, where it is necessary to ensure maximum take-up and completion of the programming period.

Given the substantial amount of funds tied in risky projects of ministries, the IB MoI monitors the projects with tight schedule and uses all available means to ensure progress in the implementation and take-up. The SFD representative attends the meetings of the Project Coordination Council under the auspices of the Deputy Minister of the Interior for ICT, where project status is discussed.

Very intensive talks are held concerning the projects with CP ICT as the general contractor, with monitoring of progress towards the completion of projects which is reported to the MA IOP, and the information is also presented each month to the Czech Government for information.

**The risk of insufficient administrative capacity to ensure the activities of the IBs**

Expenditure for the wages of IB employees can be paid from IOP technical assistance until November 2015 due to the rules of expenditure eligibility. It is necessary to ensure performance of the activities of the IB as part of programme completion at least until July 2016. The IB MoI expects the administration of 28 payment applications worth about CZK 2 billion by the end of 2015, which will be necessary to be administered and submitted to the MA IOP.

**Measures taken**

The IB MoI adopts measures to ensure sufficient administrative capacity to process large volume   
of payment applications and to ensure completion of the programming period (substitutability, multifunctionality and motivation of staff). This situation is also pointed out in Government Resolution No 604/2015, which followed after the discussion of the MA IOP document “Information on the necessary conditions for the proper completion of the Integrated Operational Programme 2007–2013”. Based on this resolution and the final form of the 2016 budget, the employment contracts   
of DSF employees will be extended to also ensure the performance of activities of IB MoI when closing the IOP in 2016.

**The risk of an ongoing investigation by the Office for the Protection of Competition (OPC)**

There are ongoing delays in the implementation of projects with an impact on take-up due to appeals/objections submitted with the OPC and its investigation. In July 2015, based on the objections, the OPC began to investigate the procurement procedures in relation to the projects “Modernization of communication infrastructure of the Ministry of Interior” and “Modernization of communication infrastructure – Regional Police Directorate of the Pilsen Region”. Objections were found to be unfounded, but it led to delays in the implementation of both projects. In the case of the project “Modernization of communication infrastructure (MKI) – Regional Police Directorate of the Pilsen Region”, the objection concerned the re-tendering of the main contract, which had been previously investigated by the OPC.

**Measures taken**

The beneficiaries provide the most up-to-date information at regular meetings of working teams as well as in the form of particular e-mail communication. All situation are promptly addressed and consulted with SFD lawyers. In the case of MKI projects blocked at the OPC, progress has been currently made and the risk of failure of these projects has been significantly reduced. After the expiry of the time limit, contracts were signed with the selected suppliers.

### 3.1.5 Example of a project

**Intervention area:** 1.1

**Project name, registration number:** Streamlining access to archival records, CZ.1.06/1.1.00/17.09402

**Beneficiary:** State Regional Archive in Litoměřice

**Project financing:** total budget of CZK 815,000 (SF contribution: CZK 1,542,750, State budget contribution: CZK 272,250

**Implementation:** 5 January 2015 – 30 September 2015

Digitization and remote access to archival records and aids enhancing investigative comfort and also allowing easy access to investigation for the disabled. Thanks to digitization, archival records are protected from damage, destruction and theft.

The project “Streamlining access to archival records” is aimed at enhancing the security of IT environments in the State Regional Archive in Litoměřice (SRA) to improve the access of the public to the digitized archival records. The project activities will include, for example, the acquisition and implementation of a new central data repository of the SRA. The capacity of the data space will increase and it will be possible to digitize more documents. A new high-performance server will improve accessibility of digitized data, which will certainly contribute to a better provision of services to the public. All local servers of the SRA workplaces will have a single IT environment installed, which will promote cooperation between the different tools with the main data space, while increasing safety and efficiency of the entire system. The project funds will also be used to purchase a new version of the archive software for remote access to digitized archival records.



## 3.2 Priority Axis 2 – Introduction of ICT in territorial public administration

### 3.2.1 Focus of priority axes / intervention areas

Priority Axis 2 focuses on the modernization of territorial public administration, mainly on creating the conditions for the application of eGovernment at the local level, optimizing processes within local self-governing authorities, more efficient electronic communication between different levels of government by ensuring the mutual compatibility of information systems and data interconnection and by maximising the amount of information provided for free via the Internet.

Specific objectives:

* increase the level of eGovernment services at regional and local levels;
* reduce the administrative burden of citizens, entrepreneurs and public sector

Supported activities:

* data sharing with central registers in public administration and the creation of other relevant registers for the needs of territorial public administration,
* building communication infrastructure for territorial public administration,
* creation of access points for communication with the public administration information systems,
* computerization of public administration services, especially through computerization   
  of process procedures for individual agendas performed by territorial public administration bodies.

Beneficiaries:

* regions and municipalities and the organizations founded by them, associations   
  of municipalities.

### 3.2.2 Progress in the implementation of priority axes / intervention areas

No new calls were announced in the reporting period. Thanks to crisis management, the IOP managed to maintain the level of take-up and reimbursement   
of funds to beneficiaries.

**Table Nr. 14 - Cumulative progress at the level of Intervention Area 2.1 (in CZK/EUR million)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Support Area** | **Snapshot date** | **Total allocation of support for 2007–2013** | | **Submitted applications** | | | | **Funds covered by a Decision / Contract (Addendum)** | | | | **Funds paid out to beneficiaries (accounted funds)** | | | **Summary applications accounted by the PCA** | | | **Certified funds (including refunds)** | | |
| **Date** | **mil. CZK** | **mil. EUR** | **Number** | **mil. CZK** | **%** | **EUR million** | **Number** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** |
| **a** | **b** | **c** | **c/a** | **d** | **e** | **e/a** | **f** | **f/a** | **g** | **g/a** | **h** | **h/a** |
| 2.1 | 2015/04/17 | 3,926.72 | 148.51 | 6,069 | 5,618.21 | 143.08 | 210.08 | 5,669 | 4,342.98 | 110.60 | 163.66 | 2,502.30 | 63.72 | 96.66 | 2,436.76 | 62.06 | 94.28 | 2,418.34 | 61.59 | 93.60 |
| 2015/10/02 | 3,912.66 | 148.51 | 6,069 | 5,618.21 | 143.59 | 211.20 | 5,672 | 4,322.32 | 110.47 | 163.57 | 2,730.32 | 69.78 | 105.06 | 2,631.56 | 67.26 | 101.43 | 2,479.87 | 63.38 | 95.78 |
| Difference |  |  | 0 | 0.00 | 0.00 | 1.12 | 3 | -20.65 | -0.53 | -0.09 | 228.02 | 5.83 | 8.39 | 194.80 | 4.98 | 7.15 | 61.52 | 1.57 | 2.19 |

*Source: Current MC – MSC2007 as of 30 September 2015; The certified funds data were generated in the entire Report as at 10 August 2015 due to a technical error caused by faulty data transfer between the IS Viola and MSC2007.*

*Previous MC – MSC2007+ as at 16 April 2015*

*EUR/CZK exchange rate: Current MC – 27,208*

*Previous MC –* *27,473*

*Source of funding – EU share*

### 3.2.3 Progress towards indicators

Project deadlines for the fulfilment of monitoring indicators are set to the end of project implementation; the postponement of the project completion deadline leads to the postponement of the deadline for the fulfilment of the monitoring indicator.

Concerning the indicator **150 105 Number of public administration contact points (Czech Point),** all the projects have been completed, subject to individual exceptions. The indicator was achieved at the end of the reporting period. The target indicator value was exceeded by about 5%, which is due to the increased need for contact points, which became evident in the programming period 2007–2013.

Indicators **150117 Share of local public administration registers connected to the central register, 150115 Share of local networks connected to KIVS and 150116 Share of regional portals integrated with the Public Administration Portal** were achieved in the reporting period.At the same time, the target value of the indicator was exceeded from 75% to 100%.

The target values of the indicator **150 114 Number of new fully computerised agenda of local public administration** were exceeded in connection with projects under 22nd call. This was due to increased absorption capacity, which occurred during the programming period.  Furthermore, there is a gradual completion of the projects under calls 6, 8 and 9.

Concerning the indicator **150 112 Share of digitized documents**, the planned values were achieved in the reference period. At the same time, the target indicator value was exceeded from 20% to 25.08%, which was due to incorrect setting of the target value.

The indicator **150113 Share of authorities with electronic filing services and electronically controlled circulation of documents** does not include municipal authorities using a hosted eSSI   
of the parent municipality with extended powers or region, so that the indicator will not be achieved; however, the planned number of authorities was supported. The possibility of sharing hosted eSSI occurred during the programming period, and was used primarily for its cost-efficiency and effectiveness.

**Table Nr. 15 - Output indicators**

| **Code** | **Indicator name** | **Unit of measurement** | **Baseline value** | **Target value** | **Commitment from approved projects** | **The value as at 30 September 2015** | **In the Decision as at 30 September 2015** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 150105 | Number of public administration contact points (Czech Point) | Number | 1300 | 6244 | 6,571.00 | 6,559.00 | 419,435,582 |
| 150117 | Share of local public administration registers connected to central registers | % | 0 | 75 | 100.00 | 100.00 | 210,180,421 |
| 150115 | Share of local networks connected to KIVS | % | 10 | 85 | 80.77 | 70.74 | 630,551,561 |
| 150116 | Share of regional portals integrated with the Public Administration Portal | % | 0 | 75 | 60.30 | 63.00 | 419,435,582 |
| 150114 | Number of new fully computerised agendas of local public administration | Number | 0 | 126 | 322.00 | 105.00 | 3,062,154,889 |
| 150112 | Share of digitized documents | % | 0 | 20 | 23.09 | 25.09 | 3,062,154,889 |
| 150113 | Share of bodies with electronic records management system and electronically controlled circulation of documents | % | 20 | 100 | 54.03 | 53.79 | 3,062,154,889 |
| 152000 | Availability of eGovernment services online | % | 30 | 75 | 0.00 | 0.00 |  |

***Source: MSC2007 as of 30 September 2015; information from the IBs concerning percentage indicators***

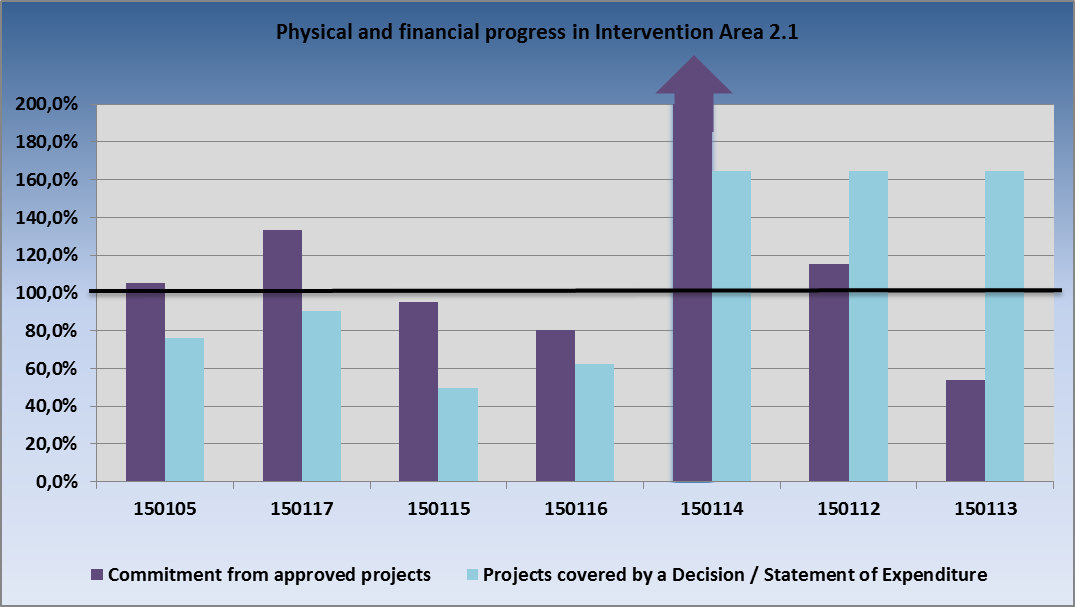
**Table Nr. 16 - Result indicators**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Code** | **Indicator name** | **Unit of measurement** | **Baseline value** | **Target value** | **Commitment from approved projects** | **The value as at 30 September 2015** | **In the Decision as at 30 September 2015** |
| 152105 | Reducing the administrative burden of citizens, entrepreneurs and public sector | % | 100.00 | 75.00 | 0.00 | 0.00 | 4,322,322,452 |

***Source: MSC2007 as of 30 September 2015; information from the IBs concerning percentage indicators***

In the charts Comparison of physical and financial progress, the purple column shows the commitment from approved projects, i.e. the total planned value of the indicator, which the beneficiaries provided in grant applications, expressed as % of the total value specified in the IOP Programming Document. The same figure is provided in the indicator tables. The blue column shows the funds of projects for which a Grant Decision has been issued, as a percentage of the allocation of the activity under which the indicator falls.

Chart Nr. 7 - The comparison of physical and financial progress in Intervention Area 2.1



*Source: MSC2007 as of 30 September 2015; information from the IBs concerning percentage indicators*

### 3.2.4 Problems and measures taken

**Problem**

In the reporting period, the main problems particularly involved numerous changes to project schedules and public contract schedules, repeated procurement procedures, cancellation of procurement procedures, cancellation of activities, as well as technical and technological problems in the implementation of the outcomes, the issue of expenditure eligibility (especially servicing, warranty, publicity).

**Measures taken**

The IB CRD provides the beneficiaries with consultation on public contracts, expenditure eligibility, submitting payment applications / monitoring reports at the regional departments of the Centre. It mostly publishes frequently asked questions, checks the eligibility of expenditure and changes in projects through expert collaborators. Complicated procurement procedures are discussed with the Prague headquarters. The CRD monitors the submitted procurement documents and the status of procurement procedures by checking the deadline of supply against the deadline of project implementation.

In cooperation with the MA IOP, the CRD identifies and updates risky and dormant projects, whose progress of implementation and completion of remedial actions set by the MA IOP are monitored.

Also, internal procedures have been set up within the IB CRD to speed up the administration of payment applications in accordance with the measures to maximize take-up in 2015.

## 3.3 Priority axis 3 – Improving public services quality and accessibility

### 3.1.3 Focus of priority axes / intervention areas

Activities of Priority Axis 3 follow from the interventions into the quality and effectiveness of the public administration functioning. The common goal is to improve the organisation, financing and the evaluation process of public services. The priority axis is focused on **four intervention areas**:

* 3.1 **–** Social integration services
* 3.2 – Public health services
* 3.3 – Employment services
* 3.4 – Services concerning security, risk prevention and management

Specific objectives:

* reinforcing social integration by transforming residential social welfare facilities into other types of social services, while improving the quality and accessibility of social services to allow the clients to return to the labour market and to the society in general
* innovation and modernisation of the infrastructure for care for the population’s health, with an emphasis put on the extension of national networks of specialised facilities, prevention of health risks and higher effectiveness, quality and availability in the system of providing public health services
* improving the quality of employment services and support for the development of new tools and institutions of employment services, including education of employees and clients of the employment services,
* increasing the quality in the field of prevention and risk management through modernisation of infrastructure.

Beneficiaries:

* State organizational units and publicly co-funded organizations established by them,
* Regions and municipalities and organisations established by them,
* non-governmental non-profit organisations
* entrepreneurs (persons registered in the Commercial Register, persons conducting business based on a trade licence or based on special regulations).

### 3.2.3 Progress in the implementation of priority axes / intervention areas

In intervention Area 3.1, 474 project applications worth EUR 117.65 million were submitted since the beginning of the reporting period, which represents 218.1% of the allocation. In the period 17 April 2015 to 30/09/2015, no project application was submitted; all calls are closed. In the reporting period, financial resources in the Funds covered by a Decision/Contract decreased slightly due to savings in procurement procedures. During the reporting period, beneficiaries have been paid EUR 6.19 million, with EUR 5.09 million included in summary payment applications. During this period, EUR 3.69 million   
of expenditure was certified.

Table Nr. 17 - Cumulative progress at the level of Intervention Area 3.1 (in CZK/EUR million****)****

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Support Area** | **Snapshot date** | **Total allocation of support for 2007–2013** | | **Submitted applications** | | | | **Funds covered by a Decision / Contract (Addendum)** | | | | **Funds paid out to beneficiaries (accounted funds)** | | | **Summary applications accounted by the PCA** | | | **Certified funds (including refunds)** | | |
| **Date** | **mil. CZK** | **mil. EUR** | **Number** | **mil. CZK** | **%** | **EUR million** | **Number** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** |
| **a** | **b** | **c** | **c/a** | **d** | **e** | **e/a** | **f** | **f/a** | **g** | **g/a** | **h** | **h/a** |
| 3.1 | 2015/04/17 | 1,479.52 | 54.64 | 474 | 3,210.61 | 217.00 | 117.65 | 128 | 1,329.74 | 89.88 | 49.19 | 747.78 | 50.54 | 28.01 | 688.93 | 46.56 | 25.87 | 662.46 | 44.78 | 24.91 |
| 2015/10/02 | 1,472.06 | 54.64 | 474 | 3,210.61 | 218.10 | 118.54 | 128 | 1,321.85 | 89.80 | 49.11 | 915.69 | 62.20 | 34.19 | 827.59 | 56.22 | 30.96 | 764.04 | 51.90 | 28.60 |
| Difference |  |  | 0 | 0.00 | 0.00 | 0.89 | 0 | -7.89 | -0.54 | -0.07 | 167.91 | 11.41 | 6.19 | 138.66 | 9.42 | 5.09 | 101.59 | 6.90 | 3.69 |

**The following applies to all the below tables:**

*Source: Current MC – MSC2007 as of 30 September 2015; The certified funds data were generated in the entire Report as at 10 August 2015 due to a technical error caused by faulty data transfer between the IS Viola and MSC2007.*

*Previous MC – MSC2007+ as at 16/04/2015*

*EUR/CZK exchange rate: Current MC – 27,208*

*Previous MC – 27,473*

*Source of funding – EU share*

**In Intervention Area 3.3**, a total of 267 project applications were submitted worth EUR 423.33 million. In the reporting period, no project application was submitted. Amount disbursed under the Decisions has increased by EUR 58.91 million. Funds paid to beneficiaries increased by EUR 18.74 million; total funds paid to beneficiaries amount to EUR million, which represents 78.37% of the allocation. Expenditure certified in Intervention Area 3.2 amounted to EUR 180.87 million.

**Table Nr. 18 - Cumulative progress at the level of Intervention Area 3.2 (in CZK/EUR million)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Area of Intervention** | **Snapshot date** | **Total allocation of support for 2007–2013** | | **Submitted applications** | | | | **Funds covered by a Decision / Contract (Addendum)** | | | | **Funds paid out to beneficiaries (accounted funds)** | | | **Summary applications accounted by the PCA** | | | **Certified funds (including refunds)** | | |
| **Date** | **mil. CZK** | **mil. EUR** | **Number** | **mil. CZK** | **%** | **EUR million** | **Number** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** |
| **a** | **b** | **c** | **c/a** | **d** | **e** | **e/a** | **f** | **f/a** | **g** | **g/a** | **h** | **h/a** |
| 3.2 | 2015/04/17 | 6,518.87 | 248.48 | 267 | 11,258.47 | 172.71 | 421.00 | 197 | 6,767.90 | 103.82 | 257.55 | 4,798.52 | 73.61 | 185.86 | 4,704.83 | 72.17 | 182.45 | 4,613.92 | 70.78 | 178.86 |
| 2015/10/02 | 6,501.32 | 248.48 | 267 | 11,258.47 | 173.17 | 423.33 | 212 | 8,350.69 | 128.45 | 316.45 | 5,307.39 | 81.64 | 204.60 | 5,095.32 | 78.37 | 196.81 | 4,677.46 | 71.95 | 180.87 |
| Difference |  |  | 0 | 0.00 | 0.00 | 2.33 | 15 | 1,582.79 | 24.35 | 58.91 | 508.87 | 7.83 | 18.74 | 390.49 | 6.01 | 14.35 | 63.54 | 0.98 | 2.01 |

**In Intervention Area 3.3,** cumulatively submitted project applications totalled EUR 69.21 million. In the reference period, no project application was submitted; all calls are closed. Amount disbursed under the Decision decreased by EUR 0.11 million due to savings from procurement procedures. Funds paid to beneficiaries increased by EUR 0.03 million; total funds paid to beneficiaries amount to EUR 20.75 million, which represents 50.31% of the allocation.  Expenditure of EUR 14.5 million was certified, i.e. 35.22% of the allocation.

**Table Nr. 19 - Cumulative progress at the level of Intervention Area 3.3 (in CZK/EUR million)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Cumulative progress in Intervention Area 3.3 (in CZK/EUR million)** **Support area** | **Snapshot date** | **Total allocation of support for 2007–2013** | | **Submitted applications** | | | | **Funds covered by a Decision / Contract (Addendum)** | | | | **Funds paid out to beneficiaries (accounted funds)** | | | **Summary applications accounted by the PCA** | | | **Certified funds (including refunds)** | | |
| **Date** | **mil. CZK** | **mil. EUR** | **Number** | **mil. CZK** | **%** | **EUR million** | **Number** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** |
| **a** | **b** | **c** | **c/a** | **d** | **e** | **e/a** | **f** | **f/a** | **g** | **g/a** | **h** | **h/a** |
| 3.3 | 2015/04/17 | 1,070.60 | 40.21 | 29 | 1,854.55 | 173.23 | 68.74 | 17 | 780.19 | 72.87 | 29.46 | 535.36 | 50.01 | 20.72 | 535.36 | 50.01 | 20.72 | 535.36 | 50.01 | 20.72 |
| 2015/10/02 | 1,065.43 | 40.21 | 29 | 1,854.55 | 174.07 | 69.21 | 17 | 774.24 | 72.67 | 29.35 | 536.04 | 50.31 | 20.75 | 536.04 | 50.31 | 20.75 | 375.25 | 35.22 | 14.50 |
| Difference |  |  | 0 | 0.00 | 0.00 | 0.47 | 0 | -5.95 | -0.56 | -0.11 | 0.68 | 0.06 | 0.03 | 0.68 | 0.06 | 0.03 | -160.11 | -15.03 | -6.22 |

In the reference period, **Intervention Area 3. 4 -** 159 project applications were cumulatively submitted, totalling EUR 389.53 million. In the reporting period, no project application was submitted. The financial amount of the Decisions issued decreased by EUR 0.98 million, mainly due to the withdrawal of one project. Funds paid to beneficiaries increased by EUR 8.59 million; total funds paid to beneficiaries amount to EUR 105.11 million, which represents 38.02 % of the allocation. Expenditure in the amount of EUR 102.73 million was certified.

**Table Nr. 20 - Cumulative progress at the level of Intervention Area 3.4 (in CZK/EUR million)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Support Area** | **Snapshot date** | **Total allocation of support for 2007–2013** | | **Submitted applications** | | | | **Funds covered by a Decision / Contract (Addendum)** | | | | **Funds paid out to beneficiaries (accounted funds)** | | | **Summary applications accounted by the PCA** | | | **Certified funds (including refunds)** | | |
| **Date** | **mil. CZK** | **mil. EUR** | **Number** | **mil. CZK** | **%** | **EUR million** | **Number** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** |
| **a** | **b** | **c** | **c/a** | **d** | **e** | **e/a** | **f** | **f/a** | **g** | **g/a** | **h** | **h/a** |
| 3.4 | 2015/04/17 | 7,339.75 | 271.29 | 159 | 10,511.86 | 143.22 | 386.75 | 155 | 7,811.49 | 106.43 | 288.46 | 2,674.88 | 36.44 | 101.49 | 2,651.18 | 36.12 | 100.63 | 2,640.49 | 35.98 | 100.24 |
| 2015/10/02 | 7,294.69 | 271.29 | 159 | 10,511.86 | 144.10 | 389.53 | 154 | 7,735.31 | 106.04 | 287.48 | 2,908.43 | 39.87 | 110.07 | 2,773.37 | 38.02 | 105.11 | 2,709.11 | 37.14 | 102.73 |
| Difference |  |  | 0 | 0.00 | 0.00 | 2.78 | -1 | -76.18 | -1.04 | -0.98 | 233.55 | 3.20 | 8.59 | 122.19 | 1.68 | 4.48 | 68.62 | 0.94 | 2.50 |

**Overview of ongoing calls**

No calls were ongoing in Priority Axis 3.

### 3.3.3 Progress towards indicators

**Intervention Area 3.1**

Indicator **330300 “Number of projects aimed at social inclusion”** reflects the performance in all three activities of this intervention area. Given that as of 1 October 2015, 128 projects in activities 3.1 a), b) and c) reached the status of commitment under approved projects, which represents 100.8%, the MoLSA expects the target values to be achieved. The achieved value is 113 and compared with the previous reporting period it increased by 29 projects.

Indicator **75713** states the **“Number of residential facilities of social services implementing transformation”.** As of 1 October 2015, the number of facilities that started transformation is 9 and 20 social service facilities reached the status of the commitment under approved projects. The MoLSA expects the target value to be achieved.

As of 1 October 2015, the value of the indicator **75714 “Number of supported organizations”** in activity 3.1 b) for projects aimed at integrating Roma localities is 28 supported organizations, with 29 projects reaching the status of commitment under approved projects, which accounts for 96.7%. Compared with the previous reporting period, the value increased by 3 projects.

As of 1 October 2015, the value of the indicator **75802 “Number of supported entities”** in the field of investment support of the social economy in activity 3.1 c) is 53 supported entities, an increase of 12 compared to the previous reporting period. 53 projects have the status of commitment from approved projects; therefore, the MoLSA expects the target value of the indicator to be achieved.

As of 1 October 2015, the value of the indicator **75711 “Alternative social services”** in activity 3.1 a) involves 49 alternative social services. 93 alternative social services have the status of commitment from approved projects, making up 120.78% of the target value. Compared with the previous reporting period, it increased by 18 projects. The MoLSA therefore predicts that the target value of this indicator will be exceeded.

Indicator **75712 “Number of new social services and activities”,** which is linked to activity 3.1 b), saw an increase compared to the previous reference period of 10 new social services. 126 social services have the status of commitment, making up 88.73 %. In relation to the withdrawal of beneficiaries from the project implementation in 2014, the value​of this indicator decreased. A common reason for unsuccessful completion of project implementation were delays in project administration due to problems with the building proceedings and procurement procedures. The MoLSA worked with individual beneficiaries and provided them with support through individual consultations so as to avoid critical situations that would require termination of project implementation. Despite these measures, however, the original target value of the indicator (142) will not be achieved.

The target value of the indicator **75603 “Support effectiveness”** in activity 3.1 c) is 60% and the value achieved is 73.5%, i.e. the target value of the indicator has been exceeded.

The target value of monitoring indicator **75713 “Facilities undergoing transformation”** under activity 3.1a) will be achieved; as of 1 October 2015, the projects with issued Decision reach 94.72%. Furthermore, the target value of the indicator **75711** **“Alternative Social Services”** will be exceeded, with the commitment from approved projects reaching 120.78%. Currently, projects covered by a Decision under this indicator stand at 94.72 %.

In monitoring indicator **75714 – “Number of supported organizations”** in activity 3.1 (b), the value of commitment from approved projects stands at 96.67%.

In the indicator **75802 “Number of supported entities”** in Activity 3.1 (c), 101.92 % of projects have the status of commitment and projects covered by a Decision reach 90.87 %. The MoLSA expects this indicator to be achieved.

In indicator **75603 “Support efficiency”** in activity 3.1 (c), the value of the commitment from approved projects is 122.5 %.

**Intervention Area 3.2**

**Indicator 80721 Increased availability of equipment in specialized centres**

The value of the indicator is 68.14% of the target of 60% of availability (progress is at 113%). In the case of successful completion of all projects, the value achieved by the end of the programming period will be 60%, with 100% progress towards the indicator (decline in the value is due to a higher share of refurbished medical devices at the expense of those newly acquired). Currently, the funds covered by a Decision stand at 158.80%.

**Indicator 080 712 Number of available prevention programmes for the population**

Currently, the value of the indicator is 51 programs (51 prevention programmes are in place out of the target of 45 programmes); the value of the indicator is at 113%. In activity 3.2(b), there was a gradual increase in the absorption capacity in the field of health risk prevention and epidemiology, which resulted in a greater number of announced calls. Each implemented project usually results in one prevention programme; currently, the commitment from approved projects is at 55 prevention programmes, i.e. the target value of the indicator will be higher at the end of the programming period, reaching 122.22%. Currently, the funds covered by a Decision stand at 48.76 %.

**Indicator 080704 Number of programmes introducing standards and standard procedures for quality and expense-to-revenue ratio management**

Currently, the progress towards the indicator stands at 62.5% (15 prevention programmes out of the target of 24 have been introduced). Currently there are commitments of another 14 programmes in projects under implementation. If all projects are successfully completed, the target value will reach 100%. Currently, the funds covered by a Decision stand at 67.37 %.

**Output indicators**

**Indicator 080101 Number of projects to promote health - to prevent health risks**

Currently, the progress towards the indicator stands at 117 % (53 programmes to prevent health risks out of the target of 45 have been implemented). In activity 3.2(b), there was a gradual increase in the absorption capacity in the field of health risk prevention and epidemiology, which resulted in a greater number of announced calls, with a larger number of submitted projects with lower financial volume. Given that the indicator reflects the number of completed projects to prevent health risks and currently, 1 project has the status of commitment from approved projects, the target value of the indicator will be 120%. Currently, the funds covered by a Decision stand at 48.76 %.

**Indicator 080102 Projects to promote health - to modernize instrumentation**

Currently, the progress towards the indicator stands at 212 % (106 programmes to modernise instrumentation out of the target of 50 have been implemented).

The activity 3.2a showed the greatest absorption capacity, with calls being announced accordingly. The reason for the announcement of a large number of calls saturating smaller projects of individual networks was also the need to progress towards the result indicator 080721, which uses percentage points expressing the increase in the number of available physical equipment of standardized specialized centres to 68.14% of the standard. The indicator reflects the number of implemented projects to modernize instrumentation; in 2015, almost all projects under 18th and 19th calls will be completed, so that if all the projects are successfully implemented, the target value of the indicator will be significantly exceeded at 280%. Currently, the funds covered by a Decision stand at 158.80%.

**Indicator 080702 Number of projects aimed at introducing standards and standard procedures for quality and expense-to-revenue ratio management**

Currently, the progress towards the indicator stands at 93 % (14 programmes to introduce standards and standard procedures for quality and expense-to-revenue ratio management out of the target of 15 have been implemented). Currently, there are another 5 approved projects with a commitment; the target value of the indicator will therefore be slightly exceeded at 19 projects, representing 126.67%. Currently, the funds covered by a Decision stand at 67.37 %.

**Intervention Area 3.3**

Five projects successfully completed implementation, so the value of the indicator **74521 - “Number of supported employment service institutions”** is 5. Compared with the previous reference period, the MI increased by 2 completed projects. 13 projects reached commitment from approved projects, identically to the previous reporting period. The MoLSA reported problems with the implementation of certain large investment projects. The risky project include “LO CR Prague – the purchase of an office building”, which is subject to objections by the EC, and the project “LO CR – Pardubice – construction of a building and training centre”. Based on the decision of DG LO CR, the beneficiary withdrew from the project, the termination of the project was approved at the 10th meeting of MoLSA management on 10 April 2015. Changing the indicator value will be reflected after the completion of the ongoing public administrative audit of this project. There is a probable risk that the target value of the indicator will not be achieved.

Indicator **“74532 Number of newly built and supported existing training centres of employment services”** in activity 3.3(b) includes 1 successfully completed project entitled “LO CR – Hradec Králové – reconstruction of the training centre”; the value therefore stands at 1. The target value of the indicator involves the construction of three training centres of employment services. There are currently 4 projects with the status of commitment from approved projects. The value does not take into account the withdrawal of beneficiary from the project LO CR Pardubice. Unless there are serious issues in the implementation of the projects, the target value of the indicator will be achieved, i.e. 3 training centres of employment services will be constructed.

The value of the indicator **“74533 – The number of newly built information and education centres of employment services”** is 1 and is related to the completion of the project under activity 3.3 (c) “Building an information and educational centre of the South Bohemian region”. In activity 3.3 (c), the project Information and education centre of the Pilsen region is in a state of commitment. Therefore, it can be expected that the planned target of 2 will be reached unless there are serious complications in the project implementation.

Result indicator **“74514 Increase in the quality of work and client environment of employment service institutions”** is reported as a percentage for the programming period. By completing project implementation, the value of 8.29% was achieved. Given the current state of implementation of risky projects, the MoLSA (”LO Czech Republic Prague - the purchase of an office building” and the withdrawal them from the project “LO CR - Pardubice”) the MoLSA does not expect the achievement of the target value of 18% (prediction of this MI is 17%). Given that a number of projects in IA 3.3(a) are in the stage before project completion, the MI will be achieved only after the successful completion of the implementation of these projects (progress towards the MI corresponds to MoLSA prediction). The currently low progress towards indicator 74,514 can only be attributed to a greater number of so-far uncompleted projects. The MoLSA therefore maximises communication with the beneficiaries and provides them with support for the successful completion of projects.

Indicators **74512** and **74513** will be gradually achieved after the completion of project implementation until the end of the mandatory five-year project sustainability. Therefore, the value exhibits low progress.

In comparison with the previous period, activity 3.3 (b) did not see progress towards the indicator **74512 – “Increase in the capacity of training centres of employment services”.**

Currently, the value of the increase in the capacity of employment service training centres is at 1.27%. Projects covered by a Decision under this indicator stand at 69.06 %.

Also the indicator **74513 – “Increase in the capacity of consulting and training centres”** in activity 3.3 (c) has not increased compared to the previous reporting period, standing at 4.98%. Two projects have the status of commitment from approved projects, with the target value of increase in the capacity of consulting and training centres by 25%, representing a 100% achievement. The MoLSA expects the target value of this indicator to be achieved.

The activity 3.3 (c) will probably achieve the target value of monitoring indicator 74533 and 74513.

Concerning MI 74533, 100% of projects (two projects) are in a state of commitment from approved projects, the amount of funds covered by a Decision being 52.78%. Concerning the monitoring indicator 74532 in Activity 3.3 (b), 133.3% of projects have the status of commitment and projects covered by a Decision reach 69%.

Concerning indicator 74521 **“Increase in the quality of the work environment”,** which is associated with the Activity 3.3a), 108.3% of projects are in the state of commitment, the value of projects covered by a Decision being at 72.38%.

Progress towards target values ​​of monitoring indicators under Activity 3.3 (a) and (b) is significantly affected by the progress of implementation of major projects, particularly LO CR Prague and withdrawal of LO CR Pardubice.

**In Intervention Area 3.4**

Indicator **260407 Number of IRS operating centres with integrated ICT**

The value of the indicator is currently 0 due to delays in connecting the Integrated Operations Centre to the IRS National Information System. After the completion of IRS NIS, the indicator will be achieved.

Indicator **260408 Number of newly built logistics bases** and **260404 Creation of new capacities to ensure the effective delivery of humanitarian aid to other countries**

This major project saw an extension in project implementation deadline; after its completion, the indicator will be achieved. Currently, the indicator value is 1 out of the target of 2; concerning the indicator 260404, the value is 2,500m2 out of the target of 3,450m2.

Indicator **260410 Number of modernised or built front office contact centres connected to IRS the network** is at 99.73% of the target value.

Indicator **260412 Number of technological equipment to eliminate threats or consequences of security risks**

Currently, the value of the indicator is 373 out of the total of 3,286. The value of the commitment from approved projects is 7,145, accounting for 217.44% of the indicator; gradual completion of projects will ensure the progress towards the indicator. Currently, the funds covered by a Decision/Statement of Expenditure stand at 107.49 %.

**Table Nr. 21 - Output indicators**

| **Code** | **Indicator name** | **Unit of measurement** | **Baseline value** | **Target value** | **Commitment from approved projects** | **The value as at 30 September 2015** | **In the Decision as at 30 September 2015** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 330300 | Number of social inclusion-oriented projects | Number | 0 | 127 | 128 | 113 | 1,321,854,024 |
| 75713 | Facilities implementing transformation | Number | 0 | 20 | 21 | 3 | 997,242,768 |
| 75714 | Number of supported organisations | Number | 0 | 30 | 29 | 28 | 215,176,570 |
| 75802 | Number of supported entities | Number | 0 | 52 | 53 | 53 | 109,434,686 |
| 80100 | Projects to promote health – total | Number | 0 | 110 | 212 | 173 | 8,350,692,189 |
| 80102 | Projects to promote health - to modernize instrumentation | Number | 0 | 50 | 140 | 106 | 7,166,511,310 |
| 80101 | Projects to promote health - to prevent health risks | Number | 0 | 45 | 54 | 53 | 865,338,888 |
| 80702 | Number of projects aimed at introducing standards and standard procedures for quality and expense-to-revenue ratio management | Number | 0.00 | 15.00 | 19.00 | 14.00 | 318,841,990 |
| 74521 | Number of supported employment service institutions | Number | 0 | 12 | 13 | 4 | 649,160,182 |
| 74532 | Number of newly built and supported existing training centres of employment services | Number | 0 | 3 | 4 | 1 | 89,498,131 |
| 74533 | Number of newly built informational and educational centres of employment services | Number | 0 | 2 | 2 | 1 | 35,585,551 |
| 260407 | Number of IRS operating centres with integrated ICT | Number | 0 | 41 | 41 | 0 | 1,756,111,087 |
| 260408 | Number of newly built logistics bases | Number | 0 | 2 | 2 | 1 | 175,123,827 |
| 260410 | Number of modernized or built front office contact centres connected to the IRS network | Number | 0 | 369 | 368 | 368 | 730,615,103 |
| 260412 | Number of technological equipment to eliminate threats or consequences of security risks | Number | 0.00 | 3286.00 | 7145.00 | 373.00 | 5,073,464,263 |

***Source: MSC2007 as of 30 September 2015; information from the IBs concerning percentage indicators***

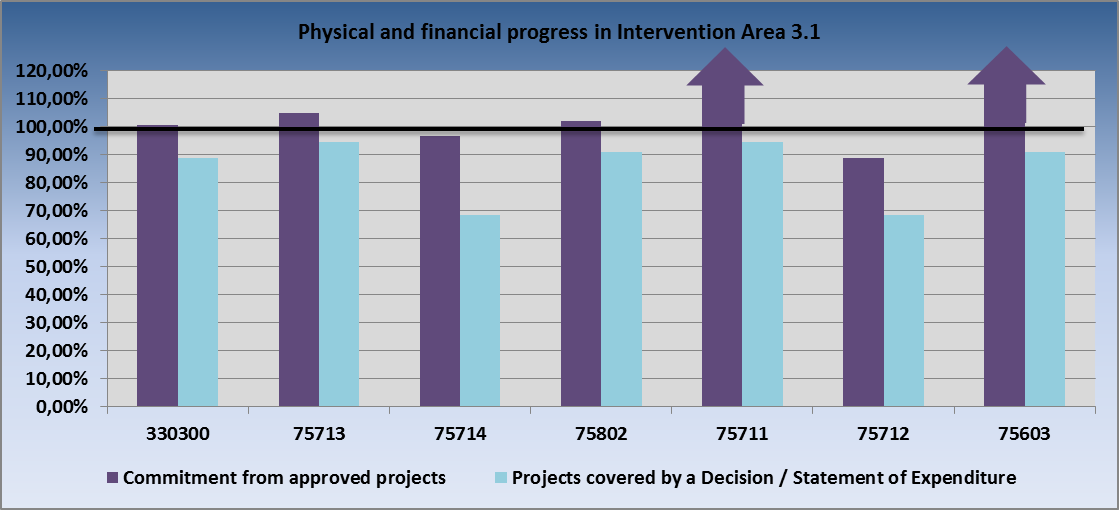
**Table Nr. 21 - Result indicators**

| **Code** | **Indicator name** | **Unit of measurement** | **Baseline value** | **Target value** | **Commitment from approved projects** | **The value as at 30 September 2015** | **In the Decision as at 30 September 2015** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 75711 | Alternative social services | Number | 0 | 77 | 93 | 49 | 997,242,768 |
| 75712 | Number of new social services and activities | Number | 0 | 142 | 126 | 109 | 215,176,570 |
| 75603 | Support effectiveness | % | 0 | 60 | 73.5 | 73.5 | 109,434,686 |
| 80721 | Increased availability of equipment in specialized centres | % | 0 | 60 | 60 | 68.14 | 7,166,511,310 |
| 80712 | Number of available prevention programmes for the population | Number | 0 | 45 | 55 | 51 | 865,338,888 |
| 80704 | Number of programmes introducing standards and standard procedures for quality and expense-to-revenue ratio management | Number | 0 | 24 | 24 | 15 | 318,841,990 |
| 74514 | Increase in the quality of work and client environment in institutions and employment services | % | 0 | 18 | 20.59 | 8.29 | 649,160,182 |
| 74512 | Increase in the capacity of training centres of employment services | % | 0.00 | 20.00 | 20.03 | 1.27 | 89,498,131 |
| 74513 | Increase in the capacity of consulting and training centres | % | 0 | 25 | 25 | 4.98 | 35,585,551 |
| 260401 | Number of supported IRS units | Number | 0 | 3 | 3 | 0 | 1,756,111,087 |
| 260406 | Reducing the average response time to an imminent or existing security risk | % | 100 | 75 | 0 | 0 | 5,073,464,263 |
| 260404 | Creating new capacities for ensuring the effective delivery of humanitarian aid to other countries | m2 | 0 | 3450 | 3450 | 2500 | 175,123,827 |

***Source: MSC2007 as of 30 September 2015; information from the IBs concerning percentage indicators***

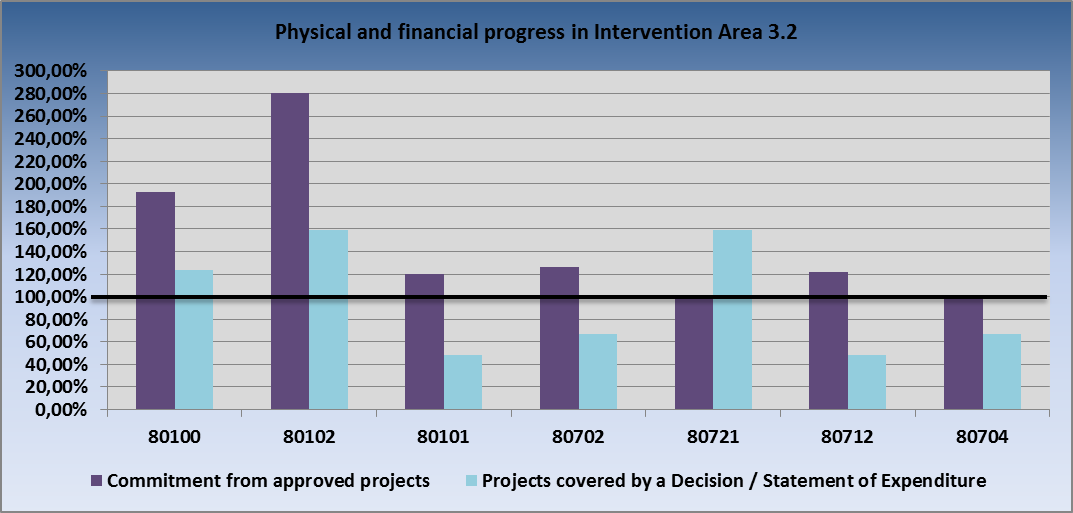
In the charts Comparison of physical and financial progress, the purple column shows the commitment from approved projects, i.e. the total planned value of the indicator, which the beneficiaries provided in grant applications, expressed as % of the total value specified in the IOP Programming Document; the same figure is provided in the indicator tables. The blue column shows the funds of projects for which a Grant Decision has been issued, as a percentage of the allocation of the activity under which the indicator falls.

Chart Nr. 8 - The comparison of physical and financial progress in Intervention Area 3.1



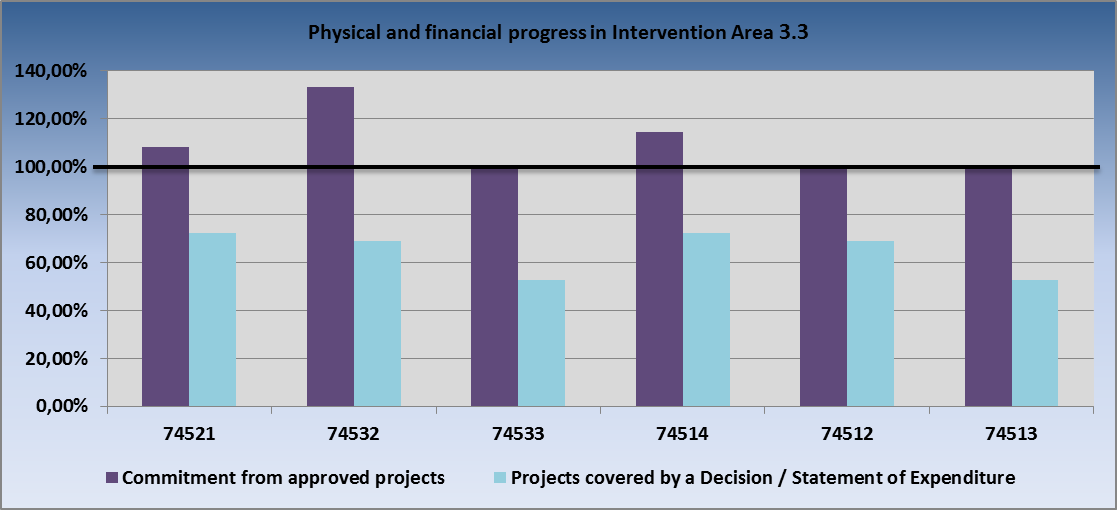
***Source: MSC2007 as of 30 September 2015; information from the IBs concerning percentage indicators***

Chart Nr. 9 - Comparison of physical and financial progress in Intervention Area 3.2



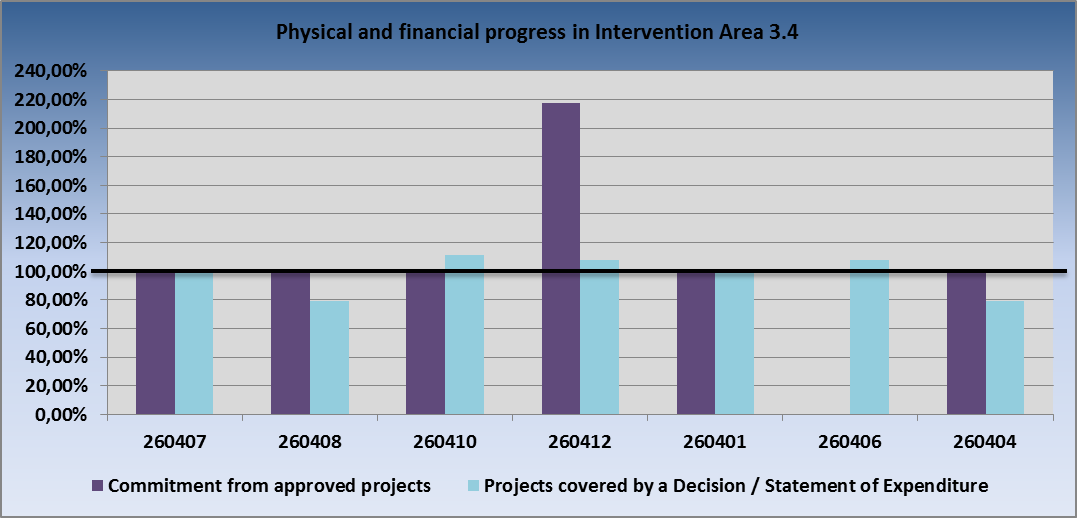
***Source: MSC2007 as of 30 September 2015; information from the IBs concerning percentage indicators***

Chart Nr. 10 - Comparison of physical and financial progress in Intervention Area 3.3



***Source: MSC2007 as of 30 September 2015; information from the IBs concerning percentage indicators***

Chart Nr. 11 - Comparison of physical and financial progress in Intervention Area 3.4



***Source: MSC2007 as of 30 September 2015; information from the IBs concerning percentage indicators***

### 3.3.4 Problems and measures taken

**Intervention Area 3.1**

**Extending administration in project implementation, risk of withdrawals from project implementation in IA 3.1**

The reasons to extend project administration include, in particular, problems with building and procurement procedures, mostly due to delays in the procurement procedures, the requirement to cancel the procurement procedure and organise a new one. This is related to the risk that in case of any difficulties during the execution of large construction projects, it will not be possible to complete these projects in time and, consequently, their expenditure will largely be ineligible.

**Measures taken**

In the reference period, the MoLSA intensively communicates with individual beneficiaries in order to solve problems in advance and avoid critical situations that would require termination of projects. Furthermore, there was continuous monitoring during the implementation of individual projects and in the case of prolongation of project administration, optimal solutions were put in place to support the take-up of the allocation.

IB MoLSA thoroughly examined the submitted notifications of a change, which resulted in the transfer of funds. The approval of the transfer of funds was conditional on regular monthly reporting on compliance with the set schedule, which allows continuous evaluation of the status of project implementation and, if necessary, also allows taking appropriate correction measures.

At the same time the MoLSA has been informing beneficiaries about the need to consult the selection of contractors with the Centre for Regional Development, in order to avoid violation of law or errors in methodology and the related need repeat procurement procedures.

The MA IOP regularly monitors problematic and risky projects and proposes solutions to help eliminate risks.

**Insufficient funds of IB MoLSA to ensure the administration of individual projects in IA 3.1 until the end of the programming period**

Under a delegation agreement concluded on 30 June 2008 with the MoRD (with an Amendment of 20 January 2009), the MoLSA expects the completion of the administration of all projects, which is connected also with ensuring sufficient HR capacity and financial resources. The MoLSA has funds to cover HR costs from TA only until 30 November 2015, or 31 December 2015.

**Measures taken**

As a matter of priority, IB MoLSA aims to maintain qualified employees who have knowledge of the programme and project cycle of the IOP. To perform implementation activities and the close the programming period 2007–2013, the MoLSA has the administrative capacity, but not the funds in its budget As a result, the MA IOP in cooperation with IOP intermediate bodies prepared a document concerning this issue entitled *“Information on the necessary conditions for the proper completion of the Integrated Operational Programme 2007–2013”,* which was approved at the Government meeting of 29 July 2015. The Ministry of Finance has increased the MoLSA budget chapter in accordance with the Resolution of the Government of the Czech Republic.

**Loss of IOP allocation under the coordination of the MoLSA**

The IA 3.1 and 3.3 are at risk of losing the allocation due to the resulting savings from procurement or early termination of project implementation, due to changes in the EUR/CZK exchange rate and returned funds from corrections and sanctions. These newly available funds amount to about CZK 585,832,664 (EU share).

**Measures taken**

The MoLSA seeks to gradually maximize the take-up of funds in accordance with the Strategy to Complete IOP Take-Up. The MoLSA has ensured adequate staffing at IBs IOP necessary to deal with the administration of all projects and manage the expected volume of payment applications in 2015/2016, which will lead to the successful completion of project administration.  It also maintains regular communication with beneficiaries and provides them with assistance (monitoring of individual projects during the implementation, adopting optimal solutions to support completion of project implementation).

**Intervention Area 3.3**

**Extending administration in project implementation**

The reasons to extend project administration included, in particular, problems with building and procurement procedures, mostly due to delays in the procurement procedures, the requirement to cancel the procurement procedure and organise a new one.

**Measures taken**

In the reference period, the MoLSA intensively communicated with beneficiaries in order to solve problems in advance and avoid critical situations that would require termination of projects.   
The MoLSA has been consistently informing beneficiaries about the need to consult the selection   
of contractors with the Centre for Regional Development, in order to avoid violation of law or errors in methodology and the related need repeat procurement procedures, monitors problematic and risky projects and proposes solutions to help eliminate risks.

**The risk of non-reimbursement of EUR 5,831,514.11** **by the European Commission for the project “LO Czech Republic Prague – the purchase of an office building” (reg. no. CZ.1.06/3.3.00/04.09157)**

The European Commission (EC) questions the purpose of purchasing the building of the Directorate General LO CR. According to the last opinion dated 14 April 2014, the European Commission does not accept the payment of the entire subsidy and proposes to co-finance 17.15% of eligible costs associated with the activities of the training centre. Based on the audit of the Ministry of Finance no. IOP/2014/O/064, ineligible project expenditures of CZK 86,502,573.01 were determined, associated with the provision for the facilities for the needs and operations of the Directorate General LO CR. The IB MoLSA finds the arguments of the EC to be insufficient, as they are based only on the location of the DG headquarters in Prague; relying on the results of the audit, it insists on the eligibility of central training centre, contact centres Prague-East and Prague-West and its opinion is supported by the MA IOP.

In a letter dated 13 May 2015, the MoLSA informed the MA IOP about the resolution of the 13th meeting of the MoLSA management, which decided to continue the negotiations with the European Commission for the purpose of defending the eligibility of expenditure in connection with Contact centres Prague-East, Prague-West and central training centre. At the same time, the meeting of the MoLSA management confirmed the requirement for a meeting of the representatives of MoRD, MoLSA and DG LO CR with representatives of the European Commission to discuss the details of each project. The MoLSA will continue to communicate with the EC following additional information in connection with the ongoing audit by OLAF.

**Measures taken**

The MoLSA provided the MA IOP with documents required by the OLAF audit, in which the MA IOP is the audited entity. Based on the findings of the audit, the MoLSA is ready to communicate with the representatives of DG LO CR or MA IOP in order to continue negotiations with the EC.

**Insufficient funds of IB MoLSA to ensure the administration of IA 3.3 until the end of the programming period**

Under a delegation agreement, the MoLSA expects the completion of the administration of all projects, which is connected also with ensuring sufficient HR capacity and financial resources.   
The MoLSA has funds to cover HR costs from TA only until 30 November 2015, or 31 December 2015.

**Measures taken**

As a matter of priority, IB MoLSA aims to maintain qualified employees who have knowledge of the programme and project cycle of the IOP. To perform implementation activities and the close the programming period 2007–2013, the MoLSA has the administrative capacity, but not the required funds in its budget As a result, the MA IOP in cooperation with IOP intermediate bodies prepared   
a document concerning this issue entitled *“Information on the necessary conditions for the proper completion of the Integrated Operational Programme 2007–2013”,* which was approved at the Government meeting of 29 July 2015. The Ministry of Finance has increased the MoLSA budget chapter in accordance with the Resolution of the Government of the Czech Republic.

**Loss of IOP allocation under the coordination of the MoLSA**

Both IAs are at risk of losing the allocation due to the resulting savings from procurement or early termination of project implementation, due to changes in the EUR/CZK exchange rate and returned funds from corrections and sanctions. These newly available funds amount to about CZK 585,832,664 (EU share).

**Measures taken**

The MoLSA seeks to gradually maximize the take-up of funds in accordance with the Strategy to Complete IOP Take-Up.

**In Intervention Area 3.4**

**Maximum extension of the deadlines for project completion in accordance with the Call. Repeating the procurement procedures and postponing their deadlines, incl. performance**

**Overview of measures adopted by an intermediate body:**

* HQ CRD holds ongoing consultations on the preparation and implementation of procurement procedures, public contracts are assessed through experts.
* There are regular meetings of the Steering Committee of the IRS Programme.
* Coordination of project administration at HQ CRD.
* Setting up internal procedures to speed up the administration of payment applications at the CRD in accordance with the measures to maximize utilization in 2015.

Transferring the administration of monitoring reports, payment requests and PP audits to HQ CRD; the control and opinions on factual content is carried out by the specialist coordinator. At the same time, physical on-the-spot controls are conducted.

**Delays in the implementation of the project National Information System of the Integrated Rescue System**

Delays in the implementation of the overarching project National Information System of the Integrated Rescue System (NIS IRS) and projects related to it. Repeated delays and merging of the deliveries by the general contractor system (CP ICT).

The project is implemented as a hybrid variant. Services which are to be ensured by NSPTV will be ensured outside NIS IRS project to meet all project objectives defined in the project application.

**Measures taken**

MA IOP representatives attend the meetings of coordinating councils and actively participate in the mediation and resolution of the problems encountered. They hold regular meetings at the level of deputy ministers, which charge the Ministry of the Interior with specific, enforceable and mandatory tasks, e.g.:

* simplification and acceleration of processes in MoI so as to prevent delays in project implementation. This primarily concerns the following processes:
  + - communication and mechanisms of deliveries, invoicing and acceptance between the MoI and CP ICT,
    - Communication among project beneficiaries (police, Ministry of Interior - General Directorate of Fire Rescue, emergency medical services) and the main contractor, e.g. testing
    - lack of coordination of the various activities during the project cycle,
* strictly follow the project schedule and adapt secondary processes accordingly.

### 3.5.3 Example of a project

**Intervention area:** 3.1 Services in the field of social integration, activity (b) investment support to ensure the availability of services which will allow the return of the members of the most at-risk socially excluded Roma localities back to the labour market and society

**Project name, registration number:** Chance for community life in Obrnice II. - equal opportunities for young people, CZ.1.06/1.3.00/06.08285

**Beneficiary:** the municipality of Obrnice

**Funding of the project:** the total amount of grant CZK 19,662,011.38 (EU contribution CZK 16,712,709.67, the contribution of State budget CZK 2,949,301.71)

The project is part of a project strategy “Chance for community life in Obrnice” whose purpose is a comprehensive introduction of social services aimed at residents of socially excluded localities Velké a Malé sídliště. The long term objective is a seamless civic coexistence and active community life in the municipality, while respecting equal opportunities.

The project “Chance for Community life II.” involved building and equipping the club “Vulkán” and the adjacent playground and introduction of these forms of promoting social inclusion:

* social service of a low-threshold facility for children and youth (15-26 years);
* motivating and integrating sports programme “Sport for integration” (gym, outdoor sports).

Obrnice have enough experience with the implementation large investment projects and integration activities, and therefore have the capacity to successfully complete the construction project and ensure its sustainability.

**Intervention area:** 3.2. Public health services

**Project name, registration number:** Modernization and renovation of instrumentation of comprehensive cancer care in the Tomáš Baťa Regional Hospital in Zlín II. CZ.1.06/2.3.01/14.08955

**Beneficiary:** Tomáš Baťa Regional Hospital.

**Project financing:** total expenditure of CZK 96 million (SF contribution: CZK 81.6 million, contribution of the Region: CZK 14.4 million)

The project focused on the purchase of 20 devices for highly specialized oncology centre at Tomas Baťa Regional Hospital in Zlín, which provides care for 600 thousand population of the city’s catchment area.

The project allowed the renewal of obsolete devices, for example linear accelerator, planning system, ultrasound, mobile X-ray C-arm, mobile multi-functional systems of operating theatres for endoscopic operations (see picture), as well as the acquisition of new equipment: automatic coagulometer, an ultrasonic device with postoperative display and automatic biochemical analyser.

These devices improve the diagnosis of cancer, reduce radiation exposure for the patients and the staff, shorten the ordering time of patients to a minimum, leading to accelerated curing, reduced mortality and improved quality of life after a disease.

**Intervention area:** 3.3 Services in the areas of employment, activity (a) Support for (investment) transformation and strengthening employment services

**Project name, registration number:** LO CR - Šumperk - reconstruction of a building, CZ.1.06/03.03.00/04.08194

**Beneficiary: Labour Office of the Czech Republic**

**Funding of the project:** the total amount of grant CZK 34,014,461.00 (SF contribution CZK 28,759,292.00, the contribution of State budget CZK 5,255,169.00)

Reconstruction of the building intended for the relocation of workplaces of the contact office in Šumperk, involving the modification of internal layout and rebuilding of the lecture hall for the purpose of employment services. Based on the results of an energy audit, the project will include replacement of windows and thermal insulation of the outer envelope of the building.

**Intervention area: 3.4 Services concerning security, risk prevention and management**

**Project name, registration number:** Regional Hospital Liberec – Heliport, CZ.1.06/3.4.00/15.08485

**Beneficiary:** Regional Hospital Liberec

**Project financing:** total budget of CZK 35,000,000 million (SF contribution: 29,750,000, SB contribution: 5,250,000)

A new heliport has been built within the compound of the Regional Hospital Liberec for air rescue service in Liberec, which no longer needs to use the airport in Ostašov for landing and take-offs of the air ambulance helicopters and patients no longer need to be transported by ambulances from the airport to the hospital. After the implementation of the project, Ostašov airport will serve as a backup heliport. The new heliport has also been approved for night operation.



## 3.4 Priority Axis 4a, 4b – National support for tourism

### 3.1.4 Focus of priority axes / intervention areas

The aim of the Priority Axes 4a and 4b is support for the creation of a basic environment and necessary conditions for tourism development at the national level. In favour of its effective development, it is essential to manage and coordinate certain tourism activities from the national level, contributing to the creation of favourable conditions for the development of business, growth, competitiveness and employment in this area.

The priority axis includes the Convergence objective (4a) and the Regional Competitiveness and Employment objective (4b).

In this support area, two projects are always administered, one in the Convergence Objective and the other in the Regional Competitiveness and Employment objective.

Specific objectives:

* increasing the number of entities connected to the reservation system in the Czech Republic
* ensuring the increased quality of tourism services, their unified certification and standardization,
* improving statistics and information on tourism,
* increasing the number of promotional or marketing tourism products.

Supported activities:

* establishment of a national information and reservation system,
* introduction and information support of national and international standards in tourism services,
* support for marketing at the national level and the creation of source databases,
* presentation and promotion of cultural and natural heritage, cultural industries and services to be used for tourism at the national level,
* support for presenting the Czech Republic as a tourist destination.

Beneficiaries:

* State organizational units and publicly co-funded organizations established by them (activities a, b, c, e),
* NGOs and associations of legal entities with nationwide scope of activities in tourism (activity d).

### 3.2.4 Progress in the implementation of priority axes / intervention areas

**In Support Areas 4.1a 4.1b,** EUR 44.13 million and EUR 3.39 million, respectively, were paid to beneficiaries. Certified expenditures are in the amount   
of EUR 40.22 million for the Intervention Area 4.1a EUR 3.11 for intervention Area 4.1b. In the reporting period 17 April 2015 to 30 September 2015,   
no project application was submitted.

**Table Nr. 22 - Cumulative progress at the level of Intervention Areas 4.1a and 4.1b (in CZK/EUR million)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Support Area** | **Snapshot date** | **Total allocation of support for 2007–2013** | | **Submitted applications** | | | | **Funds covered by a Decision / Contract (Addendum)** | | | | **Funds paid out to beneficiaries (accounted funds)** | | | **Summary applications accounted by the PCA** | | | **Certified funds (including refunds)** | | |
| **Date** | **mil. CZK** | **mil. EUR** | **Number** | **mil. CZK** | **%** | **EUR million** | **Number** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** |
| **a** | **b** | **c** | **c/a** | **d** | **e** | **e/a** | **f** | **f/a** | **g** | **g/a** | **h** | **h/a** |
| 4.1a | 2015/04/17 | 1,609.36 | 60.57 | 113 | 3,970.60 | 246.72 | 146.52 | 42 | 1,504.38 | 93.48 | 56.71 | 1,111.67 | 69.08 | 42.45 | 1,033.42 | 64.21 | 39.60 | 1,019.80 | 63.37 | 39.08 |
| 2015/10/02 | 1,604.28 | 60.57 | 113 | 3,970.60 | 247.50 | 147.54 | 42 | 1,467.44 | 91.47 | 55.51 | 1,194.19 | 74.44 | 45.49 | 1,157.12 | 72.13 | 44.13 | 1,054.14 | 65.71 | 40.22 |
| Difference |  |  | 0 | 0.00 | 0.00 | 1.02 | 0 | -36.95 | -2.30 | -1.20 | 82.52 | 5.14 | 3.04 | 123.70 | 7.71 | 4.53 | 34.34 | 2.14 | 1.14 |
| 4.1b | 2015/04/17 | 80.99 | 3.10 | 0 | 395.05 | 487.78 | 14.53 | 0 | 119.93 | 148.08 | 4.52 | 85.51 | 105.59 | 3.27 | 79.49 | 98.15 | 3.05 | 78.45 | 96.86 | 3.01 |
| 2015/10/02 | 81.01 | 3.10 | 0 | 396.61 | 489.57 | 14.70 | 0 | 112.87 | 139.32 | 4.27 | 91.86 | 113.39 | 3.50 | 89.01 | 109.87 | 3.39 | 81.50 | 100.60 | 3.11 |
| Difference |  |  | 0 | 1.56 | 1.92 | 0.17 | 0 | -7.06 | -8.72 | -0.25 | 6.35 | 7.84 | 0.23 | 9.52 | 11.75 | 0.35 | 3.05 | 3.77 | 0.10 |

*Data source: Current MC – MSC2007 as of 30 September 2015; The certified funds data were generated in the entire Report as at 10 August 2015 due to a technical error caused by faulty data transfer between the IS Viola and MSC2007.*

*Previous MC – MSC2007 as at 16 April 2015*

*EUR/CZK exchange rate: Current MC – 27,208*

*Previous MC – 27,473*

*Source of funding: EU share*

**Overview of ongoing calls**

In the reference period, Call 12 with an allocation of EUR 59.7 million was ongoing in Intervention Area 4.1. A total of 62 project applications with a volume of EUR 85.01 million were submitted, with 44 projects approved totalling EUR 55.46 million.

**Table Nr. 22 - Overview of ongoing calls in the Priority Axis 4a and 4b**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Call order number** | **Call number** | **Submission of project applications** | | **Call type** |  | **Call allocation** | **Support applications submitted** | | **Projects covered by a Decision / Agreement** | |
|
| **Starting date of project application receipt** | **Date of call closure** | **in EUR** | **number** | **in EUR** | **number** | **in EUR** |
| 44 | 12 | 07/09/2011 | 30/04/2015 | on-going | 4.1 | 56,037,951 | 31 | 75,361,508 | 22 | 51,501,721 |
|  |  |  |  |  |  | 4,205,182 | 31 | 9,669,972 | 22 | 3,960,971 |
|  |  |  |  | Call total | | 60,243,133 | 62 | 85,031,480 | 44 | 55,462,692 |

*Source: IS Monit7+ as at 30 September 2015;*

*Source of funding – public funds total*

*Note: Given that priority axes have multiple objectives, the number of submitted applications and Projects covered by a Decision/Contract is given for support areas related to the Convergence objective. In support areas that fall under the Regional Competitiveness and Employment objective the number is zero.*

### 3.4.3 Progress towards indicators

In terms of commitments from approved projects, the **indicator 410100 Core 34 Number of projects aimed at developing tourism** stands at 125.37%, reaching 89.05% from the target value.

**Indicator** **413305** should have been the result of a project entitled “Implementation of the national information portal for tourism”. Due to problems in project implementation and the risk of unauthorized State aid, the beneficiary commissioned an expert opinion. The aim was to assess the status of the project and assess whether and how to continue its further implementation. Following the outcomes of the opinion, the beneficiary decided not to proceed with the project, and withdrew on 26 March 2015. Given the stage of programme implementation, it is not possible to implement a project that would achieve this indicator. The withdrawn project was also linked to the result indicator **413311 Share of tourism entities in the Czech Republic to be connected to the reservation system**, which, for the same reasons, will also remain unachieved.

**Indicator 413320** **Number of newly classified and certified entities in tourism**

This indicator is a result indicator of a project entitled “National system of quality of tourism services in the Czech Republic”. The beneficiary has planned the demonstration of the target value of the indicator for 31 December 2015 (project termination). As of 2 October 2015, the value stood at 1,316 from the target value of 2,000. The project was characterized by complicated contractual relationships, which were one of the causes of schedule delays, as well as delays in implementing the monitoring indicator. In the event that the project fails to achieve the target value by the end of the project, the beneficiary will apply for a decrease of the monitoring indicator. If MA IOP approves the reduction of the monitoring indicator, it will lead to corresponding reduction of the overall project budget.

**Indicator 413315** **Number of established service standards**

The indicator is associated with the project “National system of quality of tourism services in the Czech Republic” and was achieved as early as in 2013.

**Indicator 410302** **Number of publicity or marketing products for tourism**

The indicator reaches the target value of 28.79 out of 20. Commitments from approved projects show the progress towards the target value at 170%. The determined value of the indicator 410302 excluded the fact that the activities (d) and (e) have the largest absorption capacity and the indicator was chosen by all applicants.

Data processed when studying the absorption capacity at the time of the programme preparation have lost its meaning.

The parameters of the call required a smaller number of projects from non-profit sector, but due to co-financing, applicants submitted less expensive projects with budgets of millions of crowns. Therefore, a higher number of projects was supported from more beneficiaries than expected.

**Indicator 410303 Number of promotional campaigns for tourism products**

The indicator reaches the target value of 42.29 out of 43. Commitments from approved projects show the progress towards the target value at 120.93%. The principle of the exceedance of the indicator target value is analogous to the situation in the indicator 410302.

**Indicator 410304** **Number of marketing and statistical surveys**

The indicator reaches the full target value.

**Table Nr. 23 - Output indicators**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Code** | **Indicator name** | **Unit of measurement** | **Baseline value** | **Target value** | **Commitment from approved projects** | **The value as at 30 September 2015** | **In the Decision as at 30 September 2015** |
| 410100 Core 34 | Number of projects aimed at developing tourism | Number | 0 | 67 | 84 | 60 | 442,278,078 |
| 413305 | Number of newly established information and reservation systems in tourism | Number | 0 | 2 | 0 | 0 | 0 |
| 413315 | Number of established standards of tourism services | Number | 0 | 10 | 5 | 5 | 67,127,331 |
| 410304 | Number of marketing and statistical surveys. | Number | 0 | 12 | 13 | 12 | 233,062,346 |
| 410303 | Number of promotional campaigns for tourism products. | Number | 0 | 43 | 52 | 42 | 142,088,400 |

***Source: MSC2007 as of 30 September 2015; information from the IBs concerning percentage indicators***

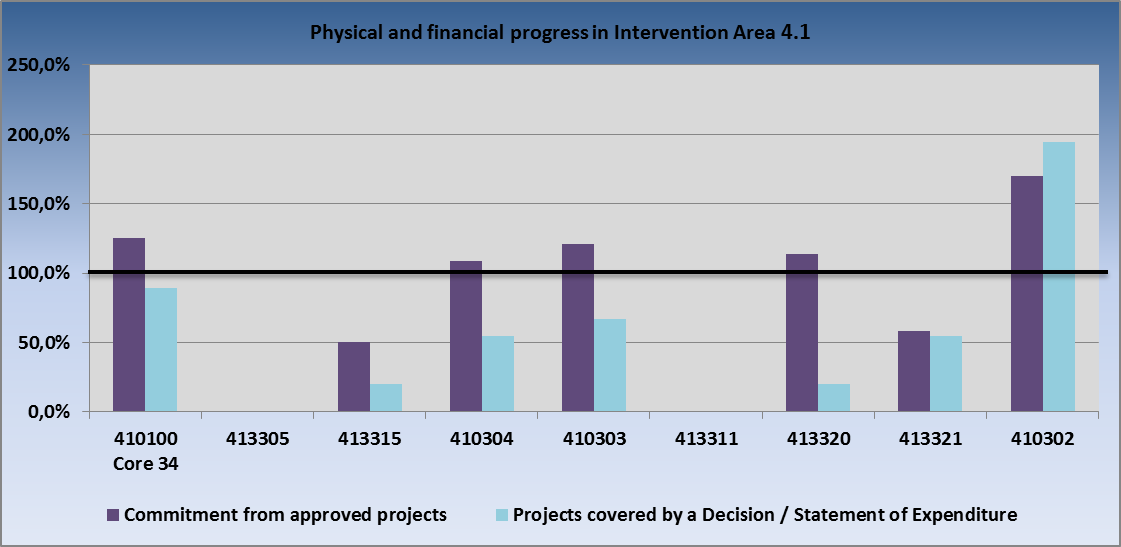
**Table Nr. 24 - Result indicators**

| **Code** | **Indicator name** | **Unit of measurement** | **Baseline value** | **Target value** | **Commitment from approved projects** | **The value as at 30 September 2015** | **In the Decision as at 30 September 2015** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 413311 | Share of tourism entities in the Czech Republic to be connected to the reservation system | % | 0 | 100 | 0 | 0 | 0 |
| 413320 | Number of newly classified and certified entities in tourism. | Number | 0 | 2,000 | 2,280 | 980 | 67,127,331 |
| 413321 | Number of source databases created | Number | 0 | 12 | 7 | 6 | 233,062,346 |
| 410302 | Number of created marketing products for tourism | Number | 0 | 20 | 34 | 28.79 | 1,138,027,578 |

***Source: MSC2007 as of 30 September 2015; information from the IBs concerning percentage indicators***

In the charts Comparison of physical and financial progress, the purple column shows the commitment from approved projects, i.e. the total planned value of the indicator, which the beneficiaries provided in grant applications, expressed as % of the total value specified in the IOP Programming Document; the same figure is provided in the indicator tables. The blue column shows the funds of projects for which a Grant Decision has been issued, as a percentage of the allocation of the activity under which the indicator falls.

Chart Nr. 12 - The comparison of physical and financial progress in Intervention Area 4.1



***Source: MSC2007 as of 30 September 2015; information from the IBs concerning percentage indicators***

### 3.4.4 Problems and measures taken

**Delays in the implementation schedule:**

During project implementation there are frequent extensions of deadlines and financial transfers, which interferes with the determination of and progress towards predicted take-up and threatens the successful completion of project implementation.

**Measures taken**

Working meetings if MA IOP, CRD and representatives of the beneficiaries concerning the progress in project implementation (especially procurement procedures) resolves current problems. The CRD carries out monitoring and evaluates administration of the Notification of project change, project applications and payment applications and publishes frequently asked questions (FAQs) for the most problematic areas of project administration. Setting up internal procedures to speed up the administration of payment applications at the CRD in accordance with the measures to maximize take-up in 2015.

**The need to repeat procurement procedures**

When implementing projects, it is often necessary to repeat the selection procedure due to the submission of one or not tender, or insufficiently prepared procurement documents.

**Measures taken**

The CRD also ensures thorough monitoring of the submitted procurement documents and the status   
of procurement procedures by checking the deadline of supply in relation to the deadline of project implementation.

**State aid**

Implementation of certain projects faces the risk of unauthorized State aid.

**Measures taken**

The CRD uses consultations with MA IOP experts on public support. The CRD in cooperation with MA IOP published frequently asked questions (FAQ) with instructions on how to minimize State aid risks.

## 3.5 Priority Axis 5 – National support for territorial development

### 3.1.5 Focus of priority axes / intervention areas

The aim of the intervention is to create the basic environment which will form the basis for complementary intervention of the Regional Operational Programmes. **It concerns** these **intervention areas:**

* 5.1 – National support to utilize the potential of cultural heritage
* **5.2** – Improving the environment in problematic housing estates
* **5.3** – Modernisation and development of systems for the creation of territorial policies

Specific objectives:

* improving services for the owners of monuments in the field of cultural heritage care, increased utilization of cultural heritage of the Czech Republic and presentation of culture to the public,
* improving the quality of life and the environment for the residents of troubled housing estates in large cities with over 20,000 inhabitants by revitalizing the environment of ​​these estates and regenerating apartment buildings in these estates, including energy savings,
* strengthening the management of the sustainable development of territory, using local plans of municipalities and better spatial and analytical documents for removing regional disparities.

Beneficiaries:

* State organizational units and publicly co-funded organizations established by them,
* municipalities and the organizations founded by them, associations of municipalities.
* NGOs and associations of legal entities,
* owners of residential or commercial spaces,
* regions,

### 3.2.5 Progress in the implementation of priority axes / intervention areas

Intervention Area 5.1 reported the submission of 70 project applications totalling EUR 552.85 million; the number of projects covered by a Grant Decision decreased by 2 projects and the funds covered by a Decisions decreased by EUR 7.38 million. Projects covered by a Decision amount to 99.13% of the allocation for the intervention area. In the reference period, beneficiaries have been reimbursed EUR 14.63 million, representing an increase of 7.01% to 77.10% of the total allocation.

**Table Nr. 25 - Cumulative progress at the level of Intervention Area 5.1 (in CZK/EUR million)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Support Area** | **Snapshot date** | **Total allocation of support for 2007–2013** | | **Submitted applications** | | | | **Funds covered by a Decision / Contract (Addendum)** | | | | **Funds paid out to beneficiaries (accounted funds)** | | | **Summary applications accounted by the PCA** | | | **Certified funds (including refunds)** | | |
| **Date** | **mil. CZK** | **mil. EUR** | **Number** | **mil. CZK** | **%** | **EUR million** | **Number** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** |
| **a** | **b** | **c** | **c/a** | **d** | **e** | **e/a** | **f** | **f/a** | **g** | **g/a** | **h** | **h/a** |
| 5.1 | 2015/04/17 | 5,692.73 | 213.74 | 70 | 14,902.98 | 261.79 | 548.98 | 27 | 5,845.92 | 102.69 | 219.31 | 3,978.08 | 69.88 | 151.32 | 3,775.34 | 66.32 | 143.94 | 3,649.16 | 64.10 | 139.33 |
| 2015/10/02 | 5,676.33 | 213.74 | 70 | 14,902.98 | 262.55 | 552.85 | 25 | 5,627.13 | 99.13 | 211.93 | 4,376.20 | 77.10 | 165.95 | 4,198.81 | 73.97 | 159.43 | 3,642.22 | 64.17 | 139.06 |
| Difference |  |  | 0 | 0.00 | 0.00 | 3.87 | -2 | -218.79 | -3.85 | -7.38 | 398.11 | 7.01 | 14.63 | 423.46 | 7.46 | 15.49 | -6.95 | -0.12 | -0.27 |

**Applicable to all the tables in PA 5:**

*Source: Current MC – MSC2007 as of 30 September 2015; The certified funds data were generated in the entire Report as at 10 August 2015 due to a technical error caused by faulty data transfer between the IS Viola and MSC2007.*

*Previous MC – MSC2007+ as at 16/04/2015*

*EUR/CZK exchange rate: Current MC – 27,208*

*Previous MC – 27,473*

*Source of funding – EU share*

**Intervention Area 5.2** regularly meets the take-up predictions. This intervention area reported the approval of 1,466 with a volume of EUR 237.43 million.  Projects covered by a Decision amount to 111.85 % of the allocation for this intervention area. In the reference period, beneficiaries have been reimbursed EUR 8.83 million (4.34% of the allocation) and the total reimbursed amount is EUR 180.99 million (84.04% of the allocation). Certified expenditure represents EUR 170.73 million, i.e. 79.14% of the allocation to this intervention area.

**Table Nr. 26 - Cumulative progress at the level of Intervention Area 5.2 (in CZK/EUR million)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Support Area** | **Snapshot date** | **Total allocation of support for 2007–2013** | | **Submitted applications** | | | | **Funds covered by a Decision / Contract (Addendum)** | | | | **Funds paid out to beneficiaries (accounted funds)** | | | **Summary applications accounted by the PCA** | | | **Certified funds (including refunds)** | | |
| **Date** | **mil. CZK** | **mil. EUR** | **Number** | **mil. CZK** | **%** | **EUR million** | **Number** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** |
| **a** | **b** | **c** | **c/a** | **d** | **e** | **e/a** | **f** | **f/a** | **g** | **g/a** | **h** | **h/a** |
| 5.2 | 2015/04/17 | 5,533.55 | 213.38 | 1,503 | 6,506.48 | 117.58 | 248.79 | 1,418 | 5,755.36 | 104.01 | 221.45 | 4,401.21 | 79.54 | 172.16 | 4,247.36 | 76.76 | 166.56 | 4,180.74 | 75.55 | 164.09 |
| 2015/10/02 | 5,522.10 | 213.38 | 1,547 | 6,917.79 | 125.27 | 264.68 | 1,466 | 6,176.64 | 111.85 | 237.43 | 4,640.95 | 84.04 | 180.99 | 4,606.46 | 83.42 | 179.72 | 4,370.09 | 79.14 | 170.73 |
| Difference |  |  | 44 | 411.31 | 7.45 | 15.88 | 48 | 421.28 | 7.63 | 15.98 | 239.74 | 4.34 | 8.83 | 359.11 | 6.50 | 13.16 | 189.35 | 3.43 | 6.64 |

**Intervention Area 5.3** closed the administration of projects; no more calls are envisaged. A total of 591 projects with allocation totalling EUR 15.7 million were approved. Beneficiaries were reimbursed a total of EUR 15.62 million. In this intervention area, 99.37% of the allocation has been certified.

**Table Nr. 27 - Cumulative progress at the level of Intervention Area 5.3 (in CZK/EUR million)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Support Area** | **Snapshot date** | **Total allocation of support for 2007–2013** | | **Submitted applications** | | | | **Funds covered by a Decision / Contract (Addendum)** | | | | **Funds paid out to beneficiaries (accounted funds)** | | | **Summary applications accounted by the PCA** | | | **Certified funds (including refunds)** | | |
| **Date** | **mil. CZK** | **mil. EUR** | **Number** | **mil. CZK** | **%** | **EUR million** | **Number** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** |
| **a** | **b** | **c** | **c/a** | **d** | **e** | **e/a** | **f** | **f/a** | **g** | **g/a** | **h** | **h/a** |
| 5.3 | 2015/04/17 | 399.98 | 15.53 | 700 | 498.69 | 124.68 | 19.12 | 591 | 404.61 | 101.16 | 15.70 | 402.50 | 100.63 | 15.62 | 402.50 | 100.63 | 15.62 | 398.67 | 99.67 | 15.47 |
| 2015/10/02 | 400.01 | 15.53 | 700 | 498.69 | 124.67 | 19.16 | 591 | 404.61 | 101.15 | 15.70 | 402.50 | 100.62 | 15.62 | 402.50 | 100.62 | 15.62 | 397.48 | 99.37 | 15.42 |
| Difference |  |  | 0 | 0.00 | 0.00 | 0.03 | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -1.19 | -0.30 | -0.05 |

**Overview of ongoing calls**

Priority Axis 5 saw ongoing submission of project applications to the 7th call intervention Area 5.2. The call was terminated on 15 July 2015.

**Table Nr. 28 - Overview of ongoing calls in PA 5**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Call order number** | **Call number** | **Submission of project applications** | | **Call type** |  | **Call allocation** | **Support applications submitted** | | **Projects covered by a Decision / Agreement** | |
|
| **Starting date of project application receipt** | **Date of call closure** | **in EUR** | **number** | **in EUR** | **number** | **in EUR** |
| 16 | 7 | 22/05/2009 | 15/07/2015 | on-going | 5.2 | 192,573,322 | 1546 | 423,488,271 | 1507 | 184,668,573 |

*Source: IS Monit7+ as at 30 September 2015;*

*Source of funding – public funds total*

**Implementation of IDP**

**State of IDP implementation**

Integrated urban development plans are implemented in 41 cities. Until 30 September 2015, all cities announced a total of 269 calls, which no longer accept grant applications.

**Table Nr. 29 - Number of calls completed in IDP**

| **Name of applicant** | **Approved grant from the IOP** | **Submitted projects** | **Take-up at the end of 2013** | **Take-up at the end of 2014** | **Take-up as of 1 October 2015:** | **Take-up as of 1 October 2015** |
| --- | --- | --- | --- | --- | --- | --- |
| **(from ERDF)** | **(ERDF)** |
| **in EUR** | **in EUR** | **(in %)** | **(in %)** | **(in %)** | **in EUR** |
| Bohumín | 3,257,030 | 4,038,390 | 83.96 | 74.33 | 91.60 | 4,467,003 |
| Brno | 4,925,263 | 5,235,752 | 58.12 | 58.65 | 77.11 | 9,495,355 |
| Břeclav | 2,090,289 | 2,230,507 | 54.22 | 87.69 | 98.41 | 4,120,630 |
| České Budějovice | 6,849,922 | 8,114,119 | 64.05 | 82.83 | 92.80 | 9,059,701 |
| Český Těšín | 3,956,535 | 4,016,899 | 78.50 | 95.07 | 99.94 | 6,211,045 |
| Děčín | 2,948,794 | 3,743,916 | 36.70 | 64.08 | 75.26 | 3,783,123 |
| Frýdek-Místek | 6,138,173 | 6,863,253 | 66.11 | 69.70 | 71.53 | 6,766,414 |
| Havířov | 6,909,677 | 7,513,172 | 65.38 | 82.81 | 89.23 | 9,457,007 |
| Hodonín | 3,449,189 | 3,768,582 | 64.22 | 70.00 | 85.75 | 5,989,976 |
| Hradec Králové | 4,410,418 | 5,312,245 | 54.05 | 82.59 | 101.65 | 8,528,432 |
| Cheb | 2,600,750 | 2,822,007 | 33.44 | 60.85 | 65.48 | 3,084,103 |
| Chomutov | 7,341,464 | 7,931,641 | 54.63 | 62.57 | 67.17 | 7,522,033 |
| Chrudim | 3,772,944 | 4,500,788 | 72.18 | 75.54 | 85.39 | 6,082,656 |
| Jablonec nad Nisou | 4,393,360 | 5,287,562 | 57.79 | 64.51 | 71.95 | 4,839,366 |
| Jirkov | 4,561,885 | 5,007,452 | 94.83 | 81.21 | 89.50 | 7,752,515 |
| Karlovy Vary | 4,539,585 | 4,382,714 | 57.08 | 58.97 | 63.66 | 4,836,159 |
| Karviná | 5,750,823 | 5,458,205 | 71.17 | 85.88 | 96.43 | 9,526,912 |
| Kladno | 5,660,028 | 5,947,492 | 73.00 | 95.60 | 99.10 | 9,230,989 |
| Kopřivnice | 3,799,948 | 4,223,136 | 60.84 | 81.06 | 88.48 | 6,257,787 |
| Kroměříž | 3,972,531 | 4,928,308 | 77.38 | 86.52 | 87.79 | 6,322,503 |
| Liberec | 8,057,591 | 8,285,343 | 67.01 | 62.60 | 82.44 | 11,242,650 |
| Litvínov | 4,262,583 | 4,241,762 | 75.10 | 74.76 | 80.35 | 6,429,236 |
| Mladá Boleslav | 6,301,013 | 7,608,360 | 79.61 | 69.11 | 95.56 | 10,908,989 |
| Most | 4,954,049 | 4,614,312 | 58.98 | 74.00 | 75.09 | 6,194,568 |
| Náchod | 3,750,977 | 4,794,342 | 66.09 | 82.30 | 97.63 | 5,919,288 |
| Nový Jičín | 3,507,776 | 4,659,498 | 86.53 | 91.92 | 96.78 | 6,322,124 |
| Olomouc | 6,419,918 | 6,290,216 | 65.81 | 83.76 | 87.46 | 8,528,698 |
| Opava | 6,440,187 | 6,887,876 | 79.75 | 87.17 | 88.45 | 8,724,483 |
| Orlová | 3,197,484 | 3,443,684 | 61.08 | 71.42 | 74.01 | 3,944,316 |
| Ostrava | 5,290,560 | 5,959,039 | 60.71 | 82.36 | 88.15 | 7,902,202 |
| Pardubice | 6,792,570 | 6,886,633 | 61.22 | 70.26 | 76.90 | 8,403,169 |
| Písek | 3,381,371 | 3,659,687 | 45.42 | 63.44 | 95.48 | 5,096,635 |
| Přerov | 3,315,901 | 3,609,173 | 59.91 | 68.94 | 74.37 | 4,988,706 |
| Příbram | 6,385,946 | 7,330,964 | 75.10 | 69.82 | 81.80 | 7,245,128 |
| Strakonice | 5,331,992 | 4,801,177 | 78.56 | 68.55 | 75.49 | 6,486,980 |
| Tábor | 3,948,030 | 6,678,385 | 70.30 | 90.96 | 104.39 | 7,896,680 |
| Třebíč | 3,902,239 | 4,333,678 | 76.04 | 86.50 | 89.67 | 6,340,663 |
| Uherské Hradiště | 3,508,529 | 3,787,588 | 68.94 | 89.42 | 90.73 | 5,699,711 |
| Ústí nad Labem | 2,761,112 | 2,801,765 | 41.96 | 99.38 | 100.85 | 3,609,430 |
| Vsetín | 4,938,967 | 5,666,394 | 69.55 | 78.23 | 79.38 | 7,088,462 |
| Znojmo | 3,065,410 | 2,512,908 | 43.47 | 56.92 | 57.75 | 2,885,240 |
| **Total** | **190,842,813** | **210,178 949** | **65.27** | **76.12** | **84.96** | **275,740 899** |

*Source: MA IOP, as of 30 September 2015*

**Table Nr. 30 - Information on the state of IDP allocation take-up for Intervention Area 5.2**

| **Activity 5.2** | **Number of calls** | | |
| --- | --- | --- | --- |
| **Calls total** | **Of which closed calls** | **Of which ongoing calls** |
| (a) revitalization of public spaces | 73 | 73 | 0 |
| (b) regeneration of residential buildings | 173 | 173 | 0 |
| (c) pilot projects | 11 | 11 | 0 |
| combined calls (a) + (b) | 9 | 9 | 0 |
| combined calls (a) + (b) + (c) | 3 | 3 | 0 |
| **Total** | **269** | **269** | **0** |

*Source: MA IOP, as of 30 September 2015*

### 3.5.3 Progress towards indicators

**Intervention Area 5.1**

Indicator **410401 Number of regenerated cultural monuments.**

Currently, the value of the indicator is 59 out of the total of 70. The commitment from the approved projects (109) amounts to 155.71% of the target value. The funds covered by a Decision stand at 99.33%.

Indicator **410402 Number of newly built or modernized cultural facilities**

The value of the indicator has not increased and has a value of 1 (the project “Improvement   
of infrastructure for modern cultural services with higher added value – Centre for Glass Art, Glassworks František in Sázava”) out of the target value of 5. Rate of committed fund currently stands at 63.54%.

Indicator **410404 Number of created methodologies in the field of cultural heritage** remained zero, because the methodologies in activity 5.1(a) Developing and streamlining of national methodical centres for the selected areas of cultural heritage must be made ​​within one year after the completion   
of the project. Two projects from this activity were completed at the end of 2014.

Indicator **410411 Increase in the number of visitors to monuments and cultural facilities**

Currently, the value of the indicator is 170 (initial value 100) out of the total of 161. The commitment from the approved projects (184.26) amounts to 114.45 % of the target value. Currently, the funds covered by a Decision stand at 118.79 %.

**Intervention Area 5.2**

MI 330103 Number of projects increasing the attractiveness of living in the territory exceeds the planned value. When setting indicators in the Programming Document, the MA IOP assumed that the sub-projects for the revitalization of public spaces will be implemented as a single project throughout the IDP. However, cities implement sub-projects and therefore the number of projects is higher than the target value of the indicator. The number of aggregate projects at the IDP level corresponds to the target value of the indicator.

For all other MIs, the implementation of the OI was satisfactory and the planned value tend to be exceeded. The reason is a larger number of implemented projects than originally expected, especially in the activity concerning the regeneration of residential buildings. This is mainly due to savings in projects where the unused allocation of the project returns to the total allocation of the IDP and it was possible to use it again.

**Intervention Area 5.3**

Intervention area 5.3 in Activity 5.3 (a) has achieved the commitment from approved projects; expenditures of all projects in activity (a) have been certified.

The target value of the indicator **330400 Number of projects for the creation of spatial and analytical documents of regions** has been achieved. A total of 10 project applications in the amount of the expected target number of projects for the creation of spatial and analytical documents of regions were submitted; one project was excluded during administration.

When setting the target value of the indicator **330415 Area of municipalities covered by spatial and analytical documents of municipalities,** use was made of the estimated value of the indicator number 330401. The area was calculated as an area of 140 smallest municipalities with extended powers, with support provided to 170 applications of municipalities and the area of the municipalities covered by spatial and analytical documents of municipalities achieved indicator 330415. The achieved values ​​of indicators under activity (b) were exceeded as of the relevant date.

When setting the indicator **330411 Number of supported projects for the creation of new or updating existing land-use plans**, it was expected that the price for the land use plans would be several times higher, as these prices were charged at the time the programming document was under preparation. It was based on a maximum price of CZK 4 million per one land-use plan including expert opinions; however, the average grant application is CZK 800 thousand, which resulted in more than fivefold excess of the target value.

When setting the target value of the indicator 330416 Area of municipalities covered by a new land-use plan, use was made of the estimated value of the indicator number 330411.

The area was calculated as the area of ​​60 smallest municipalities over 500 inhabitants that meet the conditions for the upcoming calls in 5.3(b). The value achieved in indicator 330418 exceeds many times the target value due to the reasons specified under indicators 330411 and 330416 (output indicators) on which it is based.

Table Nr. 31 - Output indicators

| **Code** | **Indicator name** | **Unit of measurement** | **Baseline value** | **Target value** | **Commitment from approved projects** | **The value as at 30 September 2015** | **In the Decision as at 30 September 2015** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 410401 | Number of regenerated cultural monuments. | Number | 0 | 70 | 109 | 59 | 5,361,427,006 |
| 410402 | Number of newly built or modernized cultural facilities | Number | 0 | 5 | 4 | 1 | 265,700,292 |
| 330100  Core 39 | Number of projects increasing the attractiveness of cities | Number | 0 | 1,000 | 1,466 | 1,404 | 6,176,639,823 |
| 330103 | Number of projects increasing the attractiveness of living in the territory | Number | 0 | 41 | 256 | 256 | 3,569,911,861 |
| 330101 | Number of projects improving the state of apartment buildings | Number | 0 | 950 | 1,081 | 1,081 | 2,279,714,819 |
| 330102 | Number of pilot projects - support for selected Roma localities | Number | 0 | 7 | 6 | 6 | 327,013,143 |
| 330400 | Number of projects for the creation of spatial and analytical documents of regions | Number | 0 | 10 | 9 | 9 | 137,998,350 |
| 330401 | Number of supported projects for the creation of spatial and analytical documents of municipalities | Number | 0 | 140 | 170 | [170](file:///C:\Users\krczuz\AppData\Local\Microsoft\Windows\Temporary%20Internet%20Files\Content.MSO\1D90CCD3.xlsx#RANGE!_ftn4) | 137,998,350 |
| 330411 | Number of supported projects for the creation of new or updating existing land-use plans | Number | 0 | 60 | 412 | [412](file:///C:\Users\krczuz\AppData\Local\Microsoft\Windows\Temporary%20Internet%20Files\Content.MSO\1D90CCD3.xlsx#RANGE!_ftn5) | 266,610,759 |
| 330415 | The area of municipalities covered by spatial and analytical documents of municipalities | km2 | 0 | 34800 | 63,398 | [63,398](file:///C:\Users\krczuz\AppData\Local\Microsoft\Windows\Temporary%20Internet%20Files\Content.MSO\1D90CCD3.xlsx#RANGE!_ftn6) | 137,998,350 |
| 330416 | Area of municipalities covered by a new land-use plan | km2 | 0 | 140 | 10,359 | 10,359 | 266,610,759 |

***Source: MSC2007 as of 30 September 2015; information from the IBs concerning percentage indicators***

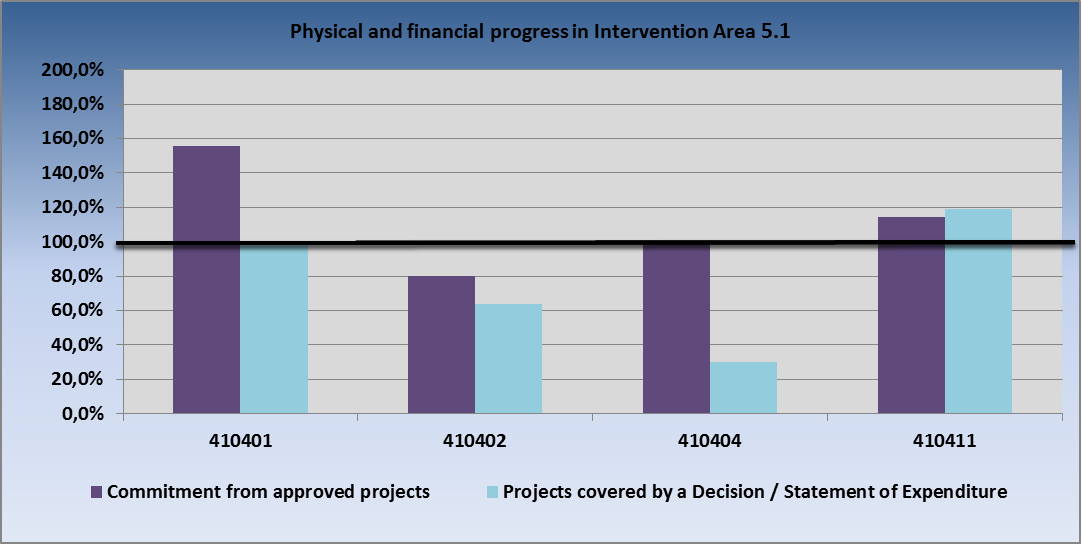
Table Nr. 32 - Result indicators

| **Code** | **Indicator name** | **Unit of measurement** | **Baseline value** | **Target value** | **Commitment from approved projects** | **The value as at 30 September 2015** | **In the Decision as at 30 September 2015** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 410404 | Number of created methodologies in the field of cultural heritage | Number | 0 | 13 | 13 | 0 | 438,133,079 |
| 410411 | Increase in the number of visitors to monuments and cultural facilities. | % | 100 | 161 | 184 | 171 | 5,188,994,218 |
| 331200 | Number of regenerated apartments | Number | 0 | 24,500 | 56,603 | 56,468 | 2,606,727,962 |
| 331300 | Area of revitalized territory | m2 | 0 | 4,108,000 | 5,720,523 | 4,885,590 | 3,569,911,861 |
| 331500 | Energy savings of apartment buildings | % | 0 | 20 | 31 | 31 | 2,606,727,962 |
| 331000 | Number of newly created Urban Development Funds | Number | 0 | 1 | 1 | 1 | 518,389,065 |
| 330418 | Increasing the area in development areas, development axes and specific areas covered by new land-use plans | % | 0 | 0 | 29 | 29 | 266,610,759 |
| 330417 | The area of the Czech Republic to be covered by spatial and analytical documents of municipalities | % | 0 | 19 | 80 | 80 | 137,998,350 |

***Source: MSC2007 as of 30 September 2015; information from the IBs concerning percentage indicators***

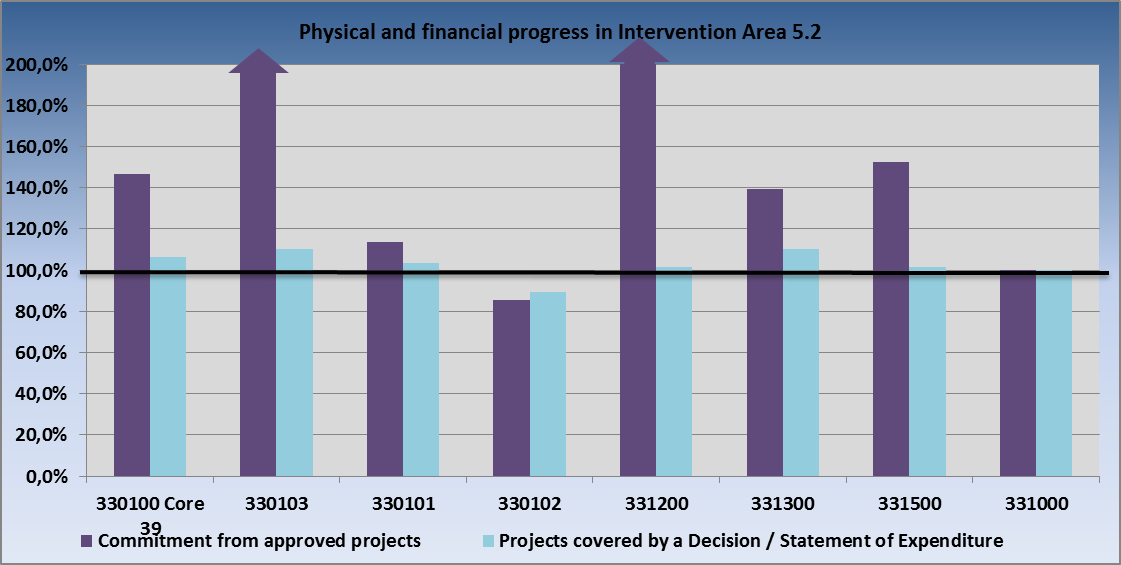
In the charts Comparison of physical and financial progress, the purple column shows the commitment from approved projects, i.e. the total planned value of the indicator, which the beneficiaries provided in grant applications, expressed as % of the total value specified in the IOP Programming Document; the same figure is provided in the indicator tables. The blue column shows the funds of projects for which a Grant Decision has been issued, as a percentage of the allocation of the activity under which the indicator falls.

Chart Nr. 13 - The comparison of physical and financial progress in Intervention Area 5.1



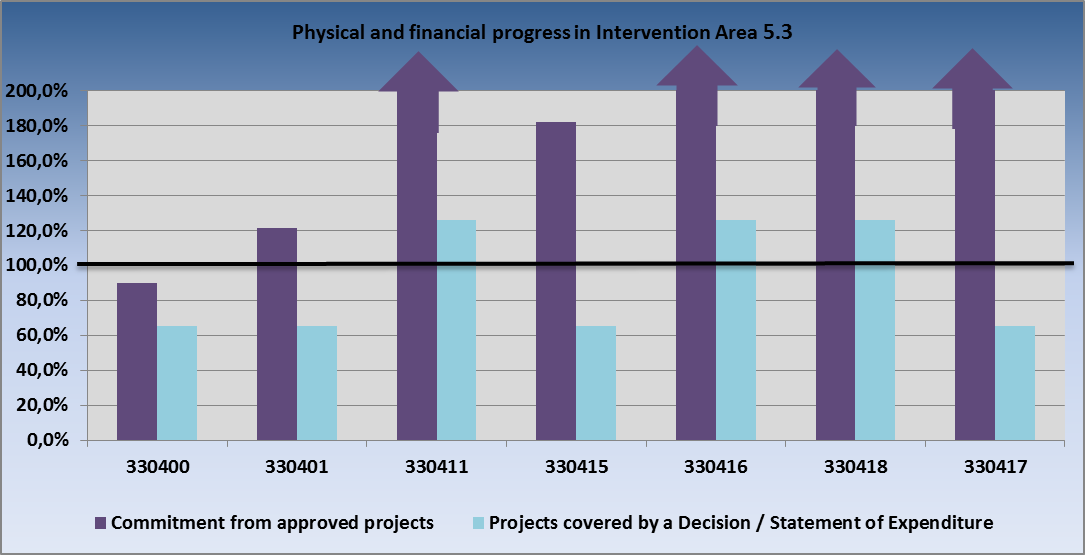
***Source: MSC2007 as of 30 September 2015; information from the IBs concerning percentage indicators***

Chart Nr. 14 - The comparison of physical and financial progress in Intervention Area 5.2



***Source: MSC2007 as of 30 September 2015; information from the IBs concerning percentage indicators***

Chart Nr. 15 - The comparison of physical and financial progress in Intervention Area 5.3



***Source: MSC2007 as of 30 September 2015; information from the IBs concerning percentage indicators***

### 3.4.5 Problems and measures taken

**Intervention Area 5.1**

**Problems in the implementation stage of projects**

During the implementation of projects, there are problems in connection with construction work, which leads to frequent changes in projects and deadlines and financial transfers, threatening predicted take-up and successful completion of project implementation according to the approved schedules.

**Measures taken**

Regular monitoring of project implementation, regular meetings with beneficiaries. Performing physical on-the-spot checks – at least twice per year for each project, verifying the feasibility of the financial plan for each stage in relation to the implementation of the PP, checking delivery dates in relation to the date of project completion. To assess changes in the construction part of the project, the CRD uses construction experts (assessment of change sheets, or assessment of extra work / cancelled work and structural changes in projects)

The CRD carries out monitoring and evaluates administration of the Notification of project change, project applications and payment applications and publishes frequently asked questions (FAQs) for the most problematic areas of project administration. Setting up internal procedures to speed up the administration of payment applications at the CRD in accordance with the measures to maximize take-up in 2015.

Projects at risk of not being completed according to the approved schedule, the MA IOP in cooperation with the CRD follows the troubled projects and, where relevant, acute problems are dealt with in ad hoc meetings with the beneficiaries at different levels.

**State aid**

Implementation of certain projects faces the State aid issues.

**Measures taken:**

The CRD uses consultations with MA IOP experts on public support.

**Intervention Area 5.2**

**The risk of savings in projects and fluctuation of EUR/CZK exchange rate**

MA IOP has consistently monitored savings in projects as compared to originally budgeted prices. Another risk for under-execution of the allocation was a significant fluctuation in EUR/CZK exchange rate. Under the Agreement to Implement IDP, funding for individual cities are allocated in EUR. Upon the completion of projects, whose implementation must be completed by 30 November 2015, there is a risk of under-execution of the full amount of the allocation due to savings in last projects. The call for the submission of projects under 5.2(a) was terminated on 15 July 2015.

**Measures taken**

The MA IOP called on cities during the implementation of all IDP projects that they should create project budgets with respect to real prices based on public procurement and experience with the implementation of previous public procurement during the implementation of the IPRM. The MA IOP recommended that applicants respond to the savings generated in the final stages of IDP implementation by preparing projects that can be implemented in a short timeframe. IDP cities partially exercised this option. Another measure taken was over-commitment of MoRD’s continuous call no. 7 by about 3%.

**Intervention Area 5.3**

Project implementation was terminated. The allocation was fully taken up and the MA IROP will not announce another call.

### 3.5.5 Example of a project

**Intervention area:** 5.1 National support to utilize the potential of cultural heritage

**Project name, registration number:** Revitalization of Jewish monuments in the Czech Republic CZ.1.06/1.5.00/01.06096

**Beneficiary:**  The Federation of Jewish Communities in the Czech Republic

**Project financing** total budget CZK 279,608,746 (CZK 237,667,429 from SF, CZK 41,941,317 from the State budget)

The aim of the project “Revitalization of Jewish Monuments in the Czech Republic” was to create   
a centrally coordinated and methodically managed network of regional cultural and educational centres of Jewish culture that will present the unique cultural heritage of the Czech Republic. Regional centres of Jewish culture were established in seven regions in the following areas: Úštěk, Jičín, Brandýs nad Labem, Plzeň, Březnice, Nová Cerekev, Polná, Boskovice, Mikulov and Krnov.

In these places, buildings underwent alterations (in total 15 structurally and historically significant buildings were restored and made accessible), the buildings were equipped with furniture and a comprehensive set of cultural and educational activities was prepared, which will form (or already forms) the programme content of the project. The actual activities in the regional centres of Jewish culture is the operation of the permanent historical exhibitions, organization and realization   
of lectures, workshops, exhibition projects, concerts, theatrical and other performances presented both by professional and amateur groups and individuals.

**Synagogue in Brandýs nad Labem**



*Source: 10hvezd.cz)*

**Intervention area 5.2** Improving the environment in problematic housing estates

**Project name, registration number:** Renovating the square and children’s playground, Bohuslav Martin’ square, Hodonin; CZ.1.06/2.5.00/07.09794

**Beneficiary:**  City of Hodonín

**Project financing:** total budget of CZK 5,165,252 (SF contribution: CZK 4,390,464, State budget contribution: CZK 774,787)

The project concerns the renovation of the square and building a new playground on the Bohuslav Martin; square in Hodonín – a new children’s playground in the central part of the area, a quiet paved area connected to the playground, two newly paved pavements, reconstruction of existing pavements in the central part of the area and pavements to adjacent buildings, renovation and additions to existing street furniture in the area, minor landscaping.

**Intervention area: 5.3** Modernisation and development of systems for the creation of territorial policies

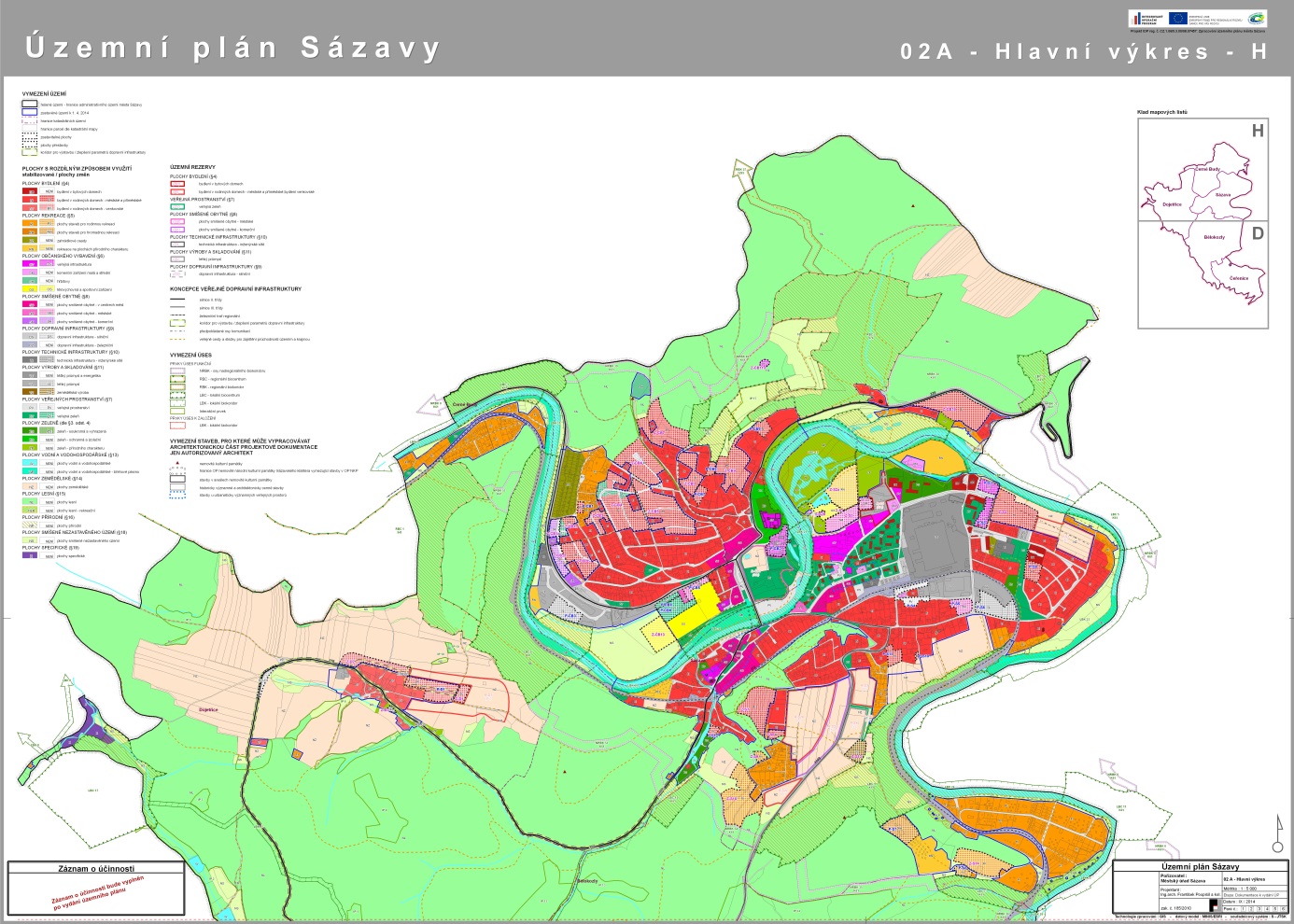
**Project name, registration number:**  Preparation of the land-use plan of the city of Sázava,

CZ.1.06/5.3.00/08.07457

**Beneficiary:** City of Sázava

**Funding of the project:** total budget in CZK: CZK 1,110,000 (SF contribution CZK 943,500, State budget contribution CZK 166,500)

The project concerned the acquisition of the land-use plan of Sázava, including the assessment of the effects of the land-use plan on the sustainable development of the territory.



## 3.6 Priority axis 6a, 6b – Technical assistance

### 3.1.6 Focus of priority axes / intervention areas

The priority axes include activities which are inseparable in terms of geographical aspects and have an impact on the entire territory of the Czech Republic. Their content is therefore identical regardless of the breakdown by objectives. Priority axes 6a and 6b are aimed at supporting the effective management of the Integrated Operational Programme for the 2007–2013 programming period.

The priority axis includes the Convergence objective (6a) and the Regional Competitiveness and Employment objective (6b).

Specific objectives:

* strengthening administrative capacities involved in the implementation of the programme at the level of the managing authority and intermediate bodies,
* ensuring effective management, monitoring, evaluation, inspection and absorption capacity in the implementation of the operational programme at the level of the managing authority and intermediate bodies.

Beneficiaries:

* managing authority,
* intermediate bodies.

### 3.2.6 Progress in the implementation of priority axes / intervention areas

Intervention Areas 6.1a 6.1b saw the submission of 2 new applications in the reference period totalling EUR 2.19 million. A total of 50 projects in the amount of EUR 31.71 million were approved. EUR 23.96 million was reimbursed, i.e. 85.92 % of the allocation for this intervention area. As of 1 October 2015, EUR 21.75 million was certified, i.e. 78.02% of the allocation.

Table Nr. 33 - Cumulative progress at the level of Intervention Areas 6.1a and 6.1b (in CZK/EUR million) [[4]](#footnote-5)

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Support Area** | **Snapshot date** | **Total allocation of support for 2007–2013** | | **Submitted applications** | | | | **Funds covered by a Decision / Contract (Addendum)** | | | | **Funds paid out to beneficiaries (accounted funds)** | | | **Summary applications accounted by the PCA** | | | **Certified funds (including refunds)** | | |
| **Date** | **mil. CZK** | **mil. EUR** | **Number** | **mil. CZK** | **%** | **EUR million** | **Number** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** |
| **a** | **b** | **c** | **c/a** | **d** | **e** | **e/a** | **f** | **f/a** | **g** | **g/a** | **h** | **h/a** |
| 6.1a | 2015/04/17 | 706.80 | 27.18 | 53 | 1,178.53 | 166.74 | 44.35 | 49 | 854.10 | 120.84 | 32.54 | 568.52 | 80.44 | 22.14 | 551.17 | 77.98 | 21.51 | 523.06 | 74.00 | 20.37 |
| 2015/10/02 | 705.34 | 27.18 | 55 | 1,231.07 | 174.54 | 46.50 | 50 | 813.19 | 115.29 | 31.14 | 606.00 | 85.92 | 23.53 | 600.33 | 85.11 | 23.32 | 550.22 | 78.01 | 21.36 |
| Difference |  |  | 2 | 52.54 | 7.45 | 2.15 | 1 | -40.91 | -5.80 | -1.40 | 37.48 | 5.31 | 1.38 | 49.16 | 6.97 | 1.81 | 27.16 | 3.85 | 0.99 |
| 6.1b | 2015/04/17 | 12.99 | 0.50 | 0 | 21.67 | 166.76 | 0.82 | 0 | 15.70 | 120.85 | 0.60 | 10.45 | 80.46 | 0.41 | 10.14 | 78.01 | 0.40 | 9.62 | 74.03 | 0.37 |
| 2015/10/02 | 12.97 | 0.50 | 0 | 22.63 | 174.55 | 0.85 | 0 | 14.95 | 115.30 | 0.57 | 11.14 | 85.94 | 0.43 | 11.04 | 85.14 | 0.43 | 10.12 | 78.03 | 0.39 |
| Difference |  |  | 0 | 0.97 | 7.45 | 0.04 | 0 | -0.75 | -5.80 | -0.03 | 0.69 | 5.31 | 0.03 | 0.90 | 6.97 | 0.03 | 0.50 | 3.85 | 0.02 |

*Source: Current MC – MSC2007 as of 30 September 2015; The certified funds data were generated in the entire Report as at 10 August 2015 due to a technical error caused by faulty data transfer between the IS Viola and MSC2007.*

*Previous MC – MSC2007+ as at 16/04/2015*

*EUR/CZK exchange rate: Current MC – 27,208*

*Previous MC – 27,473*

*Source of funding – EU share*

Intervention Areas 6.1a and 6.2b saw the submission of 4 new applications in the reference period totalling EUR 1.28 million. A total of 76 projects in the amount of EUR 7.24 million were approved. EUR 4.19 million was reimbursed, i.e. 57.94% of the allocation for this intervention area. As of 1 October 2015, EUR 4.04 million was certified, i.e. 78.02% of the allocation.

Table Nr. 34 - Cumulative progress at the level of Intervention Areas 6.2a and 6.2b (in CZK/EUR million) [[5]](#footnote-6)

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Support Area** | **Snapshot date** | **Total allocation of support for 2007–2013** | | **Submitted applications** | | | | **Funds covered by a Decision / Contract (Addendum)** | | | | **Funds paid out to beneficiaries (accounted funds)** | | | **Summary applications accounted by the PCA** | | | **Certified funds (including refunds)** | | |
| **Date** | **mil. CZK** | **mil. EUR** | **Number** | **mil. CZK** | **%** | **EUR million** | **Number** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** | **mil. CZK** | **%** | **EUR million** |
| **a** | **b** | **c** | **c/a** | **d** | **e** | **e/a** | **f** | **f/a** | **g** | **g/a** | **h** | **h/a** |
| 6.2a | 2015/04/17 | 181.33 | 6.90 | 80 | 351.10 | 193.62 | 13.08 | 72 | 187.49 | 103.40 | 7.12 | 102.37 | 56.46 | 4.02 | 99.10 | 54.65 | 3.90 | 97.43 | 53.73 | 3.84 |
| 2015/10/02 | 180.56 | 6.90 | 84 | 382.89 | 212.05 | 14.33 | 76 | 186.26 | 103.15 | 7.11 | 104.62 | 57.94 | 4.11 | 104.01 | 57.60 | 4.08 | 101.06 | 55.97 | 3.97 |
| Difference |  |  | 4 | 31.79 | 17.61 | 1.26 | 4 | -1.23 | -0.68 | -0.01 | 2.25 | 1.24 | 0.08 | 4.90 | 2.71 | 0.18 | 3.62 | 2.01 | 0.13 |
| 6.2b | 2015/04/17 | 3.33 | 0.13 | 80 | 6.45 | 193.60 | 0.24 | 72 | 3.45 | 103.38 | 0.13 | 1.88 | 56.47 | 0.07 | 1.82 | 54.67 | 0.07 | 1.79 | 53.74 | 0.07 |
| 2015/10/02 | 3.32 | 0.13 | 84 | 7.04 | 212.03 | 0.26 | 76 | 3.42 | 103.14 | 0.13 | 1.92 | 57.96 | 0.08 | 1.91 | 57.61 | 0.08 | 1.86 | 55.98 | 0.07 |
| Difference |  |  | 0 | 0.58 | 17.60 | 0.02 | 0 | -0.02 | -0.68 | 0.00 | 0.04 | 1.24 | 0.00 | 0.09 | 2.71 | 0.00 | 0.07 | 2.01 | 0.00 |

*Source: Current MC – MSC2007 as of 30 September 2015; The certified funds data were generated in the entire Report as at 10 August 2015 due to a technical error caused by faulty data transfer between the IS Viola and MSC2007.*

*Previous MC – MSC2007+ as at 16/04/2015*

*EUR/CZK exchange rate: Current MC – 27,208*

*Previous MC – 27,473*

*Source of funding – EU share*

**Overview of ongoing calls**

Intervention Area 6.1 saw continued receipt of applications in the first continuous call with   
an allocation of EUR 29.70 million. In this call, a total of 55 project applications worth EUR 55.7 million were submitted. A total of 53 projects in the amount of EUR 47.5 million were approved.

Call 10 with an allocation of EUR 11.64 million was ongoing in Intervention Area 6.2. 60 projects in the amount of EUR 7.78 million were certified. A total of 57 project applications in the amount   
of EUR 4.96 million were approved.

**Table Nr. 35 Overview of ongoing calls in PA 6**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Call order number** | **Call number** | **Submission of project applications** | | **Call type** |  | **Call allocation** | **Support applications submitted** | | **Projects covered by a Decision / Agreement** | |
|
| **Starting date of project application receipt** | **Date of call closure** | **in EUR** | **number** | **in EUR** | **number** | **in EUR** |
| 5 | 01 | 05/06/2008 | 30/10/2015 | on-going | 6.1 | 29,449,400 | 55 | 54,706,339 | 53 | 46,719,820 |
| 5 | 01 | 05/06/2008 | 30/10/2015 |  |  | 541,481 | 0 | 1,005,759 | 0 | 858,930 |
|  |  |  |  | Call total | | 29,990,881 | 55 | 55,712,098 | 53 | 47,578,750 |
| 37 | 10 | 27/09/2010 | 30/10/2015 | on-going | 6.2 | 11,761,247 | 60 | 7,639,975 | 57 | 4,868,768 |
| 37 | 10 | 27/09/2010 | 30/10/2015 |  |  |  | 0 | 140,458 | 0 | 89,510 |
|  |  |  |  | Call total | | 11,761,247 | 60 | 7,780,433 | 50 | 4,958,278 |

*Source: IS Monit7+ as at 30 September 2015;*

*Source of funding – public funds total*

### 3.6.3 Progress towards indicators

The value reached as of 30 September 2015 and the commitment from approved projects in Intervention Areas 6.1 and 6.2 correspond to the take-up rate of funds. They cannot be compared with the target values, which were based on the original methodology of TA IOP indicators. The commitments from the projects approved in the TA IOP were set according to the revised methodological indicator sheets from 2009.

**Table Nr. 36 - Output indicators**

| **Code** | **Indicator name** | **Unit of measurement** | **Baseline value** | **Target value** | **Commitment from approved projects** | **The value as at 30 September 2015** |
| --- | --- | --- | --- | --- | --- | --- |
| 480300 | The number of committee meetings (monitoring, advisory and management) | Number | 0 | 14 | 19 | 17 |
| 480500 | Number of created studies and reports (including evaluation ones) | Number | 0 | 14 | 1,236 | 1,218 |
| 480700 | Number of prepared methodical and technical and informative materials | Number | 0 | 84 | 345 | 301 |
| 480800 | Implemented cooperation with the media and communication with the public | Number | 0 | 30 | 193 | 173 |
| 480900 | Number of conducted information and publicity activities | Number | 0 | 32 | 200 | 180 |
| 481100 | Number of training sessions, seminars, workshops, conferences and other similar activities | Number | 0 | 70 | 564 | 478 |
| 481600 | Number of persons who attended educational courses within technical assistance | Number of persons | 0 | 1,400 | 17,391 | 11,687 |

***Source: MSC2007 as of 30 September 2015; information from the IBs concerning percentage indicators***

**Table Nr. 37 - Result indicators**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Code** | **Indicator name** | **Unit of measurement** | **Baseline value** | **Target value** | **Commitment from approved projects** | **The value as at 30 September 2015** |
| 481900 | Number of persons trained - total | Number of persons | 0 | 1,100 | 6,002 | 5,040 |
| 482500 | Number of conducted audits | Number | 0 | 1,350 | 8,209 | 7,524 |
| 483100 | Number of employed staff of the implementation structure | Number of persons | 0 | 90 | 827 | 722 |

***Source: MSC2007 as of 30 September 2015; information from the IBs concerning percentage indicators***

### 3.4.6 Problems and measures taken

**Provision for the financing of expenditure until the end of the programming period**

The main problem was to ensure financing of expenditure until the end of the programming period and administrative capacities until the end of 2015, to monitor the sustainability of projects from 2016 and to successfully conclude the **IOP.**

**Measures taken**

To ensure the financing of expenditure until the end of the programming period, the MA IOP changed MoRD’s calls 2 and 10 and extended the eligibility of expenditure and project implementation deadline until 31 December 2015. The change of calls was published on 23 July 2015.

**Considerable error rate in the preparation of public contracts by beneficiaries, especially in the preparation of procurement documentation.**

**Measures taken**

An obligation to control the public contracts (procurement procedure) before their announcement, the possibility of consultations with the MA IOP and the relevant department of the Centre for Regional Development of the Czech Republic, which administers TA IOP projects.

**Problems of beneficiaries with assigning costs to specific project activities and justification of the required changes in projects. The resulting frequent return of documentation for revisions and extension of the change administration period.**

**Measures taken**

Increased consultation with MA IOP before submitting the Notification of project changes, consultations of the planned changes.

# ADMINISTRATIVE SUPPORT OF THE PROGRAMME

## 4.1 Information on implementing and the results of the audits and financial controls

**Audits of the European Commission**

***Audit of the European Commission No. 2013/CZ/REGIO/C4/1332/1***

In April 2014, the European Commission launched an audit of the Audit Authority of the Ministry   
of Finance (hereinafter the "AA"), and the beneficiaries of eight selected projects of the IOP. The audit mission was to re-audit the projects which were audited by the AA during the audit of the 2013 operations. The final audit report was delivered to the Permanent Representation of the Czech Republic to the EU in Brussels on 22 June 2015 and it includes the following findings:

* for the three audited contracts related to the national registers the financial correction of 10% was proposed, while the Audit Authority has already applied a financial correction of 5% due to other findings (projects no. CZ.1.06/1.1.00/03.05890, CZ.1.06/1.1.00/03.05891, CZ.1.06/1.1.00/03.05889);
* the lack of a clear strategy for investments in IT;
* the unequal conditions for the candidates for projects no. Z.1.06/2.1.00/08.07159 and no. CZ.1.06/2.1.00/08.07161 with the financial correction of 10%, the arguments of the national authorities regarding the potential conflict of interest have been accepted by the European Commission;
* the inadequate and discriminatory criteria for assessing qualifications and the non-transparent evaluation of bids for the project no. CZ.1.06/2.1.00/06.06695 with the financial correction of 10%, the European Commission concluded that the identified irregularity only had a limited impact on the award of the contract;
* the unsatisfactory work of the AA.

The conversion of the project error rate for 2013 is, according to the conversion carried out by the Commission departments, 2.97% and the upper limit of error rate is 4.93%. MA IOP disagreed with the results of the finding no. 1 and forwarded to the AA a draft of arguments to be used when disputing the EC conclusions. In August 2015, the AA asked the European Commission to re-assess the amount of the financial correction with regard to the assessment of seriousness and, in accordance with the principle of proportionality, asked that the 5% correction remains for the finding no. 1. The EC Audit was, on the 30 September 2015, not yet finally concluded.

***Audit of the European Commission No. 2014/CZ/REGIO/C4/1349/1***

In April 2014, the European Commission has launched an audit of the public procurement   
of broadcasting services. In terms of the OP IOP, the audit concerned the projects in the intervention area (hereinafter also the "IA") 4.1, the beneficiary being the Czech Tourist Authority, and the project in the intervention area 1.1, the beneficiary being the Ministry of Interior of the Czech Republic.   
The final audit report dated 27 April 2015 excludes the financial corrections related to the IOP.   
The findings concern the inadequate transposition of the EU directives on public procurement (Article 16 of Directive 2004/18/EC in the Czech legal system), the direct awarding of public contracts for the acquisition, development, production or co-production of the programme content which does not comply with the EU directive on public procurement.

***Audit of the European Commission No. 2013/CZ/REGIO/C4/1309/1***

The audit of the EC was carried out at the PCA on the 18 – 22 November 2013 with the aim to verify the accuracy, credibility, completeness and reliability of the statements of amounts according to Article 20 of the Commission Regulation (EC) No. 1828/2006 for several operational programmes. The final audit report was received on the 12 December 2014. The EC level of certainty regarding the measures of the certification body is assessed by this report to be in the category 2 – It is functioning but some improvements are needed. None of the identified deficiencies with the moderate levels of seriousness is related to the IOP operations examined in the audit investigation. PCA was asked to verify the correctness and completeness of the information contained in the reports of irregularities, both internal and external.

**Audits of the Audit Authority**

***Audits of the operations in 2014***

The Audit Authority carried out the audits of 67 projects in the context of the operations audits. Based on the audits of the operations in 2014, the auditors of the AA identified an error of the amount   
of CZK 188,370,412 representing 2.32% of the total expenditure audited (for 25 projects); the errors mainly concerned the shortcomings in the Public Procurement Act implementation. In 2014, the errors related to the violation of the conditions for the grant were also identified. This occurred in two cases with the total financial volume of over CZK 80 million.

***Audit of the implementation system of the IOP/2014/001***

The implementation system audit was launched at the MA IOP with the participation of the representatives of the individual intermediary bodies on the 6 November 2014. The audit focused on the activities of the MA IOP and the IB in the period from 1 July 2013 till 30 June 2014 and it included the investigation of irregularities. The final audit report delivered to the MA IOP on the 19 August 2015 contains the following findings with a high level of seriousness:

* an incorrect resolve of 9 irregularities,
* the failure to perform audits according to Article 13 of the Commission Regulation (EC) No. 1828/2006, within the framework of the Financial Instrument Jessica, of the Holding Fund, the UDF administrator and the end users,
* the failure to perform audits according to Article 13 of the Commission Regulation (EC) No. 1828/2006, within the framework of the Financial Instrument Jessica system which concern the selection of end users.

The findings with a moderate level of seriousness:

* an incorrect resolve of 2 irregularities;
* the violation of the procedure for the selection process of a new employee;
* the persisting uncomfortable situation after the division of the individual phases of the project administration implemented in the intervention area 3.1 and 3.3 of the IOP between the Ministry of Labour and Social Affairs and the Centre for Regional Development of the Czech Republic;
* the risk of under-execution of the allocated funds;
* the inadequately functioning management and inspection system in the audit of payment applications by the IB of the Ministry of Interior;
* the inadequate effectiveness of audits of the CRD performed pursuant to Article 13 of the Commission Regulation (EC) No. 1828/2006 in the area of public procurement.

Based on the system audit results, which assessed the functioning of the management and inspection system of the IOP overall in the category 2 – the system is functioning but certain improvements are needed, the AA came to a qualified opinion.

**The AA auditors recommended the MA IOP:**

* to re-examine the process in case of 11 irregularities and to adopt relevant measures, including the quantification of financial correction;
* to calculate the personnel costs per 1 employee and make the appropriate financial correction of 5%;
* to regularly monitor and evaluate the effectiveness of the public procurement audits also focusing on minor violations of public procurement without the financial correction;
* that in the programming period 2014–2020 the whole process of the project administration is performed by only one fully responsible intermediary body;
* to adopt the effective measures to control the risk of failure to take-up allocation fully in accordance with the measures provided by the crisis plans according to GR no. 124 of the 23 February 2015;
* to provide the audit plan, both for end users (the controls of compliance with the conditions for granting the loan) and for the UDF administrator (with regard to compliance with the current Business plan and the valid Agreement concluded with the Holding Fund);
* to perform in 2015 at least one inspection of the Holding Fund to verify, based on the original documents, the compliance with all procedures provided in the current Manual for the implementation of the JESSICA financial instrument;
* to focus on the administrative and physical control of the end users selection. Primarily, to pay more attention to the selection of end users, and whether the conditions for granting the financial support are satisfied. Furthermore, to verify on the spot, whether the end users utilize the credit granted to those activities mentioned in the loan application.

The AA auditors recommended the IB of the MoI to increase the efficiency of the management and inspection system, i.e. to adjust methodically the creating of the separate invoice rosters for additional payment applications in order to increase the transparency of the reported project expenditure and to monitor and evaluate the effectiveness of the public procurement controls also focusing on minor violations of public procurement without the financial correction. The AA auditors recommend the IB of the MoI to re-audit the remaining audits in the Priority Axis 1.1.

The AA auditors recommend the IB of the CRD to monitor and evaluate the effectiveness of public procurement audits also focusing on minor violations of public procurement without the financial correction, and to rectify the situation of the seven projects mentioned in the AA opinion.

***Audit in the area of IT projects in Priority Axis 1 of the Integrated Operational Programme No. IOP/2015/SM/001***

It was the requirement of the EC based on the audit no. 2013/CZ/REGIO/C4/1332/1 that the audit is performed in the area of the IT projects. The extraordinary audit of the IT projects in Priority Axis 1 of the IOP was launched at the MA IOP on the 3 February 2015. The audit is aimed at verifying the existence and proper focus of the strategy of investment in IT projects in Priority Axis 1 of the IOP, verifying the eligibility and legitimacy of the investments in the IT projects in the Priority Axis 1 of the IOP, verifying the correctness of the contracting authorities procedure in the public procurement on a sample of operations, examining the object of subsidy in terms of 3E and verifying other requirements of the projects. The audits were also launched in 16 beneficiaries in the intervention area 1.1. MA IOP has received the final report of 3 extraordinary operations audits. The MA IOP investigation was held on 3 September 2015. The AA Audit was not yet finally concluded on the 30 September 2015.

**Inspections performed by the Supreme Audit Office**

***The SAO audit operation no. 14/15 “Funds earmarked for financing of selected programmes that are in the competence of the Ministry of Labour and Social Affairs”***

**The inspection findings related to the IOP**

The IOP implementation was affected adversely by the lack of a clear conceptual document on the organisational structure of labour offices and the establishment of the emergence of the Labour Office of the Czech Republic (hereinafter the “LO CR”) from the 1 April 2011 pursuant to the Act No. 73/2011 Sb.

In the years 2009–2013, only 41% of the adjusted financial needs for the years 2009–2014 were taken up.

The selection of projects was rather complicated and little transparent. The selection of projects relating to the training centres for the employment services were not based on the binding strategy which would objectively define the needs of the LO CR in the area of training; this subsequently led to a series of policy changes.

The important intervention was the additional inclusion of the purchase of a building in Prague 7 for LO CR in July 2013, i.e. at a time when there was a risk that the funds will not be taken up. The MoLSA in connection with Act No. 73/2011 stated that its adoption would not, among other things, require the acquisition of new buildings. The LO CR failed to demonstrate that prior to the purchase of the building in Prague 7 it has performed the due selection of the suitable properties. It also failed to demonstrate the credibility of data on the number of employees who would be working in the building.

In the case of the LO CR building in Pardubice, the option was being prepared (the new construction) which would be more expensive by about CZK 130 millions than the alternative option (the renovation and extension of the existing building). In connection with the construction of the building in Pardubice, the LO CR stopped the construction of the building in Rokytno with the projected costs of CZK 60 millions and the completion date in 2013.

The LO CR bought in 2012 a building in Karlovy Vary with insufficient capacity. The MoLSA did not guarantee, through the programmes implementation, a fully effective, economical and efficient allocation of funds for the acquisition and restoration of its real estate.

The Government of the Czech Republic instructed the Minister of Labour and Social Affairs to implement the measures adopted to rectify and remove the shortcomings identified in the audit conclusion and to inform the government about the implementation of these measures

by 31 December 2015.

**Opinion of the MoLSA, CSSA and the LO to the audit conclusion of the SAO**

The LO CR adopted the measures to avoid the problematic assessment of the selection of the building contractors by intermediary bodies, including the pressure on the grant providers in order to speed up as much as possible the process of determining the expenditure without which the contract may not be concluded so as not to breach the budget rules. The preparation and implementation of the investments is now, from the point of view of the LO CR, better scheduled in order to avoid the time pressure while taking up the funds.

The findings related to the absence of due selection of the suitable real estates are one-off. In the case of new projects (investments), the overview of the criteria and the transparent method of selection shall be thoroughly determined in advance. After putting the personal system into operation, it will be possible to e.g. clarify the selection criteria according to the number of the systematised jobs. Monitoring the real needs of the optimum capacity of buildings is, among other, helped by the effectively set up personnel information systems. That is why the LO CR is also required to ensure the personnel information system – the tender for a personnel information system which should enable the precise registration of e.g. systematised jobs. The MoLSA also stated that it had always proceeded with the strategies and concepts it had laid down. All the buildings were, according to the opinion of the MoLSA and the LO CR, acquired in accordance with the principle of economical and effective expenditure.

**Corrective actions taken by the MoLSA**

* Effective from the 1 July 2014, the new department for investment and dislocation was established at the MoLSA.
* Any action of real estate reproduction is discussed first at the ministerial investment committee and then at the management meeting of the MoLSA.
* The ministerial investment committee shall be given the task to prepare during the 2015 the mid-term concept of investment policy of the MoLSA.

The MoLSA accepted the recommendation of the SAO to implement measures to remedy the shortcomings referred to in Part III of its conclusion of audit no. 14/05:

* the objective setting of the indicators – they shall be newly calculated as a percentage of the actual costs to the limit costs; this shall allow the objective evaluation of the performance targets delivery in relation to the real parameter value;
* when determining the conditions for taking up the funds, these conditions and the updated programme documents shall include the listing of minor breaches of the conditions in order to reduce the impact of sanctions;
* in the case of significant changes to the program, the conversion of goals and indicators shall be strictly adhered to if the specific events are cancelled and also if they are to be replaced by different actions which have been identified, over time, by the ministerial investment committee and evaluated as effective, economical and efficient and which will be supported by the legislative changes.

The expenditure incurred for the acquisition of building of the General Directorate of the LO CR was identified by the EC in its opinion on the Annual inspection report for 2014 to be ineligible.

***The SAO audit operation no. 14/02 “Funds spent on preparation, implementation and operation   
of the Register of territorial identification, addresses and real estates” (hereinafter the “RTIARE”)***

**Inspection findings:**

* the risk for the accuracy and completeness of data stored in RTIARE represent the errors in the source data that was used for the initial RTIARE fulfilment and the insufficient cooperation between the editors when eliminating errors identified by the The Czech Office for Surveying, Mapping and Cadastre;
* The COSMC in implementing the RTIARE did not create the conditions for the acquisition   
  of the technological infrastructure in the necessary and proportionate extent. The shared technological infrastructure for the Information System of the Cadastre of Real Estate (hereinafter the “ISCRE”), RTIARE and its agenda information systems excludes the possibility to monitor the overall expenditure on the implementation of the RTIARE separately;
* The COSMC could not compare the offer prices in two procurement procedures because   
  in each case there was only one candidate submitting the offer. In one case of public contract, the only candidate was the company which already cooperates with the COSMC in operating the ISCRE since 1997. The dependency on the selected supplier and his technologies was increased. The SAO audit of the process correctness of the procurement procedure found that the COSMC did not make public the change in the requirement for the candidate’s certification from the grade CONFIDENTIAL to RESERVED.
* The COSMC did not concluded the agreement for the fulfilment of the public contract on the acquisition of the technological infrastructure in accordance with the agreement proposal included in the offer, it did not complied with the time period for the provision of the agreement; in one case the existing supplier was advantaged by not having to include the costs of moving technologies in his offer; in two cases the COSMC did not send within the determined period of time the notification of the award procedure outcome for publication; in the case of one negotiation procedure without prior publication the COSMC did not created tender dossier and did not provided their requirements in the call for practices.

The government of the Czech Republic, in its resolution no. 75 of 4 February 2015, instructed the Minister of Agriculture and the chair of the Czech Office for Surveying, Mapping and Cadastre to implement the measures provided in the opinion in the paragraph I/2 of this resolution and to inform the government by the 30 September 2015 about the implementation, and it recommended to adjust by the internal regulation the process and accountability in public procurement pursuant to Act No. 137/2006 Sb., on public procurement, as amended.

**Implementation of the corrective measures**

Failure to make public the change of requirement for the applicant’s certificate from the grade Confidential to the grade Restricted was identified already by the audit of the MA IOP no. 23/2010/I; the mistake is therefore known. The MA IOP, based on its findings for the project, registered the irregularity which has not been until now concluded, because of the ongoing administrative proceedings of the Office of the Protection of Competition and the tax office investigation. The expenditure incurred for the material public contract were, in accordance with the Guidelines for the application of financial corrections, reduced by the IB of the MoI by 5%.

The COSMC organises regular staff training focused on the area of ​​public procurement. The control mechanism in the public procurement process was also improved, including the provision of specific responsibilities for the fulfilment of individual duties in the procurement process.

***The SAO audit operation no. 14/15 “Funds spent on the projects and measures for support and fulfilment of efficient public administration including savings of expenditures implementation”***

The audit operation was launched on 23 April 2014 focusing on the implementation of the Smart Administration (hereinafter the "SA") and selected projects of the Operational Programme Human Resources and Employment. The audit conclusion was published in the Bulletin no. 2/2015 and the summary of findings related to the IOP is as follows:

* In the SA strategy, the MoI did not provide for a specific target state for the public administration in 2015 and did not set up the manner to ensure the measurable evaluation of the fulfilment of the strategy;
* the coordination of the SA strategy at the inter-ministerial level did not work;
* the MoI did not sufficiently ensure the management and evaluation of the SA strategy.

***The SAO audit operation no. 14/31 “State property and funds assigned to selected publicly co-funded organizations of the Ministry of Regional Development”***

The schedule of the audit operation is from October 2014 to June 2015 and may also include the IOP funds. The SAO conclusion has not yet been published.

***The SAO audit operation no. 15/02 “State budget funds provided to support energy savings”***

The audit operation was launched at the MoRD on 1 January 2015 and the report was submitted to the MoRD on14 August 2015. The SAO conclusion has not yet been published.

***The SAO audit operation no. 15/03 “Funds earmarked for projects related to introduction of electronic public administration under the supervision of the Ministry of the Interior”***

The time schedule of the audit operation is from January 2015 to November 2015 and controlled entities are the Ministry of the Interior and the Czech Post, Prague. The audit was launched at the Ministry of Interior on 27 January 2015.

***The SAO audit operation no. 15/16 “State budget funds and EU structural funds earmarked for financing of operational programmes in terms of project sustainability”***

The audit operation was launched at the MA IOP and the IB CRD on 24 February 2015. The other controlled entities include MoC, MoLSA, MoI, MoH and the selected beneficiaries. The SAO audit operation has not yet been concluded.

***The SAO audit operation no. 15/10 “Funds spent on the National Infrastructure for Electronic Public Procurement (NIPEZ) and its utilisation for the purchase of selected commodities”***

The audit was launched at the MoRD on 8 April 2015, it concerns the project NIPEZ no. CZ.1.06/1.1.00/07.06384.

**The SAO audit operation no. 15/18 “Funds earmarked for housing support“** was launched at the MoRD on 13 May 2015.

**The SAO audit operation no. 15/12 “Management of the state property and state funds assigned to projects concerning IT and communication technology at the Ministry of Industry and Trade”** was launched at the MIT and concerns, among other things, the implementation of the project Modification of the Trade Licensing Register in relation to the national registers of the public administration.

**Audits performed by the Managing Authority of the IOP**

*Audits of delegated activities*

In the reporting period, the audits of delegated activities were performed at all intermediate bodies focusing on the verification of the public procurement procedures, the verification of the intermediary bodies procedures during the on-site inspections at the time of project sustainability and the verification of the procedures in the case of reducing funds following an audit of payment applications and monitoring of the implementation of the corrective measures from the previous audits of the MA IOP.

In the period from 17 April 2015 to 30 September 2015, the MA IOP performed 9 audits of the delegated activities; in the reporting period 4 of these audits were launched and also 4 audits were concluded, all of them without findings.

The EU Programme Administration Division of the Budget Department of the MoRD performed   
4 administrative inspections focusing on the administration of payment applications.

*Project audits*

The MA IOP performs project audits mainly based on the beneficiaries’ complaints against the cuts   
of funds following audits of payment applications and the beneficiaries’ complaints in accordance with the provision of Section 175 of Act No. 500/2004 Sb., Code of Administrative Procedure, as amended.

In the period from 17 April 2015 to 30 September 2015 the Managing Authority of the IOP performed 89 project audits, of which 73 audits were launched and 48 audits were concluded, 13 of which with findings.

## 4.2 Implementation of the communication plan and the publicity related activities

The selected promotional activities of the IOP, which took place in the reporting period, are provided in the text.A detailed list of all the implemented activities is in Annex 1.

**IOP Spotlight newsletter**



In the reporting period, the MA IOP published two issues of a quarterly Spotlight. It was dedicated to the current events in the IOP and to the successful projects as well as to the successor programme IROP 2014-2020 which began to announce the first calls. The newsletter IOP Spotlight is published in 500 printed copies and is sent out to almost 5,000 email addresses. Each issue informs on the current events in the programme and on the implemented projects.

Financial costs: CZK 62,936

The target group: professionals and general public

**Seminars to introduce the IROP**

From January 2015 a series of 13 seminars was held in the regional capitals of the Czech Republic to introduce the Integrated Regional Operational Programme (IROP). Because of the continuity of the IOP to the IROP, the publicity is also focusing on preparing the absorption capacity and awareness of the IROP. The participants received at the seminars the general but also more specific information about the IROP and they could ask the present representatives of the MoRD questions. The emphasis was placed, among other, on the topic of integrated instruments. The seminars were held in all the regional capitals, the final one took place with the participation of Minister for Regional Development in Prague. Thirteen seminars were attended by 2,400 people.

Financial costs: CZK 235,587

Number of participants: 2,400

**Seminars on the IROP calls**

On 18 August 2015 in Prague, a seminar was held for the applicants on the call “Selected sections of II and III class roads”, announced in the specific objective 1.1.

Financial costs: CZK 100,675

Number of attendees: 70

On 20 August, a seminar was held in Prague for the applicants on the call ”The land use plans” announced within the framework of the specific objective IROP 3.3. On the same topic of a seminar was held in Olomouc on 25 August 2015.

Financial costs: CZK 164,380

Number of participants in both seminars: 1,340

**Presentations of successful projects of the IOP in the magazine Respect**

The successful projects of the IOP in the intervention area 3.1a) the transformation of social services and 3.1b) the investment support of socially excluded localities were highlighted by an advertisement in the magazine Respekt on 7 and 14 September 2015. The advertisements had the extent of half the colour print page.

Financial costs from the TA IOP funds: CZK 67,922

Target group: public

**The list of beneficiaries of the IOP support is published and updated on a monthly basis at:**

<http://www.strukturalni-fondy.cz/cs/Microsites/Integrovany-OP/Zadatele-a-prijemci/Seznam-podporenych-projektu>

**Travelling exhibition IOP**

[](http://www.google.cz/url?sa=i&rct=j&q=&esrc=s&source=images&cd=&cad=rja&uact=8&ved=0CAcQjRxqFQoTCO7B-YDRv8gCFYdEFAodEegCSA&url=http://www.mmr.cz/cs/Ministerstvo/Ministerstvo/Pro-media/Tiskove-zpravy/2015/Jasansky-vystavu)The travelling exhibition of large format photographs on easels presents to the public the successful projects of the IOP. The large format photographs of successful projects in various areas of the IOP intervention are exhibited in outdoor spaces of six major cities of the Czech Republic. The exhibition is presented in the cities: Prague, Pilsen, Liberec, České Budějovice, Brno, Ostrava.

The period of realisation of the travelling exhibition: 31/08/2015 – 30/11/2015

Number of cities: 6

## 4.3 The evaluations and studies performed

In the period from April 2015 to September 2015, one external evaluation of the MA IOP was completed. The outcomes of evaluations are the final reports published on the website <http://www.strukturalni-fondy.cz/cs/Microsites/Integrovany-OP/O-programu/Dokumenty>in section Evaluation and analysis.

### 4.3.1 Evaluation of the managing authority

**Ex-ante assessment of the use of a financial instrument in the IROP**

The ex ante assessment aim is to objectively assess the possibilities of application and implementation of the non-subsidy form of support through the financial instruments.

The implementation period: September 2014 – May 2015

Type: external

Financial scope: CZK 17,510,000 excluding VAT

Supplier: Deloitte Advisory s.r.o.

The project final report was delivered in March 2015, and essential comments and requests for completion of the final report processed by the supplier according to the arrangement with the client were raised. The final version of the report was delivered in May 2015. Based on it, an action plan was formulated which is currently in the commenting process.

**A brief summary of conclusions**

* **Usability of IFIs in IROP areas of intervention, pre-screening conclusions** Based on the results of the initial assessment, it can be noted that a significant potential for the use   
  of financial instruments is shown by the intervention area 2.5 Reduction in energy consumption in the housing sector and that the assessment of the intervention area 2.1 Improving the quality and availability of services leading to social inclusion, specifically the area of support for the acquisition of apartments and residential buildings for social housing, should continue.
* **Analysis of market failures and sub-optimal investment situations.** Both analysed cases confirmed the existence of a market failure or a sub-optimal investment situation, and the analysis conclusions were a significant input in the proposal part of the report, specifically for the chapter on investment strategies.
* **Based on further examination, analyses and discussions with the key interest groups   
  it was made clear that it is not suitable to continue to propose specific parameters of the instrument for the area of social housing** – without clarifying the national strategy in this area and the related legislation it is virtually impossible to propose a suitable financial instrument.
* **In the IROP specific objective 2.5**. **there is a significant absorption capacity potential in the amount of tens of billions CZK, which can be, at the same time, regarded as the volume of market failure or sub-optimal investment situation.** These investments can remain unrealised unless the appropriate form of state support is put into place – either activating the banking sector or activating the owners of buildings to a higher investment activity.
* **Proposed investment strategy.** In the chapter, the Contractor proposes specific parameters of the instrument and the implementation arrangement which is suitable for IROP conditions. Taking into account positive experience with the functioning of support for monitored projects through JESSICA in the current period and with regard to the existing good experience with a similar approach in other Member States of the European Union, the Contractor suggests **using a loan instrument**. The proposal form of the instrument is   
  a synthesis of using the good practice in the Czech Republic and abroad with the applied lesson learning from the JESSICA instrument,

**Analysis of the administrative capacities and outsourcing of the implementation structure of the IOP 2015**

The analysis aim is to determine the total costs of managing the programme during the reporting period 7/2014 – 6/2015 and to compare them with the amount of costs in the previous periods. By the comparison of the performance and financial costs to identify risks and propose recommendations to increase the effectiveness and economic efficiency.

The implementation period: July – October 2015

Type of evaluation: internal

Supplier: MA IOP in cooperation with IB

The analysis followed the earlier Analysis of administrative capacities and outsourcing of the IOP 2014 intermediate bodies. The analysis processing has been initiated and the expected completion date is the end of October 2015.

### 4.3.2 Evaluation and studies of intermediate bodies

**Audit of the implementation of projects in calls 4, 5 and 8 in the intervention area 3.2 of the Integrated Operational Programme**

The MoH of CR prepared in 2011 an evaluation entitled “Audit of the calls 4, 5 and 8 of the Ministry of Health”. Although the contract was called an audit, it may be also considered as an evaluation from which an assessment of the IB system implementation in the project administration emerges, in particular the recommendations for its change - especially amending the Operational Manual of IB GG MoH, adjusting the specific work practices of the Department of European funds of the Ministry of Health, proposing the improvements in communication and information sharing. The outcome shall also be recommendations for the implementation of contracts in the area of Czech health care.

The evaluation follows on the Audit of the implementation of projects in call 1 in the intervention area 3.2 of the Integrated Operational Programme, realised at the beginning of 2011. The evaluation aim is the inspection and assessment of the procurement procedure process for all the grant projects in calls 4, 5 and 8 in the intervention area 3.2 of the IOP. Based on it, the supplier shall analyse the effectiveness of public tenders, especially in terms of achieving the prices usual in the place and at the time. The aim is also assessing the administrative processes and the Department of European funds procedures for the project administration and verifying the department staff compliance with the procedures.

The implementation was divided into three parts which take place according to the dates of completion of the projects. At the moment, the implementation of part 2 Audit of the implementation of projects in call 5 in the intervention area 3.2 of the Integrated Operational Programme is being concluded with the expected completion date till the end of September 2015. The audit of the call 8 is in the realisation phase and the completion is expected by 30 November 2015.

Expected date: October 2013 – November 2015

Part 1 Audit of the implementation of projects in call 4 in the intervention area 3.2 of the Integrated Operational Programme.

Contract: price: CZK 154,880 including VAT

Part 2 Audit of the implementation of projects in call 5 in the intervention area 3.2 of the Integrated Operational Programme.

Contract: price: CZK 690,184 including VAT

Part 3 Audit of the implementation of projects in call 8 in the intervention area 3.2 of the Integrated Operational Programme.

Contract: price: CZK 929,522 including VAT

**Evaluation of the intervention area 3.2 with respect to achieving the defined goals and experience with the implementation of support within the Czech health care**

This concerns the evaluation of the impact results of the projects implemented within the intervention area Services in the field of public health of the Integrated Operational Programme (3.2 IOP). The evaluation will be divided into general part and the part divided according to the subject division of the intervention area 3.2 IOP. Both parts will be divided into the part containing descriptive facts based on the analysis of hospital data, and the part answering the questions of efficiency and success of the intervention area 3.2 IOP. The evaluation aims to determine the actual impacts and the originally unforeseen effects of intervention area 3.2 of the IOP on the health care in the Czech Republic. Given the state of implementation of the intervention area, the evaluation outcomes shall be used primarily as a base analysis for the setting and possible adjustment of the specific objective 2.3 of the Integrated Regional Operational Programme for the period 2014–2020.

Processing: internal and external

Time frame: September 2015 – December 2015

Financial scope: to be determined based on the particular assignment

Guarantor: the Ministry of Health

The tender dossier was published on the contracting authority profile in the Public Contracts Journal. The implementation of the contract will begin in October.

## 4.4 Other activities of the Managing Authority and the Monitoring Committee

### 4.4.1 Activities of the Managing Authority

**4.4.1.1 Negotiations with the European Commission**

On 15 July 2015, “Task Force on Better Implementation” was held with the participation of the representatives of the Managing Authorities, the European Commission and other relevant institutions.  The main topic of the meeting was the state of implementation of operational programmes implemented in 2007–2013. The representatives of the MA IOP informed the European Commission about the current state of implementation and the European Commission acknowledged the information.

The representatives of the Czech Republic and the European Commission agreed on the need to continue efforts to maximize and streamline take-up of funds for the programming period 2007–2013. The European Commission recommended managing authorities to make use of unfinished projects or phasing, and called on the governing body of the IOP to consider again the use of the remaining allocation on projects implemented through financial instruments (for verification of the possibility to apply recommended actions, see fulfilling the IOP crisis plan in Annex 2).

**4.4.1.1 Crisis Plan**

See Chapter 2.4.7 Crisis management and the fulfilment of Government Resolution No 124/2015

* + - 1. **Training**

**Table Nr. 37 - Overview of training events held**

| **Evaluation of training plans / Activity** | **Role of the MA** | **Comments** |
| --- | --- | --- |
| Training events organized by the Managing Authority for Intermediate Bodies. | Organisation of training events that result from the current problems in the implementation of IOP and thematic areas are not covered by external training events provided on the market. | From 17 April 2015 to 30 September 2015, the MA organised one training event, with 5 persons trained. Thematically, the training focused on financial and management control. |
| Training events of MA | Organisation of training events that result from the individual education plans of MA or annual IOP plan. | From 17 April 2015 to 30 September 2015, 51 training events were organised and 227 MA IOP employees were trained. Thematically, educational events were focused on financial and management control, financial management, information systems, monitoring and evaluation, computer skills, mandatory MA IOP training, State aid, public procurement, project preparation and management, initial and follow-up MoRD training. |

*Source: MA as of 30 September 2015*

### 4.4.2 Activities of the Monitoring Committee

The previous 15th meeting of the IOP Monitoring Committee was held on 16 June 2015. A plethora   
of conclusions and tasks for MA and individual IBs were worded at the meeting (see Annex 3).

### 4.4.3 Activities of working groups

Working groups are an instrument of communication on current issues or problems. The meetings   
of WG are recorded in minutes, the MA evaluates the activities of the WG. In collaboration with the members of the WG, the MA assesses the frequency of meetings per year, participation, fulfilment of tasks assigned to the working group, participation and activity of members, members’ satisfaction with the organization of the WG and the overall benefit of the working group.

Working groups can flexibly respond to current issues in the implementation of IOP. They are also used as a tool for education.

**Main conclusions of the working group meetings**

**WG for communication**

In the reporting period, Working Group for Communication met on 26 June 2015. It was attended by the representatives of the CRD, intermediate body and the MA IOP. At the working group, the attendees informed each other about their activities in the field of publicity. The MA IOP informed the attendees about the plan to keep the website www.kvalitazivota.eu also in the next period and called on them to add current projects. The MA presented the publication Catalogue of IOP projects and the upcoming traveling exhibition of IOP projects.

**WG PILOT**

WG Pilot convenes ad hoc, the majority of the projects have been implemented.

**WG Technical Assistance**

WG Technical Assistance did not meet in the reference period. In 2015, manual for applicants were updated; the applicants were informed about this and the updated version of the manual was posted on the SF website. Because in technical assistance there were no serious problems or issues to be addressed that would concern all TA IOP beneficiaries, there was no reason to convene a WG meeting.

**WG Financial management**

There was no meeting in the reference period, the issues of take-up and payment application administration were dealt with IBs by means of individual consultations.

**WG for evaluation**

The WG does not meet regularly, the issue is dealt with flexibly via email communication.

**WG IS and monitoring**

Given the advanced phase of programme implementation, the WG IS and monitoring did not need to meet. In the reference period, the MA in cooperation with the IB CRD focused on setting and preparation of procedures in MS2014+ for IROP.

**WG for Intervention Area 5.2**

In the reporting period, it was not necessary to convene this WG.

**WG for risk management**

In the reporting period, the Working Group on Risk Management met on 2 September 2015. The meeting mainly concerned the discussion of Catalogue of IOP risks and evaluation of implemented corrective action and provision of information on further progress in the current stage of IOP.

**WG for public procurement**

In the period 17 April 2015 – 30 September 2015 the WG for public procurement did not meet, concrete problems are addressed through individual consultations.

**WG JESSICA**

From September 2012, the WG does not meet, there are ongoing technical meetings between the MA and HF.

**WG for reduction of risks in Smart Administration**

The WG did not meet in the period, because due to the advanced stage of IOP implementation it was no longer necessary.

## 4.5 Administrative capacity of the implementation structure

The MA IOP monitors and records the administrative capacity of the entities involved in IOP implementation. The following tables of administrative capacity were created by MA IOP and IBs according to the NCA instructions for the creation of implementation reports.

The table lists all units and FTEs involved in the implementation of the IOP. In addition to the staff of the managing authority and intermediate bodies, also specified are specialised units of the MoRD, which cooperate with the managing authority in the fields of tourism, land-use planning and housing subsidies, as well as the financial and HR units of the MoRD.

The table shows the structure of the entities involved in the implementation of IOP. The column “number of employees” means the number of FTEs involved in the implementation of IOP. An employee with a full involvement (100% of the workload) is identified as 1.0 FTE; an employee who is involved at one quarter of their normal workload is identified as 0.25 FTE.

**Table Nr. 38 - Administrative capacity of the IOP implementation structure**

| **Unit** | **Department** | **Division** | **Number of FTEs** | **Total per unit (FTEs)** |
| --- | --- | --- | --- | --- |
| Managing authority | Operational Programme Management Department | Head and the Secretariat of the Department | 2.00 | 71.325 |
| Management Division | 10.00 |
| Methodology Division | 11.50 |
| Monitoring Division | 6.00 |
| Control Division | 12.50 |
| OP Support Division | 9.725 |
| Budget Department | Division of EU Programme Administration | 14.00 |
| Division of Programme Financing | 1.00 |
| Coordinators of specialized units of MoRD | Housing Policy Department | Division of Administration of National IOP Programmes | 1.00 |
| Human Resources Department | Division of Salaries and Human Resources Records | 0.40 |
| Financial Unit of the MoRD | Department of Accounting and Financial Services | Division of Accounting European Funds and Division of Chapter Accounting | 3.20 |
| Ministry of Health of the Czech Republic | Structural Funds Department | Methodology Division | 5.00 | 23.50 |
| Project Management Division | 4.00 |
| Programme Financing Division | 5.00 |
| Division of Monitoring, Control and Technical Assistance | 6.00 |
| Director, assistant, administrative assistant | 3.50 |
| Ministry of the Interior of the Czech Republic | SFD | Publicity TA Division + Director | 6.01 | 23.26 |
| Methodology and Project Evaluation | 1.26 |
| IOP Implementation | 9.38 |
| Project audits | 5.57 |
| Economic Department of the MoI | Financial Management of Payments | 1.04 |
| Ministry of Labour and Social Affairs of the Czech Republic | Department of Other European Funds | ERDF Division | 7.82 | 15.95 |
| Department of Financial Management  and Controlling | Division of Financial Management and Controlling of Subsidies | 7.28 |
| Division of Financial Management and Controlling of Investment | 0.70 |
| Other divisions of MoLSA involved in the implementation of IOP | 0.15 |
| Centre for Regional Development of the Czech Republic | Department of central programme administration | SOU Administration Division | 11.25 | 51.00 |
| Division of IOP Sustainability Administration | 1.5 |
| Section of Programme Administration Management |  | 0.50 |
| Department of Programme Administration Management | Cross-Cutting Activity Division | 1.00 |
| Methodology Division | 2.50 |
| Payment Administration Division | 2.75 |
| PP Administration Division | 5.00 |
| Programme Administration Department | Division for South Bohemian Region | 4.00 |
| Division for South Moravian Region | 4.00 |
| Division for Hradec Králové Region | 5.50 |
| Division for Moravian-Silesian Region | 3.00 |
| Division for Olomouc Region | 6.00 |
| Division for Ústí Region | 4.00 |
| **Total** |  |  | **185.035** | **185.035** |

*Source: MA and IBs as of 30/09/2015*

The following table compares the current administrative capacity of IOP with the state as of 30 September 2015, and the planned number of employees until the end of 2015.

**Table Nr. 39 - Monitoring administrative capacity in the programming period 2007–2013**

| **Implementation entity** | **Number of FTEs as of 16/04/2015** | **Number of FTEs as of 30/09/2015** | **The planned number in 2015** |
| --- | --- | --- | --- |
| Managing authority | 62.475 | 66.725 | 68.725 |
| Coordinators of specialized units of MoRD | 1.40 | 1.40 | 1.40 |
| Financial Unit | 3.20 | 3.20 | 3.20 |
| Ministry of Health of the Czech Republic | 23.50 | 23.50 | 26.00 |
| Ministry of the Interior of the Czech Republic | 23.72 | 23.26 | 22.00 |
| Ministry of Labour and Social Affairs of the Czech Republic | 20.59 | 15.95 | 16.95 |
| Centre for Regional Development of the Czech Republic | 55.00 | 51.00 | 55.00 |
| **Total** | **189.885** | **185.035** | **193.275** |

*Source: MA and IBs as of 30/09/2015*

Table Nr. 40 - **Draft administrative capacities of IB IOP for the period December 2015 – June 2016**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| The below list reflects the need to ensure a functional jobs for employees involved in taking up EU funds in IOP, which will be relevant for the preparation of the State budget for 2016 by individual ministries. | **Total (FTEs)** | **MoLSA** | **MoH** | **Ministry of the Interior** |
| **Total (FTEs)** | **(12/2015-04/2016)**  **(05/2016-07/2016)** | **9.00**  **9.00** | **14.00**  **14.00** | **19.00**  **10.00** |

*Source: MA and IBs as of 30/09/2015*

Comments on the administrative capacity of individual IOP bodies are shown in the following table.

|  |  |
| --- | --- |
| **Managing authority** | With effect from 1 July 2015, the State Secretary’s Service Regulation no. 3/2015 issued a systemization of service and regular positions in the Ministry of Regional Development, which resulted in an increase in the number of employees of the MA IOP’s OP Management Department by 2 positions mainly due to simultaneous termination of the IOP and the preparation and implementation of IROP.  The FTEs of MA IOP as of 30 September 2015 does not include employees working under APW/ACJ (FTEs as of 30 September 2015 – 6.5 employees under APW and 1 employee under ACJ).  Currently all positions are not occupied; currently, there are 2 ongoing selection procedures. |
| **Centre for Regional Development of the Czech Republic** | The planned administrative capacity of IOP has not changed, only currently not all IOP positions are occupied. |
| **Ministry of the Interior of the Czech Republic** | Toward the end of existence of the IB at MoI, employees tend to give notices. They are being partly replaced by APW workers. In the reporting period, three employees terminated employment. One worker was hired to the audit department. |
| **Ministry of Labour and Social Affairs of the Czech Republic** | A significant decline in FTEs compared to the previous year is due to the fact that since June/July 2015 several project managers saw their involvement in the project reduced.  Reducing FTEs is related to the termination of the programming period and their transfer to another agenda.  As of 30 April 2015, the head of ERDF Division took parental leave; since 1 May 2015 this position has been taken over by the project manager of IA 3.1; after a redistribution of the agenda within the ERDF Division ERDF she performs both positions simultaneously.  Due to organizational changes at the MoLSA as of 1 June 2015, some executive positions were excluded from the project. |
| **Ministry of Health of the Czech Republic** | In the reporting period the number of employees remained the same. |

**Table Nr. 41 - Monitoring of fluctuation by types of positions and implementation bodies**

| **Staff turnover in the OP implementation structure by types of positions** | **Number of employees at a given position by their involvement in the implementation as of 16 April 2015** | | **Number of employees at a given position by their involvement in the implementation as of 30/09/2015** | | **Number of terminated / changed employment contracts at the type of position by involvement\* in OP implementation** | | **Number of terminated / changed employment contracts at the type of position by involvement\* in OP implementation (only parental leave, pension, death etc.)** | | **Number of commenced employment contracts at the type of position by involvement in OP implementation** | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **MA** | **IB** | **MA** | **IB** | **MA** | **IB** | **MA** | **IB** | **MA** | **IB** |
| Monitoring system administrator | 5.00 |  | 6.00 |  |  |  |  |  | 1.00 |  |
| Administrative worker | 4.70 | 3.31 | 1.00 | 6.00 |  |  |  |  |  | 1.44 |
| OP analyst |  | 1.00 |  | 1.00 |  |  |  |  |  |  |
| Finance manager | 14.00 | 28.04 | 16.70 | 22.58 |  | 1.10 |  |  | 0.70 |  |
| Communications officer | 2.725 | 1.92 | 3.725 | 1.92 |  |  |  |  |  |  |
| Auditor | 11.50 | 6.26 | 10.50 | 7.81 |  | 0.25 | 1.00 |  |  | 1.73 |
| Evaluation coordinator | 1.00 |  |  |  | 1.00 |  |  |  |  |  |
| Coordinator of audits and irregularities |  | 0.50 |  | 0.50 |  |  |  |  |  |  |
| Technical assistance coordinator | 2.00 | 2.26 | 2.00 | 1.63 |  | 0.63 |  |  |  |  |
| Education and HR coordinator | 2.00 |  | 2.00 |  |  |  | 1.00 |  | 1.00 |  |
| OP management methodist | 9.625 | 6.76 | 10.50 | 4.76 | 1.00 | 2.00 |  |  | 1.75\*\* |  |
| Lawyer |  | 1.95 |  | 1.63 |  |  |  |  |  |  |
| Project manager |  | 52.02 | 1.00 | 46.80 |  | 5.00 |  |  | 1.00 | 3.00 |
| Manager | 7.60 | 15.91 | 7.60 | 17.70 |  | 1.90 |  |  |  | 1.00 |
| Other positions | 9.925 | 2.88 | 10.30 | 1.38 | 2.625 | 0.50 |  |  | 5.00 |  |
| **Total number of employees** | **67.075** | **122.81** | **71.325** | **113.71** | **4.625** | **11.38** | **2.00** | **0.00** | **10.45** | **7.17** |

*Source: MA and other implementation bodies as of 30 September 2015*

*\* If the employee’s FTE is less than 100% of his involvement in the implementation of the programme, the FTE for the programme is provided*

*\*\* Return from parental leave – 0.75 FTE*

# 

# 5 MAIN CONCLUSIONS

In the period from 17 April 2015 to 30 September 2015, a total of 50 applications totalling EUR 34.85 million were submitted. As of 30 September 2015, a total of 8,509 projects worth EUR 1,693.86 million were approved, i.e. 105.05% of the total programme allocation. In the reporting period, the beneficiaries were paid EUR 70.98 million, accounting for 4.53% of the programme allocation; the total funds reimbursed as of 30 September 2015 stood at 63.42% of the programme allocation. Summary applications of the PCA accounted for a total of EUR 1,091.2 million, i.e. 66.52% of the allocation. In the reporting period, certified expenditure amounted to EUR 11.17 million, making up 0.8% of the programme allocation; total certification stands at 61.78% of the programme allocation.

The MA IOP presented the EC with applications for both big projects (“Preparedness of the Fire Rescue Service of the Czech Republic to deal with floods” and “Improving the capacity of the Police of the Czech Republic to save lives and protect property during floods”). As requested by the European Commission, on 30 May 2014 the MA IOP submitted a modified application, which clarified the purpose of the acquired equipment and extended the needs analysis of the project of DG FRS “Preparedness of the Fire Rescue Service of the Czech Republic to deal with floods”. The European Commission approved the project on 14 August 2014. The project is currently under implementation and according to the approved schedule, it is currently in the public procurement phase. The project of the Police Presidium was not approved by 25 February 2015; therefore, on 26 February the beneficiary submitted a Notice of project termination; the MA IOP subsequently withdrew the support application under the major project scheme.

In 2015, the main objective is to conclude the final procurement procedures, successfully complete project implementation and maximise the take-up of available resources from the available programme allocation. It is also necessary to start preparing for the closure of the programme.

The key issue is extending the implementation of some projects that affect the predicted take-up of funds. In July 2012, the IOP Managing Authority in cooperation with intermediate bodies started to carry out a special system **of supervision and management of dormant projects** (project implementation deadlines are on the verge of feasibility), high-risk projects (difficult communication with the beneficiary, meeting deadlines is very problematic) and risky projects (increased risk that implementation deadlines will not be met in due time according to the original project implementation schedule). Over time, this system has developed, increasingly focusing on individual counselling and supervision of individual projects, often with the involvement of MA IOP, for example in project steering committees.

At the beginning of 2015, the MA IOP estimated the amount of available programme funds at CZK 1.22 billion. This amount does not take into account the risk of withdrawal of dormant and risky projects. These projects represent a potential risk of additional funds being made available, which will not be possible to be taken up given the timeframe. In the case of optimistic scenario, the MA IOP expects programme under-execution of CZK 2.3 billion; pessimistic scenario envisages a loss of CZK 4.1 billion.

# LIST OF ABBREVIATIONS

|  |  |
| --- | --- |
| AA | The Audit Authority |
| AP | Action plan |
| CRC | Central register of contracts |
| CR | Tourism |
| CRD | Centre for Regional Development |
| CZK | Czech koruna - currency unit |
| TEE | Total eligible expenditure |
| CR | Czech Republic |
| CNB | Czech National Bank |
| CP ICT | Czech Post, ICT services branch |
| COSMC | Czech Office for Surveying, Mapping and Cadastre |
| APW | Agreement to perform work |
| ACJ | Agreement to complete a job |
| SCH | Social Care House |
| RGS | Records and Grants System |
| EC | European Commission |
| SMR | Stage monitoring report |
| ERDF | European Regional Development Fund |
| ESF | European Social Fund |
| EFS | Electronic Filing Service |
| EU | European Union |
| EUR | Euro - currency unit |
| ECA | European Court of Auditors |
| FI | Financial instrument |
| UDF | Urban development fund |
| TO | Tax Office |
| GFD | General Financial Directorate |
| DG FRS | Directorate General of Fire Rescue Service |
| DG LO CR | Directorate General of the Czech Labour Office |
| HF | Holding Fund |
| HQ | Headquarters |
| FRS | Fire Rescue Service of the Czech Republic |
| IOP | Integrated Operational Programme |
| IROP | Integrated Regional Operational Programme |
| ICT | Information and communication technologies |
| IDP | Integrated Urban Development Plan |
| IS IRS | Information System of the Integrated Rescue System |
| PAIS | Information Systems of Public Administration |
| ISNR | Information system of national registers |
| IRS | Integrated Rescue System |
| ISKN | Cadastre information system |
| CoP | Communication plan |
| Conv. | Convergence |
| CDA | Control of delegated activities |
| RAC | Regional Administrative Court |
| OLAF | Office de Lutte Anti-Fraude |
| MIP | Manual of internal procedures |
| MFFC | Methodology of financial flows and controls |
| MoC | Ministry of Culture |
| MRD | Ministry of Regional Development |
| MMR | Monthly monitoring report |
| MC IOP | Monitoring Committee of the IOP |
| MJ | Ministry of Justice |
| MoLSA | Ministry of Labour and Social Affairs |
| Ministry of the Interior | Ministry of the Interior |
| Mon. rep. | Monitoring Report |
| MoH | Ministry of Health |
| NSC | National Support Centre for the Transformation of Social Services |
| NIS IRS | National Information System of the Integrated Rescue System |
| SAO | Supreme Audit Office |
| NCA | National Coordination Authority |
| NSRF | National Strategic Reference Framework |
| SAC | Supreme Administrative Court |
| FAB | Financial Administration bodies |
| OM IOP | IOP operating manual |
| OP | Operational Programme |
| OP HRE | OP Human Resources and Employment |
| OP TA | OP Technical Assistance |
| SFD | Structural Funds Department |
| State organisation unit | State organisation unit |
| PCA | Paying and Certifying Authority – National Fund |
| PA | Priority axis / priority area |
| MAB | Manual for applicants and beneficiaries |
| PCR | Police of the Czech Republic |
| WG | Working group |
| RCE | Objective Regional competitiveness and employment |
| GD | Grant decision |
| ROP | Regional operational programme |
| MA | Managing authority |
| SA | Smart Administration |
| SF | Structural Funds |
| SFHD | State Fund for Housing Development |
| ASOP | Administration of state-owned property |
| SB | State budget |
| TA | Technical assistance |
| TA IROP | Technical Assistance of the Integrated Regional Operational Programme |
| OG | Office of the Government |
| OPC | Office for the Protection of Competition |
| SCI | Social care institution |
| ACR | Annual Control Report |
| SA | State aid |
| PP | Procurement procedure |
| PD | Procurement documentation |
| IB | Intermediate body |
| FPE | Final project evaluation |
| FR | Final Report |
| PA | Payment Application |

# Annexes

**Annex 1 - Activities in the field of publicity for the period 17 April 2015 – 30 September 2015**

**Annex 2 - IOP Crisis Plan 2015**

**Annex 3 - Overview of measures adopted in relation to the conclusions of the 15th meeting of MC IOP**

**Annex 4 – List of major projects**

## Annex 1 - Activities in the field of publicity for the period 17 April 2015 – 30 September 2015

| **MA/IB** | **Title** | **Theme** | **Target group** | **Financial expenses of TP IOP (EUR)** | **More information** |
| --- | --- | --- | --- | --- | --- |
| MA | Website [www.strukturalni-fondy.cz/iop](http://www.strukturalni-fondy.cz/iop) | Ongoing publication of information and website updates | Applicants and beneficiaries, public, evaluators, implementation bodies, media | CZK 0 | Website is continually updated throughout the period. |
| MA | Newsletter  IOP Spotlight | Current information on IOP, successful projects, IROP calls. | Applicants and beneficiaries, public, implementation bodies, media | CZK 62,936 | In the reference period two issues of the newsletter were published, focusing on current events in IOP and IROP calls. |
| MA in cooperation with IBs | Microsites kvalitazivota.eu | Ongoing publication of information about projects financed by the IOP | The public | CZK 5,082 (webhosting) | Microsites inform about projects implemented under IOP. They are updated collaboratively by the MA and IB. |
| MA | Travelling exhibition of IOP | The exhibition in the form of large format photographs on easels | The public and the media | CZK 0  (financial costs will be reimbursed after the endo of the exhibition on 30 November 2015) | The travelling exhibition of IOP focused on the general public. In outdoor areas of six major cities of the Czech Republic, it displayed attractive large-format photographs of successful projects in various intervention area of IOP. |
| MA | Leaflets concerning IROP specific objectives 1.1 and 3.3 | Awareness of the areas covered by IROP | Applicants, public, media | CZK 4,000 | Leaflets informing about the activities supported of IROP in specific objectives 1.1 and 3.3. |
| MA | Catalogue of successful IOP projects | Presentation of implemented projects | The public, media, professionals | CZK 24,000 | In June 2015, catalogue of successful IOP projects was completed. The catalogue has 56 pages and was published in printed and electronic version. |
| MA | Seminar concerning call 1.1 Prague | Seminar concerning call 1.1 Prague | Applicants | CZK 100,675 | On 18 August 2015, Prague hosted a seminar for applicants concerning the call “Selected sections of 2nd and 3rd class roads“ announced in the IROP Specific Objective 1.1 |
| MA | Seminar concerning call 3.3 Prague and Olomouc | land-use plans | Applicants | CZK 164,380 | On August 20, Prague hosted a seminar for applicants concerning the call “Land-use plans “ announced in IROP Specific Objective 3.3 A seminar with the same topic was held in Olomouc on 25 August 2015. |
| MA | Press releases, communication on social networks | Increased visibility of MA activities | Public and professionals | CZK 0 | Ongoing publication of information through press releases and information on social networks. |
| MA | Seminars concerning the introduction of IROP | Preparation of absorption capacity of IROP | Beneficiaries and the public | CZK 235,587 | Due to continuous follow-up of IOP on IROP, the publicity also focused on the preparation of the absorption capacity and awareness of the IROP. From 28 January 2015 to 4 May 2015, regional cities of the Czech Republic hosted a series of 13 seminars to introduce the Integrated Regional Operational Programme. |
| CRD | Specialist PR article | Grant options under IOP 5.2 (Integrated Urban Development Plans) | Beneficiaries and applicants, professionals | CZK 15,125 | The article “European subsidies to help improve the environment of Czech housing estates” – issue 47 May 2015, text on the IPRM with emphasis on the Central Moravian region, issue 48 of September 2015, summarizing text on the IOP and related funding opportunities in IROP. |
| CRD | Press presentation in newspapers | Examples of completed projects from IOP 5.1 | General public | CZK 40,172 | Advertisements with the size of 1/4 of a printed page in colour on the regional annexes to MF DNES: 24 April 2015 – Broumov Monastery (Hradec Králové Region), 30 April 2015 - Kuks (Hradec Králové Region). |
| CRD | Press releases | Completion of IOP project implementation | Professionals and general public | CZK 0 | The publication of two press releases on completion of IOP implementation of selected projects and the preparation of a new IROP programme – 14 August 2015 (Terezín, IOP 5.1) and 28 August 2015 (a new technique for the Central Bohemia firefighters, IOP 3.4). Another five similar reports were published on the website of the Centre. |
| CRD | Website  [www.crr.cz](http://www.crr.cz/) and [www.risy.cz](http://www.risy.cz/) | Ongoing publication of information on IOP, continuous update of projects implemented with EU support | Applicants, beneficiaries,  public  implementation entities  media | CZK 0 | Website is continually updated throughout the year. |
| CRD | Consulting Services | Questions on IOP | Public, beneficiaries, applicants | CZK 0 | CRD CR in cooperation with the MA or other IBs (MoLSA) prepare and regularly update a list of frequently asked questions (FAQ), which is published on the CRD website. In addition, the CRD provides applicants and beneficiaries with consulting services, there are ongoing personal consultations with applicants and beneficiaries (not detailed records kept). |
| CRD | Presentations | Presentations on CRD, IOP and IROP | Applicants and beneficiaries, professionals, media | CZK 0 | Presentation at the final conference on IOP 5.1 projects in Terezin (29 July 2015) and in Plasy (29 September 2015) and during the festive ceremony and handover of fire equipment in Říčany (28. 8. 2015). |
| MoLSA | Website  www.mpsv.cz | General information about Intervention Areas 3.1 and 3.3 | Applicants, beneficiaries,  public  media | CZK 0 | Website was continually updated throughout the reference period. |
| MoLSA | Presentations of successful IOP projects in IA 3.1 in the magazine Respekt – two publications | Presentations of successful IOP projects in IA 3.1(a) transformation of social services and the IA 3.1(b) investment support for socially excluded localities | The public | CZK 67,922 | Publication of successful IOP projects – published in the magazine Respekt on 7 September 2015 and 14 September 2015 on ½ page in colour. |
| Ministry of the Interior | Website www.osf-mvcr.cz | Ongoing publication of information and website updates | Applicants, beneficiaries,  public, evaluators, implementation bodies,  media | CZK 0 | Website is continually updated throughout the year. |
| Ministry of the Interior | Website  projekty.osf-mvcr.cz | Database of presentations of successful projects | Applicants and beneficiaries, public, media | CZK 27,398  (hosting) | Website is continually updated throughout the year. |
| Ministry of the Interior | Twitter | Continuous publication of news from SFD | Public  media | CZK 0 | Current number of followers: 241 |
| Ministry of the Interior | Regular production and distribution of the newsletter (NSL) | Informing about the activities of SFD, successful projects, statistics | Professional public | CZK 0 | Issue 2 NSL – no. 1/2015, 2/2015, electronic form, distributed to 1,140 e-mail addresses, available for download from SFD website. |
| Ministry of the Interior | PR articles | Support for IOP and successful projects | Public  media | CZK 0 | 1 PR article published on the SFD website  http://www.osf-mvcr.cz/pr-clanky |
| Ministry of the Interior | Polls on the SFD website | eGovernment  benefits of the project for the operation of the office, publicity measures | Beneficiaries  General public | CZK 0 | 3 polls located on the SFD website: http://www.osf-mvcr.cz/ |
| MoH | Website www.mzcr.cz | Continuous publication and updates of information on Intervention Area 3.2 | Applicants and beneficiaries, public | CZK 0 | Website is continually updated throughout the year. |
| MoH | International meeting of the representatives of the Czech and Slovak Republics and their beneficiaries | International meeting with the representatives of OP Healthcare (SR) and their beneficiaries - exchange of implementation experience with IOP take-up | Beneficiaries and intermediate bodies of the Czech Republic and Slovakia | CZK 147,626 | 8 – 10 September 2015 Brno – exchange of experience with implementation within IOP, getting contacts, excursions at Masaryk Memorial Cancer Institute and the University Hospital of St. Anne. |
| MoH | Website [www.kvalitazivota.eu](http://www.kvalitazivota.eu/) | Ongoing publication of examples of successful projects in Intervention Area 3.2 | The public | CZK 0 | Website is continually updated throughout the year. |

## Annex 2 – IOP Crisis Plan 2015

| **Crisis plan for 2015 of the Integrated Operational Programme** | | | | | | | |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Risk name** | **Measure number** | **Measure description** | **Responsible party** | **Deadline** | **Manner to verify compliance with measure** | **Progress towards the measure as of 28/02/2015** | **Progress towards the measure as of 31/03/2015** | **Progress towards the measure as of 30/09/2015** |
| **Failure to cover disposable allocation,** | 1 | Increase the allocation of the 19th call of Support Area 3.2 by CZK 350 million. | IB MoH | by 28/02/2015 | MoRD-NCA to verify increased allocation of the call on the IOP website. | Fulfilled. The allocation of the 19th call was increased twice in January and February by a total of CZK 400 million to the final CZK 1.7 billion (ERDF). In the case of the second increase, flexibility of the call was used (CZK 50 million) | Fulfilled | Fulfilled |
| 2 | Announce another call in Support Area 3.2 Funds for the call will be provided by the reallocation of the available allocation from unused Support Areas. | IB MoH | by 31/03/2015 | The MoRD-NCA will verify the announcement of calls on the IOP website and the reallocation with MC IOP. | NR | Currently, Intervention Area 3.2 IOP has no disposable allocation. As part of the increase of the 19th call, the remaining funds of the flexibility instrument were fully used. With regard to the date of the eligibility of project expenditure, the announcement of new calls and implementation of other projects is not realistic. | Irrelevant As part of the increase of the 19th call, the remaining funds of the flexibility instrument were fully used. With regard to the date of the eligibility of project expenditure, the announcement of new calls and implementation of other projects was not realistic. |
| 3 | Issue a Grant Decision to all projects in the planned project pipeline in Support Area 2.1 and in pipeline of Support Area 3.1. | MA  IB CRD  IB MoLSA | by 28/02/2015 | As part of reporting, IOP Managing Authority will inform the MoRD-NCA about the progress towards the crisis plan at intervals specified by the Government Resolution on the number of pipeline projects and the number of pipeline projects covered by a Decision. | Fulfilled in IA 3.1 A Grant Decision was issued to all pipeline projects.  Partially fulfilled in IA 2.1 Due to a delay of 99 projects, it was necessary to approach all the potential beneficiaries to submit a notification of change. 4 projects are yet to be evaluated, other projects are in the evaluation process or a ministerial decision has been issued. Grant Decision is yet to be issued for about 30 projects. Until the end of March, it should be issued for the remaining projects. | Fulfilled in IA 3.1 A Grant Decision was issued to all pipeline projects.  Partially fulfilled in IA 2.1 All projects have been evaluated, 10 projects are awaiting Grant Decision. Until the end of April, it should be issued for the remaining projects. | Fulfilled |
| 4.1 | Map projects supported from national resources that would meet the conditions of the programme. Include in mapping also projects that would meet the conditions after the revision of the programme. | MA | by 28/02/2015 | As part of reporting on the progress towards the crisis plan, the IOP Managing Authority will inform the MoRD-NCA, at intervals specified by the Government Resolution, of the number and volume of funds from (un)finished projects supported from national funds. For all projects, it shall indicate whether they can be supported from the IOP. For projects that do not meet IOP requirements, it shall give proposals for the adjustments to the programming document of IOP. | The MA IOP conducted a search and did not find a significant number of such projects. | The MA IOP conducted a search and did not find a significant number of such projects. | Irrelevant The MA IOP conducted a search and did not find a significant number of such projects. |
| 4.2 | Announce new calls for projects identified under Measure 4.1. | MA  IB | by 31/03/2015 | MoRD-NCA to verify the announcement of calls on the IOP website. | NR | Given the above, this measure will not be applied. | Given the above, this measure will not be applied. |
| 5 | Map possible new activities in Support Area 5.2. Based on mapping, increase the allocation for the current FI JESSICA or create a new financial instrument in accordance with the applicable rules. | MA | by 31/03/2015 | As part of reporting the procedure for progress towards the crisis plan, the MA IOP will inform the MoRD-NCA, at intervals specified by the Government Resolution, of the results of the mapping of new activities and proposed next steps (increasing the allocation of FI Jessica or creating a new FI), including a schedule of steps. | NR | The MA IOP mapped the absorption capacity, identifying low interest in the continuation of the FI JESSICA in IDP areas. Based on EC Regulation, it is not possible to invest in housing where housing interventions take place outside an integrated approach. Therefore it would be necessary to implement a further round of FI Jessica only in existing IDP areas where the absorption capacity has been exhausted. Therefore, this measure will not be applied. | Irrelevant The MA IOP mapped the absorption capacity, identifying low interest in the continuation of the FI JESSICA in IDP areas. Based on EC Regulation, it is not possible to invest in housing where housing interventions take place outside an integrated approach. Therefore it would be necessary to implement a further round of FI Jessica only in existing IDP areas where the absorption capacity has been exhausted. Therefore, this measure will not be applied. |
| 6 | Examine the possibility of announcing phasing calls on activities that can be supported from both the IOP and the Integrated Regional Operational Programme. Based on a review, adjust control documentation and announce the calls. | MA | by 31/03/2015 | As part of reporting on the progress towards the crisis plan, the IOP Managing Authority will inform the MoRD-NCA, at intervals specified by the Government Resolution, of whether it is possible to announce phasing calls. The Managing Authority will give MoRD-NCA a list of Support Areas where there is room for the announcement of phasing calls, including the specification of supported activities, as well as quantifying the volume of funds. | NR | The MA IOP examined the possibility to use phasing calls, having identified no areas suitable for the use of this instrument. | Irrelevant The MA IOP examined the possibility to use phasing calls, having identified no areas suitable for the use of this instrument. |
| **Failure to complete projects in time,** | 7 | Continue regular meetings with the beneficiary of a large project, with a detailed monitoring of progress towards the schedule. | Ministry of the Interior | at least once every 2 months until 30 November 2015 | MA IOP will send MoRD-NCA the minutes of meetings as part of reporting on the progress towards the crisis plan at intervals specified by the Government Resolution. | On track. A meeting scheduled for the end of March, NCA will then receive the minutes. | On track. The meeting was held on 30 March 2015, the next is scheduled for the end of 5/2015. | On track. The last meeting was held on 29 September 2015, the next is scheduled for the end of 11/2015. |
| 8 | Beneficiary of the project “National Information System IRS” worth CZK 528 million, “Provision of infrastructure for the operation centres of basic IRS units” worth CZK 300 million. “Centre for services” worth CZK 610 million, where Czech Post - ICT Branch is the general contractor, to inform the Czech government on the progress in the implementation of the projects (in particular progress towards the project schedule) and how to resolve any problems that threaten the implementation of these projects. | Ministry of the Interior | monthly until the completion of projects:  IS NIS by 30/11/2015  ITS NG by 06/30/2015  CMS by 30/11/2015 | The MoRD-NCA will verify performance within the document checks at the meeting of the Government. | The task will be coordinated for the whole Ministry of the Interior (this includes the NIS project, which is the responsibility of another IB) and presented to the government as required. Information on the development of the projects CMS and ITS will be reported by the MA IOP on a monthly basis within the Monthly IOP Report. | Ongoing. The Ministry of Interior informed the Minister of MoRD about the status of the above projects in a letter of 4 September 2015. The information will also be presented at the meeting of the government in April. | On track. Information for the Government as of 31 July 2015 was presented at the government meeting in late August, an update as of 31 August 2015 was prepared; currently it is undergoing internal comment procedure, then will be submitted to the government. An update as of 30 September 2015 is being prepared. |
| 9 | Continue the reinforced monitoring of dormant, high-risk and risky projects and regularly inform the government of the Czech Republic.  Connect the information with the screening of unfinished projects and inform about the projects which will continue as unfinished projects. | MA | quarterly until 31/1/2016 | Fulfilment of the measures will be verified in the analysis of documents for the meeting of the Minister of Regional Development. | The MA IOP is preparing an update of problem projects. | Ongoing. The MA IOP is preparing an update of problem projects. Expected date of submission of documents to the meeting of the Minister is end of 4/2015. | On track. The MA IOP has updated problem projects as of 1 July. The document “Information on problem projects in the Integrated Operational Programme” was presented at the meeting of the Minister on 21 September 2015 and was acknowledged. On 1 October 2015, the document was entered into eKLEP and will be submitted at the meeting of the government for information. Based on the decision of the Minister, a letter was sent to the Ministry of Interior, Ministry of Culture, Ministry of Health and the Ministry of Labour and Social Affairs (Labour Offices) warning on risk projects. |
| **Failure to fulfil contracts on the delegation of IOP Managing Authority tasks to Intermediate Bodies** | 10 | Provide for funds in the budget to cover the activities of IOP intermediate bodies at the time of closure of the programme in accordance with the agreements on the delegation of MA IOP tasks to IBs. Within the specified date to send a letter to the Minister of Regional Development informing on ensuring sufficient financial and personnel capacity. | MoLSA  Ministry of the Interior  MoH | by 30/06/2015 | The MoRD-NCA will verify the task in letters to the Minister of Regional Development. | NR | Being addressed. The MA IOP has prepared the document “Information on the necessary conditions for the proper completion of the Integrated Operational Programme”, which reflects the needs of IB IOP to ensure sufficient administrative capacity and resources for their financing for the proper closure of the programme. On 24 March 2015 the document was circulated for internal comment procedure. All the comments were settled. As part of next steps, the document will be presented to the interministerial comment procedure and subsequently to the Czech Government for consideration. | Ongoing. The MA IOP has prepared the document “Information on the necessary conditions for the proper completion of the Integrated Operational Programme”, which reflects the needs of IB IOP to ensure sufficient administrative capacity and resources for financing for the proper closure of the programme. The document was approved by the Czech government in July. |

## Annex 3 - Overview of measures adopted in relation to the conclusions of the 15th meeting of MC IOP

**Elaborated conclusions of the 16th meeting of IOP Monitoring Committee of 16 June 2015**

|  |  |  |  |
| --- | --- | --- | --- |
| **Task assigned** | **Conclusion/task number** | **Due Date** | **Manner of completion** |
| **MA IOP** | C/1 MA IOP correct the formal mistake in the 2014 PC on p. 103 before sending the report to the EC | immediately after the MC meeting | Formal error was corrected on  16 June 2015 |
| **MA IOP** | C/2 MA IOP send members a list of problem IOP projects as of 31 March 2015 and indicate which of them are related to the Czech Post ICT | by 30/06/2015 | Documents sent to the members of MC IOP by e-mail on 23 June 2015.   * Problem IOP projects – Czech Post * Information on problem IOP projects updated as of June 2015 |
| **MA IOP** | C/3 MA IOP in cooperation with MoLSA, send the Association of Regions a list of projects in 3.1 | by 30/06/2015 | The list of projects in IA 3.1a IOP emailed to the Association of Regions on 22 June 2015. |
| **MA IOP** | C/4 MA IOP submit a change to IOP Programming Document to the European Commission | by 30/09/2015 | Change to the IOP Programming Document was submitted on 3 September 2015 |

## Annex 4 – List of major projects

| **Project** | | | | | | | **Procurement procedures** | | | | | **Progress** | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **OP/PA** | **Project title** | **Approved by MA (date when Grant Decision was issued)** | **Expected/actual project completion date** | **Approved at the EC level** | **Degressivity rate (only ENV)** | **EU contribution (SF/ERDF)** | **Procurement procedures** | **PP contract signed** | **Tender procedure volume** | **Exchange rate** | **Tender procedure volume** | **Funds paid out to beneficiaries (accounted funds)** | | **Comment on the project implementation stage** |
|  |  | **date** | **date** | **date** |  | **EUR** |  | **date** | **CZK** |  | **EUR** | **Previous MC** | **Current MC** |  |
| IOP | Preparedness of the Fire Rescue Service of the Czech Republic to deal with floods | 19/08/2014 | 30/11/2015 | 14/08/2014 |  | 49,621,057 |  |  | 1,192,595,839 |  | 34,968,581 |  |  | As of 30 September 2015, 21 procurement procedures were completed, 3 procurement procedures have been commenced and one is planned. |
|  |  |  |  |  |  |  | Containers co-financed from the Integrated Operational Programme | 26/03/2015 | 23,966,942 | 27.515 | 871,050 |  |  |  |
|  |  |  |  |  |  |  | Full-metal vessels co-financed from the Integrated Operational Programme |  | 1,074,380 |  |  |  |  |  |
|  |  |  |  |  |  |  | Inflatable vessels co-financed from the Integrated Operational Programme |  | 5,495,868 |  |  |  |  |  |
|  |  |  |  |  |  |  | Truck fire engines (water jet) co-financed from the Integrated Operational Programme | 24/02/2015 | 210,743,802 | 27.792 | 7,582,894 |  |  |  |
|  |  |  |  |  |  |  | High-capacity CAS co-financed from the Integrated Operational Programme | 24/02/2015 | 191,720,662 | 27.792 | 6,898,412 |  |  |  |
|  |  |  |  |  |  |  | Portable mud pumps with accessories co-financed from the Integrated Operational Programme | 13/02/2015 | 4,457,851 | 27.792 | 160,401 |  |  |  |
|  |  |  |  |  |  |  | Rescue trucks co-financed from the Integrated Operational Programme | 11/12/2014 | 55,717,355 | 27.609 | 2,018,087 |  |  |  |
|  |  |  |  |  |  |  | Fire rescue vehicle platforms co-financed from the Integrated Operational Programme | 06/03/2015 | 223,140,496 | 27.515 | 8,109,776 |  |  |  |
|  |  |  |  |  |  |  | Trucks co-financed from the Integrated Operational Programme | 27/05/2015 | 24,132,231 | 27.435 | 879,615 |  |  |  |
|  |  |  |  |  |  |  | ISO containers co-financed from the Integrated Operational Programme | 25/02/2015 | 9,256,198 | 27.792 | 333,053 |  |  |  |
|  |  |  |  |  |  |  | Warehousing equipment co-financed from the Integrated Operational Programme | 05/05/2015 | 1,452,066 | 27.435 | 52,928 |  |  |  |
|  |  |  |  |  |  |  | Renovation of buildings co-financed from the Integrated Operational Programme |  | 43,686,812 |  |  |  |  |  |
|  |  |  |  |  |  |  | New development co-financed from the Integrated Operational Programme | 24/04/2015 | 59,589,545 | 27.473 | 2,169,022 |  |  |  |
|  |  |  |  |  |  |  | Polygon for driving tests in calm water co-financed from the Integrated Operational Programme |  | 18,240,145 |  |  |  |  |  |
|  |  |  |  |  |  |  | Mandatory publicity co-financed from the Integrated Operational Programme |  | 581,818 |  |  |  |  |  |
|  |  |  |  |  |  |  | Excavation technology co-financed from the Integrated Operational Programme - repeated announcement | 22/04/2015 | 34,380,165 | 27.473 | 1,251,416 |  |  |  |
|  |  |  |  |  |  |  | Vehicle service stations co-financed from the Integrated Operational Programme - repeated announcement | 07/04/2015 | 5,400,000 | 27.473 | 196,557 |  |  |  |
|  |  |  |  |  |  |  | Amphibious vehicles co-financed from the Integrated Operational Programme - repeated announcement | 24/05/2015 | 3,719,008 | 27.435 | 135,557 |  |  |  |
|  |  |  |  |  |  |  | Vehicular cranes co-financed from the Integrated Operational Programme - repeated announcement | 18/03/2015 | 23,884,298 | 27.515 | 868,046 |  |  |  |
|  |  |  |  |  |  |  | Flood containers co-financed from the Integrated Operational Programme - repeated announcement | 07/05/2015 | 12,396,694 | 27.435 | 451,857 |  |  |  |
|  |  |  |  |  |  |  | Command vehicles co-financed from the Integrated Operational Programme - repeated announcement | 03/06/2015 | 29,090,909 | 27.463 | 1,059,276 |  |  |  |
|  |  |  |  |  |  |  | Container technology co-financed from the Integrated Operational Programme - repeated announcement |  | 146,033,058 |  |  |  |  |  |
|  |  |  |  |  |  |  | Containers co-financed from the Integrated Operational Programme - 2nd part - repeated announcement |  | 10,330,578 |  |  |  |  |  |
|  |  |  |  |  |  |  | Equipment for long-distance transport of water co-financed from the Integrated Operational Programme - repeated announcement II | 12/05/2015 | 52,966,942 | 27.435 | 1,930,634 |  |  |  |
|  |  |  |  |  |  |  | Warehousing technology co-financed from the Integrated Operational Programme - 1st part - repeated announcement |  | 1,138,016 |  |  |  |  |  |
| IOP | Improving the capacity of the Police of the Czech Republic to save lives and protect property during floods |  |  |  |  | 47,879,967 |  |  |  |  |  |  |  | This project was not implemented |

1. In multi-objective priority axes, the applications submitted and funds covered by a Decision/Contract are provided under support areas related to the Convergence objective (a). In support areas that fall under the Regional Competitiveness and Employment objective (b), the number is zero (except for Priority Axis 4). [↑](#footnote-ref-2)
2. For the statistics of excluded projects, it is important to distinguish between excluded and rejected projects. **Excluded projects** = all projects with a negative status. **Rejected projects** = all projects with a negative status except the status N5 Project application withdrawn by the applicant, and status N7 Project not completed/withdrawn. Thus, there is a difference if the project is excluded by the administrator or withdrawn by the applicant/beneficiary. [↑](#footnote-ref-3)
3. Given that priority axes have multiple objectives, the number of submitted applications and Projects covered by a Decision/Contract is given for support areas related to the Convergence objective (a). The number in support areas that fall under the Regional Competitiveness and Employment objective (b) is zero. [↑](#footnote-ref-4)
4. Given that priority axes have multiple objectives, the number of submitted applications and Projects covered by a Decision/Contract is only given for support areas related to the Convergence objective (a). The number in support areas that fall under the Regional Competitiveness and Employment objective (b) is zero. [↑](#footnote-ref-5)
5. Given that priority axes have multiple objectives, the number of submitted applications and Projects covered by a Decision/Contract is only given for support areas related to the Convergence objective (a). The number in support areas that fall under the Regional Competitiveness and Employment objective (b) is zero. [↑](#footnote-ref-6)