

1st Progress Report

Progress Evaluation of the R&DI OP

15th April 2013

Version 1.2

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1 Introduction

The commission (work) for the evaluation of R&DI OP, whose execution started after signing a Contract for Work on 12th February 2013 and which is to be terminated in 2016, has been fulfilled for the Czech Ministry of Education, Youth and Sports by the company “HaskoningDHV Czech Republic, spol. s r. o.” – named as “DHV CR, spol. s r. o.” before having changed its business name – and by the company “IREAS centrum, s. r. o.”.

The present 1st Progress Report, submitted within the above-mentioned project, actually stands for the first Progress Report elaborated within the scope of the aforesaid job.

Considering the conclusion of the Contract for Work for this job, not concluded until the middle of February 2013, the Evaluating Team had only 8 weeks to elaborate the 1st Progress Report. For that reason, we shall emphasise that the conclusions and recommendations given in the present report to the evaluation tasks have to be considered as preliminary ones.

Their subject matter will be consequently detailed in the upcoming work execution period in line with applying a wider scope of evaluation methods compared to their number used herein considering the length of the period between the signature of the present Contract for Work and the deadline for submitting this first main output of the job concerned.

In spite of that, the Evaluating Team would like to thank a lot to the representatives of the Managing Authority (MA) of the R&DI OP, whose helpfulness and willingness in providing the Evaluating Team with necessary basic information and other complementary data within several meetings helped elaborate the 1st Progress Report in such a short period of time.

2 Summary

The 1st Progress Report included the assessment of the evaluation tasks fixed for fulfilling this public contract.

The part of the general management of the Programme was focused in this report both on more detailed evaluation of the process being currently set up to conclude projects, and on preliminary evaluation of the key criteria as well as all other processes selected. Nevertheless, they were assessed only as preliminary with respect to the time framework for preparing the 1st Progress Report which did not allow for making all necessary discussions with key staffs of the MA of the R&DI OP, directly involved in those processes.

The part focused on the material progress and financial performance provides well-arranged information of the existing evolution in the Priority Axes and their Support areas, while several partial recommendations and conclusions have been formulated in connection to the up-to-now elaborated evaluations. This field shall, however, consider the fact that this part of the evaluation shall be even more detailed during the preparation of the upcoming Progress Reports. For that reason, the conclusions and recommendations given herein shall be understood only as preliminary ones.

The evaluation of the current evolution with real or possible impact on the implementation of the Programme or the projects within mainly emphasised the factors influencing the whole Programme or the factors generally affecting all or the majority of the projects under execution. The factors with impact on particular projects shall be simultaneously analysed and assessed within the preparation of the upcoming Progress Reports.

The part of the chapter aimed at the recommendations for establishing year-to-year target values of the monitoring indicators and their progress evaluation also assessed the financial performance of the Programme closely related to the existing evaluation of the material progress.

The part focused on the assessment of the modifications to be made in the R&DI OP was analysed by the Evaluating Team namely as for the intervention logic of the Support area 4.1, clearly showing that the extension considered in the number of authorised applicants and beneficiaries of the support from that R&DI OP part would really be required to achieve the effects fixed for the whole Priority Axis 4.

In the end, the Evaluating Team focused the last part on the identification of the most significant findings and recommendations for the MA of the R&DI OP that have already been formulated in previous evaluation studies aimed at that Operational Programme.

3 Evaluation Tasks

3.1 Evaluation Task No. 1 - General Management of the Programme

3.1.1 Summary of the Chapter

This chapter describes the evaluation of the “closing” process which is recommended, based on the assessment made, to be interconnected with the processes for the sustainability period and also to be further incorporated in the checking process itself for verifying not only progress but also monitoring reports. In addition, this chapter is also focused on preliminary evaluation of all other selected processes on condition that the evaluation shall further be detailed and elaborated using semi-structured interviews with the representatives of the MA of the R&DI OP in the following report.

3.1.2 Analysis of the Problem

3.1.2.1 Evaluation of the Current Subject-Matter of the Project Termination Process

During the assessment of the project termination process, all internal documents for this process have not been terminated yet. Nevertheless, the existing ones could be subjected to partial assessment. For that reason, the Evaluating Team concentrated their process evaluation on the existing written processes stipulating this process and on assessing actually the first Final Evaluation of the material progress in projects supported within PO2 that had been elaborated by the first beneficiary ending with execution of the project.

As for the existing definition of internal written procedures, and to be able to **provide the final evaluation of the material progress** in the projects executed, the MA of the R&DI OP has elaborated **Appendix No. 17k)** to the R&DI OP applicants' and beneficiaries' manual to be fulfilled by beneficiaries as one of annexes to the Final Monitoring Report. The principal objective of the MA of the R&DI OP at introducing and specifying the process is to **provide the most complex and first-rate final evaluation** of the projects executed, which seems to be necessary mainly in line with this specific OP and the nature and extent of investments supported. From that point of view, the representatives of the MA of the R&DI OP found the **existing way of elaborating and submitting the beneficiaries' monitoring reports as not being completely sufficient**. This mainly involved the fact that the existing structure and extent of the monitoring reports do not provide the MA representatives of the R&DI OP with sufficiently complex information on the projects executed, through which the MA of the R&DI OP **might be reassured of really fulfilling all parameters of the projects approved with the beneficiaries within the Technical Description of their project** – one of basic appendices to the issued Subvention Allocation Decision for each project supported.

Through fulfilling Appendix No. 17k), the support beneficiary shall provide the MA of the R&DI OP with all relevant information about the course and effects of a project executed. This involves also the information that has not been involved in proper monitoring reports by then (e.g. description of other project's outputs as internal directives or business plans made). According to the MA representatives of the MA R&DI OP, this **might allow** each project executed to be not only **comprehensively assessed**, but also **preventing thereby from any difficulties at consequent inspections** by other bodies doing checking activities different from those done by the MA of the R&DI OP. The third reason for implementing this process by the MA of the R&DI OP can also be seen in struggling for **such a tool created** to be able to **support e.g. consequent decisions on further finance for supported centres**, provided through other public resources.

The first version of that Appendix No. 17k) also included mainly opinions of the beneficiaries of the projects finished to the fulfilment of the project's general objectives, to expected results / outputs and milestones of the project, to the fulfilment of other objectives fixed, to the human resources policy, to the way of managing the project and to the organisational structure introduced, to quantification of the project's outputs, to other project's outputs, to the implemented risk-management system, to the equipment provided, to the international cooperation issue and also to the sphere of evaluations (if evaluation has been provided during the execution of the project). All the above-mentioned parts could further be commented by the beneficiaries, or be completed in their consideration.

The first version of this appendix was already fulfilled by the **first beneficiary** that terminated his project supported from PO 2 of the R&DI OP as for 31/12/2012. Considering the information given by the beneficiary of that project in Appendix No. 17k), **some data** may be said **not to give sufficient details** to make complex evaluation of the material progress of the given project. For example, data on providing long-term outputs generally inform only of the work started up, not of its real status, of the number of the staff involved, etc. Similarly, the total number of patents granted and publications made has not been further specified, which makes the progress evaluation of a project more difficult at the level of long-term outputs. In addition, the description of partial objectives related to particular research Programmes or activities does not generally specify the beginning of the work and activity when that work / activity for providing defined outputs have not been started.

To consequently monitor the activities of supported centres at the sustainability period of time, this type of information simultaneously seems to be significant because the activities and works to achieve their objectives at the level of a support centre may be expected to be scheduled sufficiently in advance.

As for another currently considered procedure, applied by the representatives of the MA of the R&DI OP while evaluating the information given by a beneficiary into Appendix No. 17k), that Appendix is first verified by a project manager in charge who

can add his/her comments. Moreover, if considering the data given in that Appendix as insufficient, he/she can return them to the beneficiary for providing further detail about it. While discussing the Appendix with the head of project managers and when having the Appendix authorised by the director of the R&DI OP Implementation Section, the Appendix is handed over to the R&DI OP Management Department to be further provided by the Priority Axis guarantor's opinion on data therein. The guarantor is further supposed to be able, if necessary, to ask an external expert for more details to some specific fields.

The next scheduled step at discussing a really achieved material progress is the organisation of a **project presentation**. This would be followed by a meeting of a special commission to evaluate all documents and classify the project in a category according to the rate of fulfilling the project's missions and the status of its material progress. During the preparation of this 1st Progress Report, 3 categories have in total been considered, with finally assessing the projects finished as being successfully executed, executed with less significant imperfections or executed with more serious imperfections, even not able to fulfil the principal objectives of the support given thereby.

The Evaluating Team can consider the main issue that some facts informed of by the beneficiary within Appendix No. 17k), have not been sufficiently monitored at current progress monitoring of the execution of the projects supported.

This procedure (i.e. also extending progress monitoring reports with the fact reported about in final evaluation of the material progress) could help immediately to achieve **several positive effects**:

- a) Any partial imperfection at fulfilling the beneficiaries' duties could be **identified in a some bigger advance**, not to only increase probability of their still timely provision, but also to assure the fulfilment of the obligations to be performed already during the execution stage of the projects (mainly in the policy of human resources hired into the supported centres already in the project execution stage), not ex-post, e.g. in the course of elaborating Appendix No. 17k).
- b) Project managers in charge within the MA of the R&DI OP would have **at their disposal full information** already at execution of the projects on the course of activities performed. This would involve also consequent general activities in line with supported investments and their impact on project outputs (e.g. internal directives or procedures in the human resources policy, etc.).
- c) **General labour-intensity** of the monitoring and continuous evaluation of that type of information provided by the beneficiary **would be spread out in time**, for the whole period of execution of the projects performed, thus not to significantly increase the requirements in the final stage (after terminating the project execution stage), put on the MA administrative staff of the R&DI OP just at evaluating a general success rate of the projects executed, which would have been

supported by the currently considered system established on a final complex evaluation of the material progress of the projects. This mainly highlights the fact that other projects executed namely within PO 1 and 2 may be expected to be terminated in 2013.

- d) This would most probably **significantly reduce the risks** arising from the option of having identified new discrepancies at the level of the projects under termination, in line with that closing procedure, which might happen due to continuously monitoring the fulfilment of even less important duties of the beneficiaries (from a particular point of view).

On the other hand, the Evaluating Team is aware of the specificity of the projects supported from the R&DI OP compared to projects of other Operational Programmes. For that reason, it appreciates the MA's efforts to promote and define a supplementary process for concluding projects after the end of their execution stage. It just outlines the question whether this type of evaluation can be rather considered as one of **the first inputs for consequent monitoring and evaluation of the fulfilment of the beneficiaries' duties during the sustainability period fixed.**

In such case, Appendix No. 17k), created by the beneficiary, might stand not only for a **complex presentation of the project's execution**, but also for **the beneficiary's "action plan"** for the sustainability period to further specify the way how the beneficiary wants to fulfil all his/her duties and obligations required just for this period.

At the same time, using that Appendix No. 17k) verified and if necessary, even completed by the R&DI OP project manager responsible for the project concerned during its execution stage to get all necessary information for the R&DI OP representative in charge of monitoring the project just in the sustainability period of time.

As for the evaluation of required basic criteria, the following can be mentioned for the process of conclusion defined hereby:

- **Demanding character of the implementation system** – difficulties in the system at closing the process can be assessed as **high** both for the MA of the R&DI OP and for the beneficiaries (in fact, it is a completely new process for both parties. It has not been tested yet and is not comparable to similar processes in other Operational Programmes);
- **Comprehensiveness of the implementation system** – the existing stage of the process elaboration can just help evaluate comprehensibility for one beneficiary that has elaborated Appendix No. 17k) in connection to terminating the execution stage of his/her project. The pilot evaluation of the material progress, elaborated by that beneficiary, shows that there is some under-estimation of that evaluation part of the given project, which is greatly connected to the fact that while elaborating that Appendix by the beneficiary

concerned, he/she was not aware of the general interest of the MA of the R&DI OP connected with implementation of that new evaluation of the material progress within the projects terminated. That is why the process comprehensibility can be preliminarily assessed as **rather low**. Nevertheless, rather low comprehensibility of the whole process is narrowly related to the fact that this process had not been fully finalised at its evaluation to be anchored in the documentation under control. Hence it could have been fully tested.

- **General efficiency of the implementation system** – considering this process evaluated and the stage of its rate of completion, general efficiency of the system **cannot be objectively assessed** vis-à-vis its provision.
- **Assessing the ways of communication and information transfer efficiency** – with regard to the intended involvement of all MA representatives within the R&DI OP in the process of conclusion (i.e. both project managers responsible, R&DI OP guarantors, external experts and legal experts), the intended ways of communication and information transfer efficiency can be preliminarily assessed as **high**.
- **Organisational structure assessment** – this criterion **is not relevant** in line with that evaluating process. That is why it was not the subject matter of the evaluation.
- **Administrative and personnel scheme of the Programme (accessibility of capacities)** – with regard to the specified process of concluding projects, we shall say that if this process is really introduced in the currently considered form, there will be **a significant increase in the needs for administrative issues and staff for the Programme**, namely in line with the project being terminated. This might have negative impact on other processes assured by the representatives of the MA of the R&DI OP in the same period.

3.1.2.2 Preliminary Evaluation of Other Key Processes

Process of administering substantial changes in the projects (making remarks and adjusting notifications on changes; substantial change approval process, etc.):

- Comprehensibility of descriptions in the documentation: Comprehensibility of descriptions in the documentation can be preliminarily assessed as sufficient.
- Connection / interconnection to other processes: This process may be identified with a narrow connection to approving project applications and issuing decisions on subventions provided to beneficiaries. It might also impact the monitoring process based on which there may be a deviation identified from the expected project execution progress and its real execution progress.

This may finally give rise to a need for solving substantial changes in the project.

- Ownership: The principal executor of the process is an appropriate project or financial manager of the MA of the R&DI OP, or a worker in charge of doing checks or a worker at a relevant position in the IS of the MA. The process can be also secured by external specialists, lawyers and other workers of Sections 44 and 45, cooperating therein.
- Complexity vs. simplicity: In line with important changes to be generated through particular changes of different importance, this process can be rather classified in a more complex way.
- Interconnection of descriptions in all parts of the documentation under control: This process is described consistently and without any mutual discrepancies in the parts of the documentation under control.
- Logic and practical usability of the process prescribed: The preliminary evaluation of this process can describe it as logical and practically usable.

Ex-ante checking process for public contracts:

- Comprehensibility of descriptions in the documentation: Comprehensibility of descriptions in the documentation can be preliminarily assessed as sufficient.
- Connection / interconnection to other processes: The process is connected to the process of ex-post checking public contracts, done in the framework of checking relevant material issues by a responsible project manager, or another checking of a public contract done at the implementation of the R&DI OP.
- Ownership: The beginning of the Ex-ante checking process of a public contract is to be decided by a responsible project manager, while the checking is done always with selected contracts. The proper inspection is to be made by a worker of Section 44. For that reason, the distribution of roles in assuring that process seems to be adequate.
- Complexity vs. simplicity: The process has to be professionally secured, which requires a lawyer to be involved there. Nevertheless, this has been secured within this process.
- Interconnection of descriptions in all parts of the documentation under control: There were no matter-of-fact discrepancies in the description of this process in the parts of the controlled R&DI OP documentation.
- Logic and practical usability of the process prescribed: The procedure seems to be not only logic in the context of R&DI OP projects, but also completely necessary (considering risks in that field).

Checking process in the monitoring reports:

- Comprehensibility of descriptions in the documentation: Comprehensibility of descriptions in the documentation can be preliminarily assessed as sufficient.
- Connection / interconnection to other processes: This involves other types of checking initiated e.g. in line with the checking of the monitoring report, administering and reimbursing payment applications, administration and approval of applications for a change.
- Ownership: The responsible workers are the project and financial manager of the given project and further the guarantor of the Priority Axis (in the role of a cooperating subject). The involvement of those MA representatives of the R&DI OP in providing the process seems to be suitable.
- Complexity vs. simplicity: As for assessing the rate of complexity / simplicity of this process, the controlled R&DI OP documentation does not completely clarify whether all the project and financial managers always check the whole monitoring report (in compliance with the declared principle of “four eyes”) or only their part of the monitoring report (i.e. the financial manager checking financial part and the project manager checking technical part).
- Completeness of descriptions in the documentation: The description seems to be complete.
- Interconnection of descriptions in all parts of the documentation under control: This preliminary evaluation can consider the interconnection of the process’s descriptions stated in different parts of the documentation under control to be suitable.
- Logic and practical usability of the process prescribed: The logic of this process corresponds to the use of a similar process also in all other Operational Programmes.

Checking an application for a payment and basic data to settle accounts for subventions provided:

- Comprehensibility of descriptions in the documentation: Comprehensibility of descriptions in the documentation can be preliminarily assessed as sufficient.
- Connection / interconnection to other processes: This process is closely connected to the process of approving a subvention application and further to the process of monitoring activities executed within those projects. Those activities are particularly interconnected to this process through the involvement of project and financial managers in Section 44 of the Czech Ministry of Education, Youth and Sports.

- Ownership: In this case, the process is owned by project and financial managers in Section 44. An external Evaluator may also be a cooperating subject therein.
- Complexity vs. simplicity: The complexity of this process shall be interconnected to the need for checking also submitted basic data to complete financial statements, while their adequate checking requires some experience with performing that activity.
- Completeness of descriptions in the documentation: The description seems to be complete.
- Interconnection of descriptions in all parts of the documentation under control: This preliminary evaluation can consider the existing interconnection of descriptions in this process, stated in different parts of the documentation under control, as suitable.
- Logic and practical usability of the process prescribed: In general, this process can be described as logic. Nevertheless, some partial illogicality may be seen in the designation of the Appeal to beneficiaries to “complete” any imperfection in their “ŽOPL – Payment Application” application or the Appeal to beneficiaries to “complete” any imperfection in their Basic Accounting Data – both the cases would more logically have stated an Appeal to “clear” or “remove” imperfections, not to “complete” them.

Discrepancies:

- Comprehensibility of descriptions in the documentation: Comprehensibility of descriptions in the documentation can be preliminarily assessed as sufficient.
- Connection / interconnection to other processes: This process is closely bound to any suspension in payments and certification, or to remedy of any discrepancies found out. There are simultaneously important relations to the current monitoring process of a project.
- Ownership: This process can be entered by any subject involved in the R&DI OP implementation through giving a Discrepancy Announcement Report.
- Complexity vs. simplicity: The process of discrepancies is rather complex, which is, however, given by its general complexness and the fact that this process may be entered by various participants.
- Completeness of descriptions in the documentation: The description seems to be complete. Nevertheless, this shall be consequently verified with the representatives of the MA of the R&DI OP who are really involved in its execution.
- Interconnection of descriptions in all parts of the documentation under control: This preliminary evaluation can consider the interconnection of the process's

descriptions stated in different parts of the documentation under control to be suitable.

- Logic and practical usability of the process prescribed: The inclusion of this process in the documentation of the MA of the R&DI OP is stipulated by effective legal provisions. Nevertheless, practical usability of the procedures defined thereby will be checked.

Planning and doing the checking on place:

- Comprehensibility of descriptions in the documentation: Comprehensibility of descriptions in the documentation can be preliminarily assessed as sufficient.
- Connection / interconnection to other processes: The continuity of this process to other processes differs according to the checking on place chosen.
- Ownership: The project manager bears the main responsibility for analysing the risks in selecting projects to be checked on place. The checking on place is generally done by a checking group composed of the representatives in Sections 44 and 45, or it is made by an external expert.
- Complexity vs. simplicity: The existing description of this process can be assessed can be assessed as simple. Nevertheless, this criterion shall further be verified with the representatives of the MA of the R&DI OP who are mostly frequently involved in its provision.
- Completeness of descriptions in the documentation: The description seems to be complete, which, however, shall be consequently verified with the representatives of the MA of the R&DI OP who are really involved in its execution.
- Interconnection of descriptions in all parts of the documentation under control: This preliminary evaluation can consider the interconnection of the process's descriptions stated in different parts of the documentation under control to be suitable.
- Execution periods of time: The usual length of those periods of time required for the provision of that process shall be verified consequently, based on discussions with the representatives of the MA of the R&DI OP who are directly involved in assuring that process.
- Logic and practical usability of the process prescribed: The systematic checking on place seems to be absolutely necessary. Nevertheless, that on-place checking should be allowed also to be done within the periods of sustainability.

Processes connected to providing sustainability of projects:

- Comprehensibility of descriptions in the documentation: Comprehensibility of descriptions in the documentation can be preliminarily assessed as sufficient.
- Connection / interconnection to other processes: This process has a very narrow interconnection to the previous monitoring process during its execution and also to the processes of administering and approving any applications for changes therein.
- Ownership: Similarly to verification of monitoring reports elaborated at execution of the projects, this process generally integrates project and financial managers and also guarantors responsible for the Priority Axis concerned (as a cooperating subject).
- Complexity vs. simplicity: The process has been described very simply in the documentation under control.
- Completeness of descriptions in the documentation: The description has mainly focused on the Support area of monitoring reports elaborated by beneficiaries within the sustainability period.
- Interconnection of descriptions in all parts of the documentation under control: This preliminary evaluation can consider the interconnection of the process's descriptions stated in different parts of the documentation under control to be suitable.
- Logic and practical usability of the process prescribed: Processes related to sustainability are generally principal and necessary within the context of the R&DI OP.

3.1.3 Conclusions of the Analysis

- A specific nature of the projects supported within the R&DI OP really requires a particular approach to their evaluation and to their consequent monitoring during the whole period of sustainability. This context of this specified project-conclusion process seems to be relevant. Nevertheless, its final focus and principal contribution should be considered one more time.
- The other process under evaluation shall be analysed in detail at preparing the 2nd Progress Report to define its practical experiences and their usability for the MS staff within the R&DI OP who are mostly involved in their application.

3.1.3.1 Answers to the Evaluation Questions

EQ 1.1 What's the efficiency of the R&DI OP implementation structure and how does it work?

- Based on the current evaluation we can preliminarily state that the processes evaluated up-to-now seem to be suitable in line with the definition of the R&DI

OP implementation structure (based on separating the work of project & financial managers on one side and the work of guarantors of the Priority Axes on the other side) if we consider specific issues of the Programme.

EQ 1.2 What particular processes are provided by the R&DI OP implementation structure at the MA level of this Operational Programme?

- The processes provided by the R&DI OP implementation structure at the MA level, classified at the OM level of the MA within the R&DI OP into several basic fields: Strategic Management, Administrative Procedures, Programme Monitoring, Programme Evaluation, Financial Management, Checks & Audits, Communication and Promotion, Management & Archiving, Technical Help Management.

EQ 1.3 Which of those processes can be assessed as key ones, which as supportive and which as the others?

- Considering the processes assessed so-far, the key processes seem to be the monitoring-report checking process, checking process on Payment Applications and Basic Accounting Data, and the Project Sustainability Provision processes. They have been classified as key processes because of having to completely assure their smooth implementation of both the projects and the whole R&DI OP.
- On the contrary, the category of supporting processes (even if substantial) can generally include the processes of substantial change administration in projects; ex-ante checking of public contracts, discrepancies and on-place inspections.

EQ 1.4 Which of those processes can be assessed as functional, which as less functional and which as completely problematic?

- The function of the aforesaid processes can be completely assessed based on semi-structured interviews managed by the representatives of the MA of the R&DI OP who are responsible for providing those processes.

EQ 1.5 What particular recommendations can be formulated at defining and assessing function of the processes provided by the MA of the R&DI OP?

- The project conclusion process under evaluation should still consider to be rather perceived as the basis for the whole project monitoring process in their sustainability time and whether the originally suggested evaluation of their matter-of-fact progress is to be interconnected to the progress project-monitoring process based on the work with progress and final monitoring reports.

EQ 1.6 How can be the R&DI OP implementation terminated with current subventions to the new OP with personnel capacities and transfer of know-how?

- The on-going preparation of the new OP checked in the next Programme period 2014+ under the guidance of the Ministry of Education, Youth and Sports should have the programming process more involving the existing MA employees within the R&DI OP. This namely concerns their experience with managing and implementing the PO and OP of this operation Programme.
- The number of staff within the existing MA of the R&DI OP, necessary to both assure in high-quality the termination of the R&DI OP implementation and to start the new RDE OP will be evaluated in the following Progress Reports.

3.1.4 Recommendations

- To include the just settled project-conclusion process in the processes bound to transfer of the project from the execution stage into the sustainability stage.
- The aspects described by beneficiaries and assessed by responsible MA representatives at the R&DI OP in the just settled project-conclusion process based on the current Appendix No. 17k) shall be already included in progress and final monitoring reports.
- To involve the existing MA staffs at the R&DI OP in the Programme – in particular in preparing RDE OP to fully use the existing precious information with managing and implementing the R&DI OP and also to assist at preparation of the new Operational Programme checked in the new Programming Period 2014+ under the MEYS control.

3.2 Evaluation Task No. 2 - Material Progress and Financial Performance

3.2.1 Material and Financial Progress at the Programme's Level

3.2.1.1 Summary of the Chapter

The principal objective of the 1st Progress Report in view of the material and financial progress was to evaluate the existing level at fulfilment of the indicators and the drawing of financial resources. The data in the present Report can be seen as default and comparative level for future evaluation of the progress in the following progress reports. The material and financial progress at the level of the Priority Axes and Support areas identified problem indicators and primary objective-fulfilment risks. Nevertheless, the values achieved are often still at “zero” considering the nature of the projects and indicators bound to building activities and building-approval procedures. For that reason, the attention was also paid to the proportion of the beneficiaries' duties in target indicator values. In line with the current status of the evaluation under execution, particular recommendations shall be provided in the following progress reports.

3.2.1.2 Analysis of the Problem

Material progress

The majority of the impact indicators selected have been fulfilled at the Programme's level. As the Evaluator, we see, however, a great importance of the material progress at the level of the Priority Axes and at the level of projects / appeals. For that reason, the principal part of the material progress focuses to just hierarchically lower evaluation levels. The values of the majority of all monitoring indicators shall be achieved in the end of the projects. Nevertheless, the Evaluators have identified a delay in incorporating values of the monitoring indicators in the R& DI OP information system. Initial data for this analysis were elaborated from the information system as of 13/03/2013¹. According to the information provided by the R&DI OP implementation staff, the data from executors about several monitoring indicators were not collected until the end of the year to be consequently included in the system. In fact, the data as of 13/03, taken to elaborate this analysis, reflect the status at the end of 2011. This does not involve all indicators. Nevertheless, this first preliminary evaluation shall just be approached with prudence.

Financial progress

Considering the status of resources covered by the Decision / a Subvention Agreement, the Programme shows satisfactory results because 90.2% of financial resources were covered by agreement (as for 6th March 2013). In the time of

¹ The first version of the Progress Report was elaborated as for 3rd January 2013

elaborating the 1st Progress Report, there were 128 projects with a decision issued. This shows a contracted amount of 56.3 billion CZK. So far, the beneficiaries have received 23.6 billion CZK. There have been 293 applications submitted since the beginning of the execution, and the total financial volume required exceeded options of the Programme by 62%. Regarding the absorption capacity that will be crucial even for the upcoming Period 2014+, the demand for supported infrastructural investments seems to be very high in the sphere of R&D and university education in the CR regions.

Priority Axis 1 – European Centres of Excellence

The PO 1 has included Decisions issued within the scope of a sole appeal. They were published already on 1st June 2009 – Appeal No. 1.1 for the Support area 1.1 European Centres of Excellence. It focused on top R&D projects cooperating with leading international partners with relevance for the market and economic development in the Czech Republic. As this Priority Axis supports mostly big projects over 50 mil. EUR, there was a great delay in the material progress of the process of authorising the projects submitted. (More detailed information to the facts of the delay in the execution of PO 1 are shown in the In-Depth Analysis to the 1st Progress Report in chapter 5.1; in the part: Evaluation of the Current Rate of Fulfilment of the R&DI OP Objective within Priority Axis 1).

Material progress at the level of the Priority Axis

The supposition of fulfilling the values targeted by Priority Axis 1 at the Programme's level is real regarding the execution of duties within the projects supported, apart from the Indicator 11.08.10 - Number of Research Workers Using the Infrastructure Erected. This monitoring indicator will most probably not be fulfilled at the end of the Programming Period to finally have 2500 researchers because the current target value of the duties within the projects supported at the centres of excellence reaches only the level of 1880 researches, i.e. 75.2% rate of fulfilment. The fulfilment of this indicator significantly corresponds to the indicator 11.03.00 Number of Newly Created Jobs, R&D Staff – in total. The principal problem of this indicator actually consists of the duty to be accepted by the final beneficiaries supported to provide their researching staff with relevant payroll resources for their salaries. This is currently a very limiting factor in the current constellation of reducing public sources to R&D in the Czech Republic. For that reason, the final beneficiaries supported undertook to achieve lower target values in their project applications compared to the preparation period of the R&DI OP documentation.

Other monitoring indicators monitored at the Programme's level are fulfilled greatly higher above their target levels. For example, the monitoring indicator 11.08.20 "Number of Undergraduate and Postgraduate Students Using the Erected Infrastructure" will be most probably more than five times higher. The positive plan of fulfilment can be also seen within the monitoring indicator 11.07.10 "Number of Projects of Cooperation between the Application Sphere and the Centres of

Excellence” that will be most probably three times higher than the Programmes’ objective.

Obligatory project indicators have been fulfilled to a minimum level, generally because of the majority of the projects supported whose execution did not start until 2012. Only 1 supported project (Telč Centre of Excellence) will be terminated as for 31/12/2013. Apart from the monitoring indicator 11.12.00 – “Contractual Research Volume”, a faster movement can be expected during the year 2013, or in the first semester of 2014. The monitoring indicator of contractual research has been problematic on a long-term scale because of the private sector’s necessity and willingness to cooperate. For that reason, we cannot expect any “step” increase in that monitoring indicator.

The situation of optionally optional project indicators is very similar to the group of obligatory project indicators, i.e. they have been fulfilled only to a minimum because of a delay in starting the execution of big projects. Moreover, we shall bring attention to the indicators connected with the methodology of the Council for Research, Development and Innovations (RVVI in Czech) as the innovation stage has to be differentiated in creation of R&D teams, necessary infrastructure, starting-up long-term R&D work and consequent time delay in acknowledging research results (accepting professional articles in scientific magazines with IF or acknowledging a patent, which may take very long, even several years). The fulfilment of those indicator values will have to be reflected individually according to the projects in upcoming evaluation stages, assessing also the potential of a contribution to fulfil those indicators. The general evaluation of the rate of probability at fulfilling the target R&DI OP values within Priority Axis 1 is summarised in the In-Depth Analysis to the 1st Progress Report in Chapter 5.1.

Financial progress at the level of the Priority Axis

According to data provided by MSC2007 as for 7th January 2013, the allocation covered by contractual obligations achieved 99.57%. Considering the resources paid out to the beneficiaries, the aggregated value was at 5,765,391,004 CZK, i.e. 28.45% at the general allocation level for PO1 for the Period 2007 - 2013. As there was a great delay in starting namely big projects within PO1, those values will be probably much higher during the year 2013 and 2014. The evaluation of the progress in view of the rule “n+2/n+3” is not meaningful in the time of elaborating the present Progress Report.

Priority Axis 2 – Regional R&D Centres

Two appeals were published within PO 2 (1.2 & 2.2) for the Support area 5.2.1 Regional R&D Centres. Both the calls were terminated in 2009. The set of contracts and agreements stood for a total amount of financial resources at 20,401,405,937.11 CZK. The principal objective, specific objectives and supported activities of both the appeals are identical (apart from some specification of their activities).

Material progress at the level of the Priority Axis

The fulfilment of the output monitoring indicators at the level of Priority Axis 2 has been minimal, but it is expectable in view of the nature of the projects. Just the indicator “Reconstructed, Extended and Newly Erected Capacities” is at 6.73%. The remaining output indicators are at zero. Nevertheless, the obligations of the beneficiaries of subvention towards target indicator values are several-times higher. In fact, if there are no unexpected complications in execution of the projects or if there is no change in the social and economic environment in the Czech Republic, we can expect all the indicators to be fulfilled.

The fulfilment of the monitoring indicators to monitor results and outputs achieved in the projects is to be expected in a corresponding Programme execution stage in the majority of the indicators under monitoring within PO2. There is a specifically low fulfilment rate generally with the indicators connected to building activities. While the reasons of the low rate of fulfilment of the building-activity related indicators generally consist in discontinuous fulfilment (one-time fulfilment of the indicators after termination of construction / building-activity projects) and in complications with execution of such constructions (e.g. appealing against results of the selection procedure of public contracts, etc.). The indicators connected to applied research are in another specific situation. The beneficiaries fulfil the indicators connected to applied results of different type where the rate of fulfilment is very low. The reason may be generally in lengthiness of the process of getting a patent compared to other types of results. A very good fulfilment, or even overdrawing, is typical for the indicators connected to the employment of staff (specifically of women). Nevertheless, the Programme’s objective has not been achieved there yet). Target values of several not-obligatory indicators were highly exceeded. Further information about the progress within PO 2 is shown in the In-Depth Analysis to the Progress Report in Chapter 5.2.

Financial progress at the level of the Priority Axis

According to data of MSC2007 as for 07/01/2013, the allocation was covered by contractual obligations at 100.69%. The total value of paid-out resources to the beneficiaries is at 50.25% and the certified expenditures submitted to the EC and related payments from national sources are at 17.39%. As there might be delays in starting building activities, this indicator is satisfactory. In fact, unless there are serious problems in the final stage of executing those projects (e.g. because of delays in building activities), the rule “ $n+3/n+2$ ” should be complied with.

Priority Axis 3 – Commercialisation and Popularisation of R&D

The scope the Support area 3.1 – “Commercialisation of Research Institutions’ Results and Protection of their Intellectual Property Rights” – has included 3 Appeals published so far. There were totally 18 projects supported within Appeals 3.3 and 6.3. Appeal 7.3 was published in January 2013 and had not been terminated at the moment of

elaborating the present Report. The Support area 3.2 – “Promotion and Awareness of R&D Results” – included 3 Appeals published, totally supporting 17 projects² within.

Material progress at the level of the Priority Axis

The material progress of Priority Axis 3, monitored through the indicators, has not been visible so far. The only indicator with a not-zero value is the indicator of the Number of Subjects Using Information Infrastructure Services for R&D. This indicator has reached the value of 10 from for the target value of 65 subjects³. In fact, there are 2 reasons for the zero-value of other indicators. The first reason is the project execution date. All the projects within PO3 had not been running while monitoring the indicators in the past. Some of them were, however, in an advanced stage of execution, but a great part will take place for at least one year or more. The target values of the monitoring indicators are thus scheduled to be achieved in the end of the projects. The second reason is then the delay in incorporating the values of the monitoring indicators in the R&DI OP information system (see the before-mentioned information in the beginning of this chapter). Nevertheless, the interviews with the R&DI OP implementation workers (project and financial managers) show that the execution of the projects within PO3 is trouble-free, and the projects are expected to be terminated with success. The values set for the monitoring indicators in the projects are real and smoothly cover the target value fixed at the level of the Priority Axis. More detailed information to the progress within PO 3 is shown in the In-Depth Analysis to the 1st Progress Report in Chapter 5.3 Evaluation of Priority Axis 3 – Commercialisation and Popularisation of R&D.

Financial progress at the level of the Priority Axis

Concerning the data as for 07/01/2013, already 84.50% of the allocations for the support area 3.2 have been covered by agreement or decision. This is significantly more than at the Support area 3.1 (33.92% of the allocations set aside). In fact, more than 2/3 of the allocations have been covered by agreement or decision for the whole PO 3. Nevertheless, the Support area 3.1 included a new Appeal (7.3) at the turn of 2012/2013. It should help accelerate the drawing of the allocation. In spite of that, there is a risk of not completely drawing resources because the allocation for the previous appeals within the Support area 3.1 remained highly under-drawn. **Priority Axis 4 – Infrastructure for University Education related to Research**

² According to discussions with the project and financial managers, there were decisions issued for already 22 projects as to the beginning of April 2013. Nevertheless, this 1st Progress Report states the status as for 3rd January 2013, with the data available to the evaluator so far.

³ The value mentioned is the target value at the Programme’s level. The beneficiaries undertook, however, to achieve the value for 86 subjects in total in their projects.

The PO 4 included two Appeals (1.4 and 2.4) published for the Support area 5.4.1 “Infrastructure for University Education related to Research”. The scope of agreements / contracts and appendices involved the financial resources bound at a total amount of 9,960,492,051.91 CZK. The principal objective, specific targets and supported activities of both the Appeals had the same thematic orientation.

Material progress at the level of the Priority Axis

The material progress evaluation has to be divided in 2 parts: i.e. the fulfilment of the target indicator values fixed in the Operating Programme and the target indicator values monitored at the level of the projects of R&D regional centres.

The output indicators of the Priority Axis are only 2, while the “number of the infrastructure projects and R&D supported” is at zero. Nevertheless, the beneficiaries’ undertaking exceeds the target value by 45% and unless there is unexpected development within the projects, the indicator should be fulfilled. There is a similar situation with the indicator measuring the area of reconstructed, extended and newly erected capacities that is, however, at 13.14% of the target value, but the beneficiaries’ undertakings are much higher.

The fulfilment of compulsorily optional monitoring indicators to monitor the results and outputs reached within the projects is problematic in line with the definition of the output and result indicators of Priority Axis 4 (the fulfilment at the end of the execution of a project together with a building approval procedure). There has been no or a very low fulfilment of the values achieved in the status of the indicators by the end of 2011. The compulsory indicators for the number of students benefitting from innovated structures shall be further monitored on condition of a delayed execution of building projects. In fact, the fulfilment of those indicators may seem problematic regarding those indicators. More detailed information to the progress within PO 4 is shown in the In-Depth Analysis to the 1st Progress Report in Chapter 5.4.

Financial progress at the level of the Priority Axis

According to MSC data updated as for 07/01/2013, the allocation was covered by contractual obligations at 81.28%. The money paid out to the beneficiaries amounts to 44.60% and certified resources submitted to the EC and relating payments from national sources amount to 13.39%.

Ascertaining the impacts of the execution of R&DI OP

The 1st Technical Report in line with Evaluation task No. 2 submits a timetable showing deadlines of presenting impact evaluation results within the Priority Axes and R&DI OP Support area within the scope of the future Progress Reports.

Apart from the data provided by Monit7+, the methodical point of view specifies a primary survey to be carried out at the support beneficiaries’ level. This shall involve web questionnaire inquiries to get not-monitored and worse-quantifiable information

about the execution of the projects, simultaneously working with basic data provided by the Ministry of Education, Youth and Sports on the projects and their execution. That intensive questionnaire survey shall help decide whether to make controlled interviews.

The analysis's outputs will be used as important basic data. Nevertheless, there will be in-depth analyses focused on the impact evaluation itself. This part has to monitor (in line with this evaluation task) the indicator values achieved and to evaluate high-quality data via a questionnaire inquiry made with the projects' executors.

3.2.1.3 Conclusions of the Analysis

- The material and financial progress corresponds to the late beginning of the Programme's execution. Financial allocations are covered at 90.2% by a Decision / Agreement, but the rate of certified expenditures is lower than in all OP in the CR which is due to a delay and the nature of the projects.
- The material evaluation identified a low topicality of the monitoring indicators, which may produce complications both for the evaluation assessment and generally for terminating the Programme.
- There will not be a more significant material and financial progress until the first half of 2014 in the project execution period.
- The Programme indicators within PO1 are being fulfilled above average in target values of the projects under execution (apart from above-mentioned exceptions). The situation, however, differs in compulsory and compulsorily optional project indicators.
- The output monitoring indicators of PO2 (or the target values at the level of this Priority Axis) have not been fulfilled. Nevertheless, the beneficiaries' obligations suppose unequivocal achievement in all values (unless there are significant changes in the projects under execution). There is similarity with the compulsory project indicators.
- The material progress cannot be assessed in PO3 because of a low rate in fulfilling the indicators. The targets should, however, be fulfilled from the beneficiaries' point of view and according to controlled interviews.
- The indicators in PO4 are strongly bound to building activities and a building-approval procedure, and a more significant progress can be seen there in the upcoming Progress Evaluation Reports.

EQ 2.1 What is the material and financial progress within the R&DI OP execution?⁴

⁴ This question will be answered within each Progress Report submitted both at the level of the whole Programme and at the level of the Priority Axes and the Spheres of Support.

Programme level

- The majority of the (impact) indicators selected are being successfully fulfilled at the Programme's level. The results are satisfactory at the creation of jobs and recorded R&D results for the workplaces supported. The indicator measuring the number of postgraduates shall monitor further evolution because of stricter criteria of the Accreditation Commission for keeping postgraduate studying Programmes.
- No basic changes can be expected in the upcoming period in the volume of financial resources allocated to the beneficiaries of subventions (90% of projects with a Decision issued). On the contrary, the attention of the financial monitoring will be focused on the volume of paid-out and primarily certified resources where R&DI OP has been showing (because of justified reasons) below-average values compared to the current status of the Programming Period and primarily in comparison with other Operational Programmes.
- The carried out controlled interviews showed that already several projects to be terminated in 2013 asked for prolongation of their project execution deadlines. The reason thereof is often a delay caused by building management issues, etc. Nevertheless, there will also be a delay in line with the financial monitoring and monitoring of expenditures paid-out and certified therewith. At the same time, we can suppose a similar situation to happen in more projects still not being in the project terminating phase. For that reason, this status shall be monitored, with any relevant recommendations to be adopted thereto.

Priority Axis 1 – European Centres of Excellence

- The Programme indicators of Priority Axis 1 are fulfilled above average, with the exception of 2 indicators: 11.03.02 - Number of newly created jobs, R&D staff – women; and 11.08.10 - Number of research workers using the infrastructure erected.
- Compulsory and compulsorily optional project indicators have been fulfilled quite minimally because the majority of the projects supported did not start to be executed until 2012. The independent project indicators have almost been considerably overpassed in the target values under engagement. (See the In-Depth Analysis to the 1st Progress Report, Chapter 5.1).
- According to MSC2007 data as for 07/01/2013, the allocation was covered by contractual duties at 99.57%. The resources paid out to the beneficiaries were equal to an aggregated amount of 5,765,391,004 CZK, i.e. 28.45% of the general PO1 allocation level for the Period 2007 - 2013. In view of the delay in beginning generally big projects within PO1, those values may be much higher in 2013 and 2014.

Priority Axis 2 – Regional R&D Centres

- The fulfilment of the monitoring indicators to monitor the results and outputs achieved in the projects is in the corresponding stage of the Programme's execution. There is a specific low rate of fulfilment at the indicators connected with building activities and the indicator related to applied research.
- The financial progress status is satisfactory as for delays that might be expected in beginning building activities. So, unless there are no serious problems in the final stage of those Programmes' execution (e.g. because of delays in building activities), the rule "n+3/n+2" should be fulfilled.

Priority Axis 3 – Commercialisation and Popularisation of R&D

- The material progress in the Priority Axis 3 is assessed positively (as for the current information acquired and data accessible). Even if all the indicators are at zero with the exception of one, the target indicator values may be expected to be fulfilled without any more serious concerns based on interviews with the project managers. The target indicator values are covered and moreover, overpassed by current projects. (See the In-Depth Analysis to the 1st Progress Report, Chapter 5.3).
- The financial drawing of resources within PO3 is rather at the beginning because the majority of the projects have been starting up. It should accelerate in 2013 and 2014. The Support area 3.1 has shown a low rate of drawing the allocation attributed (only 33.92% of the allocation has been covered by an Agreement / Decision as for 07/01/2013, while already 84.50% were drawn within the Support area 3.2 as for 07/01/2013).

Priority Axis 4 – Infrastructure for University Education related to Research

- The level of the monitoring indicators or the fulfilment of their target values at the level of the Priority Axis cannot be evaluated within PO4. The reason consists in the fulfilment of the indicator values at the end of the projects under execution, together with a building-approval procedure. In fact, a non-zero value has been achieved only in the output indicator 11.05.11. – "Reconstructed, Extended and Newly Erected Capacities" that has been fulfilled at 13.14%. There was almost no or a very little fulfilment of the values achieved in the compulsorily optional indicators.
- The general amount of the resources bound within the scope of Agreements and Appendices achieved 9,960,492,051.91 CZK (81.28% of the allocation). The resources paid out to the beneficiaries amount to 44.60% and certified expenditures were at 13.39% of the total amount of resources. Similarly to the material progress, the majority of resources herein are also bound to the execution of building activities and partly to equipment. This also produces a

risk of a delay in building activities with a follow-up delay in paying out resources.

EQ 2.2 What is the biggest barrier in achieving OP objectives, classified to the Spheres of Support? Suggest some recommendations to eliminate it.

Priority Axis 1 – European Centres of Excellence

- The hard infrastructure indicators have the biggest barrier in the lack of time (big projects will be executed, saying, “flat out” concerning the Programme cycle and application of the rule “n+2”, i.e. until 31/12/2015.) The indicators for soft activities in R&D evolution will be fulfilled with problems if R&D is financed through international grants or contractual research.

Priority Axis 2 – Regional R&D Centres

- The barriers that have been ascertained can be identified in the phases of a project, or in its delay (the execution of building parts takes a lot of time). In our opinion, a potential barrier in PO2 can be seen in the deadline for terminating 4 projects (thereof one big) at the end of 2015.

Priority Axis 3 – Commercialisation and Popularisation of R&D

- No significant barriers in achieving OP targets have been identified within PO3, in any of the two Support areas. There are some reserves in drawing the allocation in OP 3.1, where the allocations within the appeals have always finished as not completely drawn out. This shouldn't, however, impact the achievement of the objectives at R&DI OP in PO 3 according to accessible data.

Priority Axis 4 – Infrastructure for University Education related to Research

- Some barriers have been identified in establishing project stages or in a delay thereof (the execution of building parts takes a lot of time). There is an evaluation barrier consisting of frequently interconnecting the compulsory indicators with termination of the building project execution. For that reason, a higher attention should be paid to the projects to be terminated in 2015.

EQ 2.3 What are other (scheduled and non-scheduled) contributions and externalities (both positive and negative) of the projects executed? To be classified according to the Support areas.

- This EQ shall be answered in the upcoming Progress Reports.

EQ 2.4 What causes and combined conditions and factors impact – or does not impact – the achievement of the scheduled impact indicators?

- This EQ shall be answered based on QCA analysis application in the upcoming project stage, being able to at least identify real impacts.

EQ 2.5 Identify the biggest financial-drawing barriers according to the Support areas and suggest measures to eliminate them.

Priority Axis 1 – European Centres of Excellence

- Concerning PO1, there must be difference made in the assessment of the financial progress at execution of big and current projects. Big projects are mostly executed at approx. 35% of the financial execution amount. The only big project that considerably lags behind the others in its execution is the project BIOCEV that was fulfilled only at 7% of its budget approved as for 31/12/2012. The project ELI was fulfilled at approx. 28% of its budget approved and as well, it lags behind in its execution compared to other big projects. The identification of particular barriers will be included in the upcoming Progress Evaluation Reports.

Priority Axis 2 – Regional R&D Centres

- There is a potential barrier within PO2, consisting of termination of 4 projects (thereof one big) at the end of 2015. If there are unexpected problem at their execution, the financial drawing may be put at risk.

Priority Axis 3 – Commercialisation and Popularisation of R&D

- The allocation for the appeals (2 thereof have been already terminated) has not been completely drawn out within the Support area 3.1. This is seen in slower settling resources to the beneficiaries. No payments have been certified within the Support area 3.1 (contrary to OP 3.2). Barriers in financial drawing shall be ascertained through question inquiries and controlled interviews with the beneficiaries and described in the upcoming Progress Reports.

Priority Axis 4 – Infrastructure for University Education related to Research

- In our opinion, there is a potential barrier in PO4 in the deadline for terminating a comprehensive range of the projects at the end of 2015. A preliminary measure can be seen, as in other projects, in thorough and intensive checking and methodical help at execution of the building part (building deadline at public contracts, etc.).

3.2.1.4 Recommendation

Concerning the updated evaluation stage and the current status of knowledge, there are preliminary recommendations to be further detailed in the following Progress Reports.

Programme level

- In line with a delay found out in updating the monitoring indicators' values, the data collection topicality shall be increased, with their transfer from Monit7+ into MSC2007. This is a principal recommendation for the evaluation of both the Programme and the projects (to also identify any barriers therein).

Priority Axis 1 – European Centres of Excellence

- A higher attention shall be paid to the fulfilment of project execution deadlines and schedules primarily for investment interventions (buildings, equipment). This predominantly involves the projects to be terminated in 2015.
- The rate of success of supported projects within PO1 with their diverse specialisation and their interconnection to PO1 targets' fulfilment shall be differentiated project by project, i.e. separately for each Centres of Excellence supported.

Priority Axis 2 – Regional R&D Centres

- A higher attention shall be paid to the fulfilment of project execution deadlines and schedules primarily for investment interventions (buildings, equipment). This predominantly involves the projects to be terminated in 2015.

Priority Axis 3 – Commercialisation and Popularisation of R&D

- To find out after evaluating the current Appeal 7.3 within the Support area 3.1 what is the current allocation-drawing status for this Support area and what modifications of the allocation can be suggested there.

Priority Axis 4 – Infrastructure for University Education related to Research

- A preliminary measure to the risk of a delay in deadlines of the projects to be terminated in 2015 can be identified – similarly to other projects – through thorough and intensive checking and methodological help in the execution of the building part (public contracts, timetables, etc.).

3.3 Evaluation Task No. 3 – Other Issues

3.3.1 Part A - Evaluation of the Current Evolution Impacting or Potentially Impacting the Implementation of the Programme or the Projects

3.3.1.1 *Summary of the Chapter*

This chapter comprises the factors that are not directly mentioned in the previous parts of the evaluation. Nevertheless, the Evaluator wants to emphasise them. They involve, for example, changes or evolution with impact to relevance or sustainability of the Programme or the projects, or particular topics being directly covered in the above-mentioned sections.

3.3.1.2 *Analysis of the Problem*

The factors affecting the Programme's implementation can be divided in 2 basic groups:

- 1) **External factors** – impacting the absorption capacity (achieving a 100%-coverage of the financial allocation from the Programme through a subvention amount according to particular decisions on providing a subvention),
- 2) **Internal factors** – impacting successful execution of projects, with a Decision issued on providing a subvention.

External factors

Those factors primarily affect a sufficient a number of high-quality projects to be achieved where the projects selected (through evaluating the appeals concluded) will allow a Decision on providing a subvention to be concluded.

The principal factors that affect and will affect a sufficient number of such projects to be achieved are minimally these:

- 1a) Sufficient and well-focused communication strategy of the R&DI OP;
- 1b) Adequate financial resources of prospective beneficiaries for pre-finance sunk costs (project intention preparation, project documentation);
- 1c) Sufficient capacity and professional level of the applicant's staff.

Internal factors

The internal factors relate to the fulfilment of the beneficiaries' projects, i.e. the projects with a Decision issued on providing a subvention. The internal factors relate both to the execution of the projects and to their sustainability.

a) Execution of projects

Through signing a Decision on providing subvention, the beneficiary undertakes to comply with the Subvention Programme's conditions. The checking of the observance of those conditions also includes other legal requirements in force in the Czech Republic and the Community. If the conditions are violated, there may, or must, be sanctions applied for breaking budget discipline through a partial or complete revoke of the subvention. The reduction of a subvention provided has naturally negative impact on the Programme's implementation.⁵

b) Sustainability of projects

The principal factors putting the project execution at risk, which were issued a Decision on providing subvention (where a breach of rules may imply shortening or revoking a subvention, i.e. the issue negatively affecting the Programme) primarily concern the execution period.

Nevertheless, the project can be menaced in the same way also in the sustainability period. The beneficiary's principal duties with impact to retrospectively revoking a subvention include the following in this period:

- 1) To keep the project during the whole period of sustainability to be in compliance with the objective fixed; to provide for no substantial change made in the project in a period of 5 years after terminating its execution;
- 2) Duty for the projects within Priority Axes 1 and 2: The total volume of payroll means in each year during the project sustainability period (centres) is not allowed to drop below 60% of the maximum annual value reached by the item "Personnel Expenditures" paid from the start-up grant during the project execution;
- 3) To comply with the public support rules.

3.3.1.3 Conclusions of the Analysis

- The external factors (with impact on submitting project applications) consist of the R&DI OP communication strategy, ability of the applicants to pre-finance their projects (the amount of public expenditures on science and research has reached the European average, being expected, however, to slightly decrease in the following years) and professional qualification of the applicants, thus reflecting the importance of the payroll cost factor (lower competition of the public sector with the private sector).

⁵ And this with respect to the fact that the R&DI OP supports specific, extraordinary complex projects whose preparation is very time-consuming. If the projects originally selected to be supported from the R&DI OP are finally not supported, it is very difficult to support other "stand-by" projects in the time dedicated to the Programme's implementation.

- As for the project execution stage, the internal factors (for the projects with a closed Decision on providing subvention) mostly involve troubles with assigning public contracts. Those internal factors may also include the observance of the public support rules in the sustainability period.

3.3.1.3.1 Answers to the Evaluation Questions

EQ 3.1 What are the principal factors affecting the implementation of the R&DI OP or its projects?

- External factors – concerning the absorption capacity (achieving a 100%-financial allocation to the Programme reached through subventions according to particular decisions on providing subvention):
 - Sufficient and well-focused R&DI OP communication strategy;
 - Adequate financial resources of prospective applicants to pre-finance their sunk costs (preparation a plan, project documentation);
 - Sufficient capacities and professional level of the applicant's staff.
- Internal factors – for successful execution of the projects provided with a Decision on providing subvention:
 - Factors for successful execution of projects (this mainly involves the observance of rules for selecting suppliers);
 - Factors to successfully keep the projects' sustainability (first the duty of compliance with the public support rules).

EQ 3.2 What are the principal factors that might impact the implementation of the R&DI OP or its projects?

- The answer is identical to the answer to evaluation question EQ 3.1. All the factors stated with that question relate to the present. Nevertheless, their impact refers, in the same way, to the future implementation of the R&DI OP.

The risks identified with the factors affecting the implementation of the R&DI OP or its projects, and relating to both evaluation questions EQ 3.1 and EQ 3.2 are these:

- For the projects under preparation, not being submitted yet:
 - Insufficient number of high-quality projects submitted into the future appeals;
 - Insufficient financial capacities of the applicants for pre-financing their project preparation stage;
 - Insufficient know-how and ability to prepare the execution of a project by applicants;
- For the project that have been executed:

- Non-compliance with the conditions for a subvention beneficiary (primarily in the supplier's selection conditions);
- For the projects within the sustainability period,
 - Non-compliance with the project sustainability conditions (e.g. observance of proprietary rights to the projects, respect of the purpose and content of a workplace; compliance with the public support rules, etc.).

EQ 3.3 What recommendations can be suggested to further avoid risks in the evaluation of the factors under monitoring that have influence or might have influence on the implementation of the R&DI OP or its projects?

- The principal recommendations in line with the factors and risks identified are described in the following part of this chapter, relating directly to the recommendations.

3.3.1.4 Recommendations

- To maximally emphasise the issue of public contracts in the applicants and beneficiaries' documentation.
- To put stress on negative effects of the factors selected that might put the project sustainability at risk, in communication with the beneficiaries.
- To create and execute a focused information campaign towards selected groups of prospective applicants.
- To place great emphasis on counselling to prospective applicants willing to submit their project within the project submission appeal.

3.3.2 Part B - Recommendations how to Establish Year-to-Year Target Monitoring Indicators and their Progress Evaluation

3.3.2.1 Summary of the Chapter

The principal objective of this evaluation part is to find out how much (to what extent) is realistic and reliable to reach target values of indicators via the R&DI OP Priority Axes in year-to-year progress. Evaluation questions concentrate on identifying the worst and best results of year-to-year values and conditioning factors of that status. Nevertheless, considering the nature of projects and dates of their beginnings, the year-to-year progress will not be seen with the majority of the indicators until the first half of 2014. This evaluation stage rather endeavoured to primarily thoroughly analyse the current status at the level of the Priority Axes and to identify, through controlled interviews, the first limits and potential barriers in fulfilling year-to-year values.

3.3.2.2 Analysis of the Problem

Priority Axis 1 – European Centres of Excellence

The projects approved mainly started to be executed in the previous year 2012 which corresponds to the status of fulfilling the indicators. In fact, an extensive year-to-year progress monitoring is not feasible in that evaluation phase. The group of the monitoring indicators of soft activities connected to R&D evolution can differentiate absolutely trouble-free indicators to be most probably fulfilled by the end beneficiaries as for 31/12/2015, e.g. the number of students of undergraduate and postgraduate Programmes using the infrastructure erected. On the contrary, there is a big problem with the monitoring indicators connected to providing finance for R&D through international grants or contractual research because their fulfilment depends on a wide range of external factors towards the R&DI OP. As for various specifications of the projects supported within PO1, it will be necessary to differentiate the rate of success according to the centres of excellence within the evaluation of individual projects. (Other aspects to be reflected within Priority Axis 1 are shown in the In-Depth Analysis to the 1st Progress Report in Chapter 5.1).

Priority Axis 2 – Regional R&D Centres

The fulfilment of the monitoring indicators to monitor the results and outputs of the projects is in a corresponding phase of the Programme with the majority of the indicators monitored within PO2. There is a specifically low rate of fulfilment with the monitoring indicators bound to building activities. There will be progress at trouble-free solution of the projects already at the end of this year (because of having terminated the execution of some projects from their total mount), or there will be progress after having incorporated the monitoring indicators from the end of 2012. Considering the group of the indicators of soft activities concentrated on R&D

evolution, there may be potentially problematic indicators found in line with applied research. On the contrary, there are indicators having fulfilled their target values or giving almost certitude of fulfilling their target values by 31/12/2015. They encompass the indicators related to human resources (graduates, research workers, etc.) and to getting additional finance from national sources, number of projects, etc.). The risk of not fulfilling the monitoring indicators will be reduced to a minimum in PO2 if there is successful termination of the building part of the projects. There is a risk, however, in view of the stage of execution for the projects executed by the end of 2015 - 3 current projects and 1 big project (for more: see the In-Depth Analysis to the 1st Progress Report, Chapter 5.2).

Priority Axis 3 – Commercialisation and Popularisation of R&D

Only one compulsory indicator has been partly fulfilled at the time of making this evaluation report. It is 10.24.00 “Number of Subjects Using Information Infrastructure Services for R&D” that has reached the value 10. The other indicators connected to the project execution stage and a delay in incorporating the values of the indicators into the IS has been showing zero values. According to project intentions and plans, the indicators should start to be more fulfilled in the period from 2013 to 2015. We do not expect any more-serious problems in PO3 with achieving the Programme’s target values because the values being undertaken to be achieved in the beneficiaries’ projects considerably exceed the target value. This information arises from controlled interviews made with the R&DI OP representatives and from desk research of the analysis made for selected projects.

Priority Axis 4 – Infrastructure for University Education related to Research

In the majority of cases, the projects authorised within PO4 did not start to show non-zero statuses of the monitoring indicators until 2012. There is a specifically low rate of fulfilment of the monitoring indicators bound to building activities (a phenomenon common also for PO1 and PO2). There will be progress at trouble-free solution of the projects already at the end of this year, or after having incorporated the monitoring indicators from the end of 2012. There are some indicators within the group of soft activities at R&D evolution which will not be fulfilled until the termination of their structures executed within those projects (e.g. the number of students benefitting from the infrastructure, etc.). If there were problems in the building activity, there would be strong impacts on that indicator group.

3.3.2.3 Conclusions of the Analysis

As for the current evaluation stage, accessible data for the indicators and primarily project execution deadlines in the R&DI OP, this evaluation part will become significant in the upcoming Progress Reports with a more intense fulfilment of the monitoring indicators expected. The existing analysis has confirmed differentiation in the fulfilment of the indicators according to their nature (infrastructure ones versus

soft-activity indicators). The majority of the evaluation questions to this task will be answered in the upcoming Progress Reports which will incorporate the year-to-year progress under monitoring as a conditioning factor.

EQ 3.4 To what extent are the year-to-year target values of the monitoring indicators fulfilled within the R&DI OP?

- This question will be answered in the upcoming Progress Evaluation Reports. The reason is the current project execution stage and the rate of fulfilment of the monitoring indicators.

EQ 3.5 What monitoring indicators show the worst results and on the contrary, what ones show the best results in achieving their year-to-year target values?

Priority Axis 1 – European Centres of Excellence

- The monitoring indicators of hard infrastructure started to be fulfilled in the next-to-last year of the current Programming Period 2007 - 2013 because of a delay in starting the execution of big projects. A more significant year-to-year progress will not be there until the first half of 2014.
- The monitoring indicators of soft activities connected to R&D evolution will be fulfilled without problems in the indicators with natural access for their end beneficiaries and their partners. For example, this involves the number of students of undergraduate and postgraduate Programmes using the infrastructure erected. On the contrary, there is a real problem with the monitoring indicators for providing finance for R&D through international grants or contractual research, whose fulfilment depend on various external factors towards the R&DI OP.

Priority Axis 2 – Regional R&D Centres

- PO2 shows a satisfactory pro-growing tendency in the indicators implying cooperation with the application sphere (11.07.20), the indicators relating to professional R&D publications and results (11.05.02 and 11.05.01) and the numbers of students (11.08.15).
- On the contrary, the worst results are there in the result indicators – for infrastructure (11.05.11 – Reconstructed, Extended and Newly Erected Capacities, and several indicators related to applied research (06.07. – Research Results – Patents per 1 Researcher (FTE)).

Priority Axis 3 – Commercialisation and Popularisation of R&D

- The best results within PO3 as for 03/01/2013 are there in the indicator 13.24.00 “Number of Subjects Using Information Infrastructure Services for R&D” showing current values for 10 subjects. Other indicators within PO3 have reached zero values and cannot be evaluated.

Priority Axis 4 – Infrastructure for University Education related to Research

- The year-to-year target values of the monitoring indicators in PO4 cannot be evaluated in the meantime because of a low fulfilment rate of the indicators and the project execution status.

EQ 3.6 What factors positively and negatively impact these monitoring indicators?

- The analysis of positive and negative factors will be presented with the 2nd Progress Report because of accessibility of data and information (controlled interviews, feedbacks, etc.).

EQ 3.7 What problems can be expected at fulfilling target values of the monitoring indicators of the R&DI OP that will be established as so-called “milestones” in a certain form for the next Programming Period 2014-2020?

- This question will be answered at the level of all Priority Axes in the upcoming Progress Report in connection to the expected progress in preparation of the new Operational Programme.

3.3.2.4 Recommendation

No recommendation has been made to the Priority Axes in this evaluation stage yet.

3.3.3 Part C – Identified Cases of Good Practice in R&DI OP Projects and in Management of the Programme, with Identification of all Projects most Contributing to R&D Stronger Innovative Potential

No example of good practice in the R&DI OP projects or the management of the Programme has been identified at elaborating the 1st Progress Report. Nevertheless, this fact is closely connected a very limited time between the moment of signing a work contract and the deadline for submitting this report. That is why the evaluation tasks could not have been evaluated in a complex way and using all supposed evaluation methods.

3.3.4 Part D - Evaluation of the Changes Suggested to Be Made within the R&DI OP

3.3.4.1 Summary of the Chapter

The Evaluator concentrated in this part of the report on assessing the prepared change in the R&DI OP of extending the number of prospective applicants and beneficiaries within Priority Axis 4 with the subjects acting directly in the Prague Capital's territory. Having studied the intervention logic of that Priority Axis, the Evaluator definitely recommended the change to be really made because if being really achieved, it might bring better effects to the support than if not making that change.

3.3.4.2 Analysis of the Problem

During the preparation of this 1st Progress Report, the Evaluating Team was not submitted any reviewed version of the R&DI OP by its MA for evaluation. Nevertheless, the Evaluating Team has been met already in this period with the MA's intention to make a change to this R&DI OP, generally through extending the number of potential applicants to and beneficiaries of Priority Axis 4 with the subjects acting directly on the Prague Capital's territory.

As the principal objective of the whole Priority Axis 4 is to support **development of high-quality university infrastructure with increasing the tertiary education capacities and creating conditions for better quality of education** – while this development of high-quality university infrastructure is **a key supposition how to increase the number of well-trained and qualified graduates** (both future R&D workers and other professionals and “knowledge” workers for the private and public sectors), the **Evaluating Team** recommends a **real execution of that change** to the R&DI OP to be made.

In fact, the intervention logic made up for the Support area 4.1 shows that the **result indicators** focused on monitoring the numbers of undergraduate or postgraduate students benefitting from newly made or reconstructed infrastructure **can be efficiently fulfilled** not only through this type of investments provided at out-of-Prague universities, but also at many other universities of nationwide importance, performing their activities in Prague as well, **through executing similar investments in the Prague Capital's territory**.

The above-mentioned facts show that without making that change suggested, there will not be such effects achieved through interventions within the Support area 4.1 compared to the situation in which that change would have been made.

The nature of that type of support does not actually bring effects expected in the territory of execution of the given investment, **but in the territory of impact**⁶ of the given investment, which is, however, the whole territory of the Czech Republic in this very specific Support area 4.1 of the R&DI OP, not only a place of execution of the projects supported (for more information, see the intervention logic scheme for Priority Axis 4 included in the 1st In-Depth Analysis, or the intervention logic scheme for the Support area 4.1 annexed to the 1st In-Depth Analysis).

⁶ At the same time, the impact put on effects of executed investments directly results from Regulation No. 1083/2006, both from its Preamble (see Points 29 and 49) or e.g. from Article 49. In addition, attention shall be paid in this sphere to delimiting the own objective of the Convergence, defined in Article 3(2)(a) that says this objective is designed to accelerate convergence of the least developed countries and regions (i.e. to assure that generally expected impact of the whole objective). Nevertheless, this does not involve the requirement to execute all investments only in the territory covered by such an objective.

3.3.4.3 Conclusions of the Analysis

- The Evaluator has not been submitted any reviewed versions of the R&DI OP during the preparation of this report to evaluate changes therein.
- During the preparation of this report, the Evaluating Team was informed by the MA of the R&DI OP of the modification considered to be made in the R&DI OP, focused on extension of the number of qualified applicants and beneficiaries within the Support area 4.1 by the subjects acting directly on the Prague Capital's territory.
- The proper analysis of the intervention logic of the Support area 4.1, made by the Evaluating Team, shows that there are no effects of that intervention within that very specific Support areas at the R&DI OP directly in the territory of execution of the projects supported. On the contrary, there are effects thereof in the territory of their impact, which is the whole Czech Republic in this case.

3.3.4.3.1 Answers to the Evaluation Questions

EQ 3.11 What principal changes are there in the submitted modified version of R&DI OP?

- The Evaluating Team has not been submitted any modified version of the R&DI OP during the execution of this report.

EQ 3.12 Do the suggested modifications comply with the requirements given by laws effective in the CR and EU?

- The Evaluating Team has not been submitted any modified version of the R&DI OP during the execution of this report.

EQ 3.13 Will the execution of the changes suggested assure achievement of the Programme's target values and completion of the target values of relevant monitoring indicators?

- The Evaluating Team has not been submitted any modified version of the R&DI OP during the execution of this report.

EQ 3.14 What recommendations can be made to the modifications suggested in the R&DI OP?

- The Evaluating Team has not been submitted any modified version of the R&DI OP during the execution of this report.

3.3.4.4 Recommendation

- To modify the R&DI OP in compliance with the intention of extending the number of qualified applicants to and beneficiaries from the Support area 4.1.

3.3.5 Part E - Report on Further Activities Performed by the Evaluator

3.3.5.1 Summary of the Chapter

As for a short time of current execution of this contract, there have been no activities of the Evaluator made in the sphere of creating evaluation capacities.

3.3.5.2 Analysis of the Problem

The Evaluating Team has analysed the most important findings and recommendations in several evaluations made to the R&DI OP by the time of submitting the 1st Progress Report, and has elaborated their basic survey using a form of tables. This survey incorporated the findings and recommendations from the evaluation study called "Evaluation of System, Administrative and outside impacts to the R&DI OP implementation" (Evaluator: consortium of the companies "Regio Partner, s.r.o." and "AQE advisors, a.s.") and called "Evaluation of R&DI OP Communication Strategy and Publicity" (author: the company "HOPE-E.S., v.o.s."), namely the relationship of their specialisation to the topics analysed directly within this 1st Progress Report.

The upcoming Progress Report will show the tables extended with results of other inquiries generally made in verifying the way of elaborating the recommendations by the R&DI OP Managing Authority. As well, the tables will be extended with any findings and recommendations from other evaluation studies if being relevant in view of other spheres under assessment.

3.3.5.3 Conclusions of the Analysis

- The elaboration of the present report included a survey of findings and recommendations in the relevant evaluations that have been executed.

3.3.5.3.1 Answers to the Evaluation Questions

EQ 3.15 What activities did the applicant provided for the last 6 months in creating the evaluation capacities within the R&DI OP?

- There have been no activities performed by the Evaluator in creating the evaluation capacities because of a short time for executing this contract.

EQ 3.16 What activities did the applicant provided for the last 6 months in the field of creating and administering the survey of evaluation findings and recommendations within the R&DI OP?

- The Evaluator has analysed the most important findings and recommendations of selected executed evaluations by the submission of the 1st Technical Report, and has elaborated their basic survey.

3.3.5.4 Recommendation

- To verify the way of elaborating the recommendations identified in the previous evaluations.

4 Evaluation of the Recommendations Incorporated from the Previous Report

This chapter will be elaborated in the consequent Progress Reports considering the nature of its specialisation.

5 List of the Sources and Literature Used

The 1st Progress Report has been prepared using the following sources and literature:

List of the literature and internet links used:

- R&DI OP documents:
 - The “Research & Development for Innovations” Operational Programme
 - Controlled documentation of the MA of the R&DI OP.
- Other documents of the Czech Ministry of Education, Youth and Sports (MEYS):
 - MEYS (2013): *The Operational Programme on Research, Development and Education*, Preliminary Draft, the 1st stage of preparation of the Operational Programme, version of 29/03/2013.
- Further documents and studies:
 - Regiopartner and AQE (2011): Evaluation of system, administrative and external impacts on the implementation of the R&DI OP, Final Report, November 2011;
 - HOPE-E.S., v.o.s. (2011): Evaluation of R&DI OP Communication Strategy and Publicity, Final Report, April 2011;
 - Czech Ministry of Regional Development (2013): monthly monitoring reports on the drawing resources from the Structural Funds the Cohesion Fund and national sources in the Programming Period 2007–2013, February 2013, 130 pages.
- Websites:
 - Czech Statistical Office;
 - Czech Ministry of Labour and Social Affairs;
 - Czech Ministry of Finance;
 - Eurostat.

Other sources used:

- Controlled interviews with the MA representatives within the R&DI OP, executed in March and April 2013;
- Information sets from the R&DI OP information system.