MINISTRY OF REGIONAL DEVELOPMENT

National Coordination Authority

Analysis

Duration of reimbursement of payment requests of selected OPs in Czechia

Executive summary

February, 2019

The analysis is focused on the length of the payment of Requests for Payments to grant beneficiaries of Operational programmes in the Czech Republic from the beginning of the current programming period (2014, resp. most frequently until 2016, when the first payments were actually paid for the majority of OP) until the end of 2018. It attempts, using the descriptive statistics, to answer the question: "How long does it take to pay the money to the recipient." It also builds on earlier analysis of the Ministry of the Regional Development - National Coordination Authority inspired by Vanguard methodology.

Most of the analysed programmes, their Specific objectives, respectively the individual calls on average accelerates its reimbursement. However, several areas were identified that slightly slow down in time. Likewise, there were several areas identified, which (especially at the beginning of the programming period) took too long to reimburse. For such parts of the implementation structure it is recommended to identify why the reimbursement of specific projects took longer and try to prevent any excessive lengths of reimbursements in the future. The length of reimbursement of the Requests for Payment can be very important with regard to cash flow of beneficiaries, and for the minor beneficiaries it can be decisive with regard to their viability.

In the long term the longest time required for payment of the Request for Payment are reached by the Priority Axis (PA) securing the so-called Technical Assistance of the OPs. In 2018 the longest periods were reached by PA1 OP Research, Development and Education and PA3 OP Prague – the Growth Pole of the Czech Republic. The biggest fall in the rate of reimbursement for 2018 was recorded by PA4 OP Enterprise and Innovation for Competitiveness. In detail for the Operational Programmes you can find a lot of exceeding of standard limits. In 2018, the fastest reimbursement to beneficiaries of Requests for Payments were OP Environment, OP Employment, and OP Transportation.

Operational Programme Transportation has a very good rate of reimbursement of Payments for Requests of "substantive" PA - around 30 days in 2018. It also achieves high average length values of reimbursement under their PA providing technical assistance, and it is accelerating in time even in this case. It would be good to analyse further reasons for reaching higher values even in one of the calls in PA1.

Integrated Regional Operational Programme does not reach any extreme values within monitored larger units, in addition it is accelerating in time. It is essential in this case to look at the individual calls and try to decipher what went wrong (it took too long on average to pay for the total of three calls under PA2 and PA3).

The Operational Programme Prague – the Growth Pole of the Czech Republic achieved higher average values necessary for reimbursement of Requests for Payment. The best are PA1 and PA5, the reimbursement takes the longest (average of 86 days) in PA3, historically it took a very long time also for the reimbursement within PA4 and PA5.

Operational Programme Enterprise and Innovation for Competitiveness reaches average values. The paradox is that in several PA in time the reimbursement is slowing down (PA1, 2 and 4). It reached significantly long periods within PA5 (TA), however, there has been a fast improvement. There are a total of 5 calls with disproportionately long periods for reimbursements of Requests for payment.

Operational Programme Technical Assistance reaches in its second priority axis threshold average values of 120 days necessary for reimbursement. If we look, however, at the average values for 2018, OPTA has significantly increased its speed in both PA.

Operational Programme Research, Development and Education achieves good results in case of PA3 and PA4, worse results in PA1 and PA2. Furthermore, PA2 slowed down its reimbursement in time In detailed view it is possible to identify calls, where the reimbursement took too long in PA1 and PA3.

Operational Programme Employment generally achieves very good results. With one exception, no problems have been identified with the length of the reimbursement. The only PA3 is in time slightly slowing down.

Operational Programme Environment reimburses to its beneficiaries the fastest of all monitored OP. There was no problem in any of the PA or within any individual calls.