

EVROPSKÁ KOMISE
GENERÁLNÍ SEKRETARIÁT

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V Bruselu dne 6.10.2014
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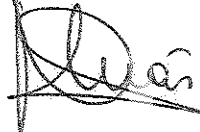
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ČESKÉ REPUBLIKY
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Věc: ROZHODNUTÍ KOMISE (3.10.2014)

Generální sekretariát Vás žádá, abyste laskavě předali ministrovi zahraničních věcí přiložené rozhodnutí.

Za generální tajemnici

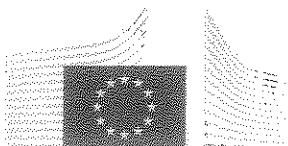
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Valérie DREZET-HUMEZ

Příloha : C(2014) 7255 final

CZ





EVROPSKÁ KOMISE

V Bruselu dne 03.10.2014
C(2014) 7255 final

Věc: Programování na období 2014–2020, připomínky k „Integrovanému regionálnímu operačnímu programu“ pro podporu z EFRR v rámci cíle Investice pro růst a zaměstnanost pro regiony v České republice

Vaše Excellence,

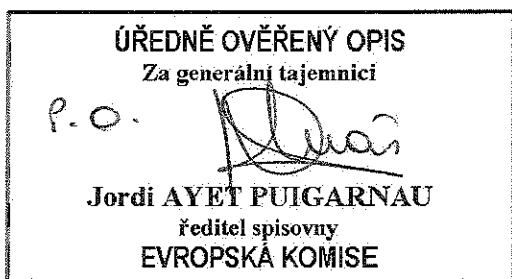
v návaznosti na konstruktivní neformální dialog s orgány Vaší země potvrzujeme obdržení Integrovaného regionálního operačního programu pro podporu z EFRR v rámci cíle Investice pro růst a zaměstnanost pro regiony v České republice. Operační program byl obdržen dne 15. července 2014.

Komise předkládá v souladu s čl. 29 odst. 3 nařízení Evropského parlamentu a Rady (EU) č. 1303/2013 několik připomínek. Žádáme orgány Vaší země, aby tyto připomínky zvážily a operační program odpovídajícím způsobem upravily a poskytly požadované dodatečné informace.

Připomínky jsou uvedeny v příloze. Podrobnosti rádi s orgány Vaší země projednáme při osobním setkání.

Česká republika z důvodu naléhavosti výjimečně souhlasí s tím, aby byly tyto připomínky přijaty v anglickém jazyce.

S úctou



Za Komisi
Walter Deffaa
generální ředitel

Příloha: Připomínky k „Integrovanému regionálnímu operačnímu programu“

Jeho Excellence Martin Povejšil
mimořádný a zplnomocněný velvyslanec
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ANNEX

Observations on the Integrated Regional Operational Programme (IROP)

CCI 2014CZ16RFOP002

The following observations are made in reference to Article 29(3) of Regulation (EU) No 1303/2013 (the Common Provisions Regulation, "CPR"). The Czech Republic is asked to provide the Commission with any necessary additional information and, where appropriate, revise the operational programme (OP).

SECTION 1 STRATEGY FOR THE OPERATIONAL PROGRAMME'S CONTRIBUTION TO THE UNION STRATEGY FOR SMART, SUSTAINABLE AND INCLUSIVE GROWTH AND THE ACHIEVEMENT OF ECONOMIC, SOCIAL AND TERRITORIAL COHESION

1. Any relevant country-specific recommendations adopted in the framework of the 2014 European semester should be taken into account for the final draft of the programme, in accordance with Article 96 (2)(a) CPR.
2. The Commission has to stress that before it will be able to adopt the Czech operational programmes of the 2014-2020 period, the Czech authorities will have to comply with their commitments included in the Partnership Agreement regarding the Civil Service Act.
3. The Commission draws the attention of the Czech Republic to the fact that the decision approving an operational programme is without prejudice to the Commission position regarding compliance of any operation supported under that programme with the procedural and substantive state aid rules applicable at the time when the support is granted.

The granting of state aid falling within the scope of Article 107(1) of the Treaty on the Functioning of the European Union (TFEU), granted under aid schemes or in individual cases, requires prior approval by the Commission under Article 108(3) TFEU, except where the aid is exempted under an exemption regulation adopted by the Commission under Council Regulation (EC) No 994/98 of 7 May 1998 on the application of Articles 92 and 93 TFEU to certain categories of horizontal aid and its amendments or under Commission Decision C(2011) 9380 of 20 December 2011 on the application of Article 106(2) TFEU to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest or granted as general *de minimis* aid.

4. Justifications of financial allocations within the strategy have not been supported by sufficient analysis, references or hard data. This applies to all thematic objectives (TOs). Especially the planned investments in TO 7 need to be underpinned by a sound analysis, since about 30% of the total EU contribution is to be invested in this TO.

5. On the basis of Article 2(10) CPR only public or private bodies may be considered as beneficiaries. Natural persons can only be beneficiaries under the EAFRD and the EMFF Regulations. Therefore, natural persons cannot be beneficiaries under the Structural Funds and the Cohesion Fund and have to be removed from the respective IROP interventions.
6. Urban transport has to be included within TO 4 e), rather than within TO 7 since interventions in this area are supposed to contribute to environmental targets in urban areas. European Structural and Investment Funds (ESIF) will not be able to support urban/regional transport any more for the primary purpose of the accessibility. As a result strategies to support low carbon economy principles in urban territories will have to be prepared. Consequently all urban transport oriented measures will have to be planned in line with these strategies.
7. Within TO 9 support for social housing is planned however without further specification of the type of housing to be co-financed. The ESIF can only support social housing in the form of social apartments and not social dormitories or any other type of institutional solution.
8. With regards to TO 9, it has to be made obvious why psychiatric care is to be co-financed by ESIF. In this context, the Commission draws attention to the recent OECD report¹ which does not demonstrate that the Czech psychiatric care system needs special interventions when compared to other countries. In this context, statements on the mental condition of the Czech people (e.g. on "one third of the population suffering from a mental disease") should be thoroughly substantiated.
9. The Commission suggests replacing, across the OP, the term "foreigners" with "third-country nationals, including beneficiaries of international protection" as a target group for the envisaged actions within corresponding TOs.
10. As for TO 11, the Commission retains its general negative position towards the planned financing of territorial development plans. The list of eligible beneficiaries (municipalities) should be limited and as unambiguous as possible
11. The Commission asks the Czech authorities to include non-governmental organisations (NGOs), as final beneficiaries, to all priority axes and investment priorities (IP) where the participation of NGOs' could bring benefits to the OP efficient implementation.

¹ Making Mental Health Count. The Social and Economic Costs of Neglecting Mental Health Care", OECD, July 2014

12. The specific acceptability criteria as defined in individual IPs are only general in many cases. Therefore they have to be improved and adjusted to the targets planned to be achieved by the OP. This applies, for example, to IP 10, IP 4c, IP 6c, IP 11, IP 5b.
13. The OP needs to contain a statement to clarify that when spending European Structural and Investment (ESI) Funds by means of public contracts/concessions, national authorities will have to respect EU public procurement rules and in particular (a) Directives 2004/18/EC and 2004/17/EC, (b) Directives 2014/23/EU, 2014/24/EU and 2014/25/EU after they are transposed into the national legislation, (c) Directives 89/665/EEC and 92/13/EEC, and (d) the general public procurement principles derived from the Treaty on the Functioning of the EU

SECTION 2 PRIORITY AXES

Results have to be expressed using European Statistics indicators, where these exist at the appropriate Nomenclature of territorial Units for Statistics (NUTS) level², and if they correspond to the intervention logic and fulfil the criterion of responsiveness to funded activities as required by the general ex ante condition 7. Where relevant, specific areas and regions referred to in the interventions (urban, rural, metropolitan, coastal etc.) should be delineated, according to the harmonised definitions published by the European Commission.

The description of actions should be more concrete and precise, including by giving specific examples. The text should also explain how types of actions contribute to the specific objectives and results, e.g. through targeting of specific target groups, focus on particular themes or issues etc. It has to be noted that the programme has to present the list of actions to be supported under each investment priority. For example, it is not sufficiently clear to state that support will go to developing the 'internal connectivity' of schools and school facilities.

Priority 1: TO 7 – regional mobility and integrated transport systems, TO 5- risk management

14. It is important to make sure that the new regional and national transport infrastructure initiatives support local or regional air quality plans. Within the OP a "broader urban mobility strategy" is mentioned. This could also be a Sustainable Urban Mobility Plan (SUMP) and in any case it has to be linked with the air quality plan applicable to the area as required by Directive 2008/50/EC. Environmental benefits will have to be

² An inventory of indicators compiled by Eurostat is published at:

http://epp.eurostat.ec.europa.eu/portal/page/portal/region_cities/documents/Regional_statistics_overview_20130919.xlsx

clearly demonstrated in compliance with TO 4 e), such as mono-nitrogen oxides (NOx) and particulate matter (PM10) emissions data, comparisons with other main air polluting sources, etc.

15. Result indicator "Share of new or newly reconstructed roads in the total road network" is an output indicator, in fact. Possible result indicators include: "travelling time to nearest (major) city" or "travelling time to the nearest TEN-T node" or "area of the territory accessible within 30 minutes" or "average speed in the total road network". The baseline for a result indicator cannot be zero. The baseline and target values cannot not be reported by implementation reports referring to beneficiaries but have to refer to the whole related area.
16. Activities focusing on supporting multimodal urban transport (within the borders of cities) have to be covered by the TO 4 since the urban mobility has been moved to TO 4 (shift towards a low-carbon economy) for the European Regional Development Fund (ERDF) and the Cohesion Fund (CF) support. The Czech authorities have to demonstrate how their investments will contribute to climate change objectives. In 2014-2020 a qualitative shift is to be achieved from just supporting accessibility to supporting environmental aspects. To reach simple accessibility of a geographical area within the urban territory is not considered as a sufficient justification.
17. In case buses are to be purchased this has to be line with a specific strategic framework (e.g. overall urban mobility plan for public transport, including concrete actions such as effective public transport ticketing, park and ride (P&R) facilities and/or individual car restrictions). This aspect has to be sufficiently covered within the OP.
18. TO 5: The whole specific objective is not clear enough since it is not obvious what the desired change is. Activity "Modernisation of training centres for the integrated rescue system (IRS) elements" has been planned for the whole area of the Czech Republic, in chapter 2.1.9.1 of the IROP. However the Commission, in line with the PA, encourages Czech authorities to limit the geographical and/or thematic scope of this activity only to the most strategic facilities.
19. The result indicator "Increase in the capacity of new and refurbished buildings and premises serving the needs of IRS components" is in fact an output indicator. Source of data cannot be the beneficiaries. For result indicator "Decrease in the number of exposed territories with poor preparedness of IRS components" it is not obvious how the "poor preparedness" is defined. The result indicator should apply to the whole target population, not just to beneficiaries. Possible result indicators include "response times to disasters/in disaster preparedness exercises" or "effectiveness of rescue services systems measured during exercises".

Priority 2: TO 4- low-carbon economy, TO 9-social inclusion, TO 10- education

20. TO 8 has been exempted from the OP. Thus there is no basis for financing nurseries for children up to three years old. Taking into consideration the Country Specific Recommendations (CSR) 2013 and 2014 these types of interventions should be included in the OP. Due to limitations of the legal framework in this respect, the solution would be to use thematically closest IP under thematic objective 9 (a) or 10 to cover infrastructural needs for nurseries from the ERDF
21. TO 4: Under IP 4c reference is made to fuel switching in central heating systems. However, it has to be clarified that clear a preference is given to the switching from oil or coal to renewable energy sources. The current text seems to imply that switching to natural gas is mainly the intention which is clearly a second best solution from a climate change as well as from security of supply perspective. Moreover, an output indicator should be added relating to fuel switching (e.g. no. of units switched to renewable energy).
22. The target to improve energy classification by one level, as defined by the specific acceptability criteria within the IP 4c of the priority axis 2 (page 75), is too low. In order to achieve the highest possible impact and added value of ESIF the selected projects should improve the energy classification of the respective buildings by at least two levels. There has also to be specified in the OP that energy audit and its results will be a precondition for any support from ESIF.
23. Regarding renewable energy sources, combustion of biomass leads to PM which is health endangering, according to the World Health Organisation. Therefore it is necessary to accompany any promotion of biomass by low emission standards, in line with the air package of 18 December 2013³. Also, strict abatement measures have to be introduced in the procurement criteria, in particular the emission limit values as proposed under Ecodesign Directive 2009/125/EC⁴ for household heaters and as defined in the air package of 18 December 2013 for medium combustion plants. Therefore the Commission asks the Czech authorities to take this into account when designing the final version of the OP and subsequently calls for proposals and procedures for projects selection.
24. Similarly, clarification is needed whether a direct support is foreseen in case of use of renewable energy sources from hydropower (i.e. which would indirectly require a construction of small hydropower plants) as this should be linked to a need for a compliance with the Water Framework Directive, as well as with the Habitats Directive.

³ http://ec.europa.eu/environment/air/clean_air_policy.htm

⁴ http://ec.europa.eu/enterprise/policies/sustainable-business/documents/eco-design/legislation/framework-directive/index_en.htm

25. In relation to improving energy performance in the housing sector quantifiable objectives need to be set for the increased use of renewable energy sources (RES) in this sector.
26. The quantified outputs are set for CO₂. However, if air quality is also to be improved (as declared) attention needs to be paid to PM or NO₂ or NH₃. (the indicators could be tones of PM or NO₂ or NH₃ avoided, or reductions in concentrations). This has to be applied across the whole OP.
27. The environmental indicators are not fully developed, e.g. in table 3 SC 2.5 on page 73 the starting values concerning energy savings cannot be 0. The indicators are expected to reflect how the IROP related interventions contribute to the qualitative shift, i.e. to the reducing consumption, emissions, etc., in comparison to the initial state.
28. Analysis and justification need to be provided on why activities planned under TO 4 (energy performance of housing sector) were included in the IROP and not in the OP Environment. From the implementation point of view the most efficient solution seems to be to concentrate energy efficiency measures in all types of buildings within a single OP. Internal set-up of the powers of individual ministries is not enough of a reason to keep this area within the IROP.
29. TO 9: Inclusion and accessibility are supposed to be the main guiding principle of the planned interventions in TO 9. All projects have to clearly demonstrate their contribution to reducing inequalities, discrimination, segregation, social exclusion (Article 7 CPR). The ESIF will not be able to support general interventions in the area of social housing or health-care. In particular, health-care priorities have to be identified in thematic and geographical terms, which is currently not the case.
30. The linkage of IROP with ESF activities for TOs 9-10 should be reinforced to ensure synergies and, hence, a higher impact of actions targeting the same TO across various OPs.
31. It needs to be indicated how the Roma minority will be tackled by interventions within this priority. In this respect it has to be specified how the IROP will contribute to achieving Roma integration goals as defined by the Czech Roma Integration Strategy and how good practice from 2007-2013 will be translated into 2014-2020 actions. Information needs to be provided on follow-up of pilot projects from 2007-2013. Moreover, IP 9b) "Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas" needs to be included in the IROP. There are a number of these communities in the Czech Republic (400) and it is necessary to focus on them using ESIF investments and integrated actions.
32. Specific objective 2.1: The Commission asks that specification of the planned social housing are provided in terms of the type/s, not just the reference to the law on territorial planning and construction. Social housing supporting segregation or social

exclusion cannot be included. Moreover, the Commission maintains its position that an explicit commitment is included in the IROP that no sub-standard housing such as social hostels and any other type of low-quality housing with shared facilities, etc. is supported. In this respect priority should be given to support to publicly-owned housing stock (e.g. municipal).

33. Since this specific objective covers two different types of activities Commission expects it to be split into two specific objectives- capacity of services and social housing.
34. The indicator concerning social housing indicates a number of new beds instead of a number of people for whom the social housing will become available. This needs to be adjusted or explained within the text. The indicator covers social flats and also inclusive accommodation. It is recommended to break it down into two indicators to enable better measuring of the number of social flats and ensure a clear commitment in this respect. The result indicators have to relate to the whole programme area, or the whole target population, not just to the supported entities. Therefore, baseline and target values cannot be reported by implementation reports referring to beneficiaries. For the result indicator on social housing, the baseline cannot be 0.
35. Specific objective 2.3: The indicators in table 5 Specific Target 2.3 do not reflect the direction in which the funding is expected to go (e.g. 'number of inhabitants with better access to health care services' and 'supported healthcare centres', or 'number of supported psychiatric care providers'). Moreover the target value of 10.5 million people, which is the total Czech population, is obviously not realistic since the interventions have to be focused on areas where the access to the corresponding services is limited so far. Indicators are expected to refer to number of inhabitants having access to the desired type of health care services (before and after the intervention). Also, instead of counting psychiatric care providers, the number of patients treated in psychiatric care has to be counted together with their planned transfer to deinstitutionalised community care centres after the ESIF intervention.
36. There is no analysis explaining why support is granted to onco-gynaecological and perinatological care. It is not clear why particularly these fields are to be supported next to psychiatric care under the health services objective. The section should be expanded based on the PA analysis.
37. As for the psychiatric care only the interventions in line with the principles of the deinstitutionalisation shall be supported. Therefore this prerequisite must be clearly demonstrated within the IROP. The indication in chapter 2.2.9.1 that in order to achieve de-institutionalised care new facilities will be constructed and existing ones will be renovated is not clear. Moreover, it has to be clearly demonstrated, within the text of the IROP, that the aspects of accessibility and of social inclusion, focusing on

vulnerable groups and not on the entire population, are the guiding principles for the selection of planned interventions.

38. Among the actions to be supported "reconstructing the existing facilities providing community care and to establishing new (and constructing) or reconstructing the existing (also residential) facilities to achieve deinstitutionalisation of care and humanisation of residential facilities" has been included. It should be noted that homes for seniors shall not be supported by the ESIF since the persons in productive age have to be priority. Please also note that a national/international reference framework should be specified to determine what kind of facilities are to be supported.
39. With regards to indicators, it should be explained what is meant under 'Optimisation of capacities of modernised highly specialised and follow-up health care' and why it shall lead to a decrease of number of beds.
40. Specific objective 2.2: In the activity "social enterprises" it has to be obvious what the desired change is for the region/s. Territorial dimension of this activity needs to be specified, with clear focus on the most deprived areas (high unemployment, rural, with socially-excluded communities, etc.). Support to existing social enterprises is included but ESIF are focused on start-ups and reforms, not on running costs since even social enterprises are expected to be sustainable.
41. Result indicator "Increase in employment in supported enterprises" is in fact a common output indicator. Result indicators have to relate to the whole programme area, or the whole target population, not just to the supported entities. Therefore, baseline and target values cannot be reported by implementation reports referring to beneficiaries. Possible result indicators include: "employment rates in the social entrepreneurship sector" or "employment rates in target groups e.g. Roma, employees over 55, etc." Please do not use "increase" for indicators. As for output indicators there need to be some programme specific output indicators related to the infrastructure built (e.g. number of newly built social enterprises, number of reconstructed social enterprises, etc.).
42. TO 10: The investments need to be guided by a strategic policy framework demonstrating how infrastructure needs have been appraised and how demographic trends have been taken into account. Implementation of the territorial dimension concerning this TO is expected to be demonstrated in IROP. General support of education infrastructure across the country is not possible. Ensuring physical accessibility of education facilities needs to accompany all investments in this area. The Commission expects that active desegregation policy shall be supported through TO 10.

43. Referring to the negotiations of the PA the Commission underlines that details of the coordination mechanism for the area of education should become integral part of the IROP and of the OP Research, Education and Development.
44. In line with CSR 2014 and with the Commission PP specific attention should be paid to support of schools and pupils with poor outcomes. The inclusiveness of education should be strengthened, notably by promoting the participation of socially disadvantaged and Roma children in early childhood education. For the time being there have not been any measures of this kind outlined within the IROP.
45. With regards to further education, it should be clarified what is planned to be financed under which OP since this area is covered by the IROP, OP Employment and OP Research, Development and Education. Moreover, the Commission underlines that any investment into general infrastructure which would be specific for lifelong learning/further education have to be avoided.
46. Complementarities with the European Agricultural Fund for Rural Development (EARDF) should also be identified within the OP regarding social inclusion/combating poverty and education/lifelong learning.
47. An adequate justification, supported by an analysis on why this TO has been included in IROP and not in OP Research, Education and Development together with investments to tertiary education infrastructure (where also ESF measures for pre-primary, primary and secondary education are planned) should be included. The efficiency gains with respect to chosen solution should be clearly demonstrated. It should also be explained how the impact of actions addressing the same TO under the two different programmes will be ensured.
48. Since the OP plans to finance IT infrastructure for schools complementarity with the OP Research, Development and Education should be ensured concerning the training of teachers and provision of suitable curricula content.
49. The Commission PP indicated that the Czech Republic should work on increasing the number of Roma/ disadvantaged pupils/ students in mainstream education (including higher education) however the OP still lacks information in this respect.
50. Estimate of distribution of funding among the measures should be provided. The highest priority should go to pre-school education (nurseries and kindergartens). On the opposite, the actions related to key competences should receive only a minor support.
51. The result indicators related to SO 2.4 does not seem at all ambitious as the target on ESL has already been achieved and the target of 5 year olds enrolled in pre-school education depends strongly on the demographic trend for the next 10 years which is not explained in the analytical part. The target values of the indicators should be

therefore made more ambitious or the indicators should be changed (e.g. for the facilities for 0-3 year-olds).

Priority 3: TO 2- ICT for public, TO 6- Environment (Cultural heritage), TO 11- institutional capacity administration

52. The text on needs and challenges and their contribution to the delivery of the EU 2020 and to the National Reform Plan (NRP) and CSRs is vague for both TO 2 and TO 11. Example: no reference is made on how ICT will be used for addressing CSR nr. 6; the need of good-quality regional and urban planning is not assessed vis-à-vis regional differences, the roots of the problem are not presented and thus addressed referring to the mere existence of the planning as the only solution.
53. The synergy and complementarity between the IROP and the OP Employment needs to be clarified. For example, it is not clear why the only IP selected to be supported from ERDF is not a part of the priority axis 4 of the OP Employment where all other soft interventions on public administration are planned.
54. For each type of operations located outside the programming area which benefit both to less and more developed regions, the applied pro-rata key should appropriately represent the relative distribution between benefits to less and more developed regions. This is not sufficiently justified for the currently proposed key based on the number of regions. In so far as operations should finally benefit citizens/residents, the relative size of population is likely to be a better proxy.
55. TO 2: The Digital Agenda for Europe and the eGovernment Action Plan 2011-2015 should be the guides to priorities in this area. Czech authorities are encouraged to further invest in the implementation of cross-border eGovernment services as piloted by the Member States (MS) and the EU. These investments have to ensure synergies with the European digital services infrastructure activities under the Connecting Europe Facility (CEF).
56. Given that a pro-rata calculation of 1:13 was made for investments in Prague towards the 13 less-developed regions, it is not clear how the national benefits of investments in Prague, as capital city and seat of national ministries, will be calculated.
57. The Commission considers the present indicators not the most suitable for the chosen interventions and suggests including indicators that capture the results of the planned interventions better, e.g. e-government usage by individuals or the population communicating with public institutions through online applications or the number of institutions integrated in the e-government cloud or number of e-services available, etc.
58. TO 6: The current identification of planned eligible cultural heritage is too broad and all encompassing. Priorities are insufficiently identified. Such a general support to

public tourism infrastructure is not acceptable to the Commission. Thematic and geographical concentration has to be defined. As a result all activities planned (page 83) have to be significantly reconsidered and reduced.

59. The Commission is asking Czech authorities to use a result indicator to indicate how the support for cultural and natural heritage will contribute to wider (nature) protection policies, instead of the indicator "share of collections and funds with more efficient management in their total number."
60. Moreover, the result indicator "increase in the expected number of visits to supported cultural and natural monuments and attractions" is in fact a common output indicator. A possible result indicator could be "number of visitors to the region/s". Result indicator "share of collections and funds with more efficient management in their total number" is rather an output indicator and needs further explanation. It refers to a separate specific objective. Baselines for a result indicator cannot be 0.
61. The Commission appreciates inclusion of green infrastructure in the OP. Nevertheless the Czech authorities are encouraged to take advice on concrete actions in this area also from the Guide to Multi Benefit Cohesion Policy Investments in Nature and Green Infrastructure⁵ in order to strengthen this specific objective.
62. TO 11: The Commission invites the Czech authorities to provide detailed information on systemic cooperation and coordinating activities under TO 11 between the IROP and the OP Employment. Details of the coordination mechanism should become integral part of both OPs. The same applies to investments planned under TO 2 which are separated from TO11. Measures proposed should also be a part of a national public administration reform as they are complimentary and maximum synergies have to be ensured from investment planning perspective and the implementation point of view.
63. With regards to the financial allocations for public administration (6% of the OP for ICT in the public administration, 2% for the planning documents), it should be made clear on what basis they were calculated. The amount dedicated to planning documents (which is almost the same as for the whole public administration in the OP Employment) appears to be overestimated. In the allocation for ICT it should be explained what part is to be dedicated to the cybernetic security and how this issue shall contribute to the specific objective of efficient and transparent public administration.
64. Since eHealth is included it needs to be ensured that it is not just enhanced institutional capacity of public administration that is targeted. Healthcare providers (i.e. hospitals and doctors) in particular should make a priority to provide more

⁵ http://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/guide_multi_benefit_nature.pdf

rational healthcare services. Interoperability of eHealth systems within the Czech Republic and also with other EU Member States needs to be ensured.

65. Specific objective 3.2: Within the specific objective "increasing the efficiency and transparency of public administration through better use and quality of ICT systems" it is not obvious what the desired change is and who the target group is.
66. Result indicator "new functionalities of ICT systems" needs further explanation. It has to be obvious what IT systems are to be tackled and who the users will be. It has to be made clear what is meant under "new functionality" and how it reflects the increased efficiency and transparency of public administration. For the result indicator "increase in the number of public authorities meeting the cyber security standards" reference needs to be made to the number of public authorities, and not to its increase. The transparency is not reflected at all in the indicators.
67. With regards to actions to be supported, their expected contribution to the specific objective stays at a very general level. The description should be made more precise in this respect. For example, while culture is a part of public administration, listing it among the priorities is not supported by the analytical section.
68. With regards to guiding principles for the selection of operations, there is only reference to the general description for all priorities in the chapter 7.1 of the OP. It is stated there that specific eligibility criteria are defined for each specific objective, however it is not the case. Moreover, due to the specificity of public administration, this chapter should be more developed to describe the selection of operations more in detail, taking into account the experience from 2007-13 period. For example an information how financially important ICT projects will be prepared and selected should be provided as well.
69. With regards to the outputs, it is not clear how the envisaged 1200 ICT systems will contribute to an efficient and transparent public administration or what is planned to be counted as „a system“. For the second output indicator it is not clear how "a new element for ensuring cyber-security" is defined. Similarly to results, having ICT systems more secure does not automatically lead to efficiency and transparency of public administration.
70. Specific Objective 3.3: ESIF are not available for general financing of territorial development plans. Therefore this activity have be significantly adjusted, particularly the scope of planned beneficiaries. Moreover, respecting Article 5 of the ERDF Regulation, investments from ERDF under TO 11 must either support the capacity building of public bodies related to implementing ERDF or support ESF with equipment and infrastructure. The Commission recognises the importance of territorial planning however due to reasons of concentration of resources national or regional or municipal budgets should primarily be used for this purpose.

71. While the specific objective is planned to provide support to elaboration and using the planning documents, the text on page 79 (second paragraph) clearly states that the elaboration of the documents is not planned. The description is not clear as regards the change that is planned to be reached.
72. The only result indicator relevant for this specific objective refers to the area to be covered by planning documents. It is not clear how only the coverage can ensure efficient and transparent public administration. The quality of those documents and/or the process under which they are elaborated are not tackled at all.
73. With regards to the guiding principles for the selection of operations, there is only reference to the general description for all PAs in the chapter 7.1 of the OP. It states that specific eligibility criteria are defined for each specific objective, which is not the case. Moreover, due to the specificity of public administration, this chapter should be more developed to describe the selection of operations more in detail, for example, taking into account the experience from 2007-13, how financially important ICT projects will be prepared and selected etc.
74. With regards to the outputs, they are in contradiction with the statement on page 79 (second paragraph) which clearly states that the elaboration of the documents is not planned.
75. With regards to the performance framework – see the comments above to the indicators; as regards the milestones, to have only 13% of the ICT systems in place in 2018 is set too low.

Priority 4: Community Led Local Development (CLLD)

76. Comments on individual TOs as mentioned within observations to other priorities are related also to all TOs (6, 7, 9, and 10) to be included within the planned CLLD interventions. Including certain types of activities within CLLD does not constitute a justification for such activities on its own.

Priority 5: Technical assistance (TA)

77. According to the estimates within the OP the implementation structure of IROP is to cover 482 persons. This is probably caused by the planned inclusion of regional councils into implementing structure as intermediate bodies (in this respect please see comment 53). The number of 482 persons seems disproportionately excessive in comparison to the number of persons within the implementation structure of 2007-2013 Integrated operational programme (IOP) which was less than 200 persons. Therefore the Commission invites Czech authorities to re-consider the number of

persons necessary for the IROP implementation. In all cases the number of posts per individual implementing bodies needs to be indicated within the OP.

78. Commission expects an indication, within the IROP, what activities will be carried-out "in-house" and whether outsourcing to external contractors has been planned. In any case outsourced activities have to be limited so that expert knowledge within the implementing bodies can be developed and concentrated.
79. As for the indicators the Commission suggests adjustments in order to better reflect the objectives of this priority. The indicators to be replaced are: a) Number of meetings of authorities, working or advisory groups, b) Purchase of material, goods and services necessary to ensure implementation of the programme, c) Number of pieces of newly acquired equipment. The replacement indicators can be selected, for example, from the following ones: the number of on-the-spot verifications, the number of projects to reinforce the capacity of relevant partners, the number of projects contributing to reducing administrative burden, the participants in training, the networking events supported, and the number of projects to reinforce the capacity of MS authorities.
80. The indicator "number of supported FTEs" can be included for monitoring purposes only, not related to performance and without a link to any target.
81. A specific budget within the TA allocation needs to be reserved for targeted support to beneficiaries. Czech authorities are therefore expected to propose a set of measures designed to support specific needs of beneficiaries. The text is supposed to describe how their project development capacity and implementation capacity can be strengthened through the TA support.
82. The Commission suggests, within the context of the fight against fraud and corruption, including an explicit reference to the horizontal and national recommendations established in the framework of the EU anti-corruption reporting mechanism for periodic assessment, set up by the Commission decision of 6 June 2011. The Commission adopted the first EU Anti-Corruption Report on 3 February 2014.

SECTION 3 FINANCING PLAN

83. Data on financial allocations have to be identical to those in the PA, which is not the case for the time being.
84. The performance reserve represents 6.11% of the overall ERDF contribution to the OP (6.11% for less developed regions and 6.13% for more developed regions). This would have to be compensated by a corresponding lower performance reserve below 6% for another OP. In this case, compliance between the overview table on the performance amounts foreseen by fund and category of region as required by Article 15(1)(a)(vii) CPR to be included in the PA and each OP need to be checked as far as the

performance reserve is concerned. The Commission will require this information before the approval of OPs, i.e. if they diverge from 6%.

85. The amount for more developed regions under the PA 3 seems too low taking into account the benefit for Prague region where all operations under TO 2 and a majority of operations under TO 11 will take place. See also the comment on pro-rata calculation under PA 3.

SECTION 4 INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT

86. There needs to be description of the of the actual approach to territorial development, specific needs, bottlenecks and potentials of individual areas to be tackled by different integrated instruments, especially territorial investments (ITI) and integrated territorial plans (IPRU).
87. The arrangements for urban ITIs are discussed under chapter 4.3. However, the chapter 4.3 should describe the use of ITIs in cases other than urban development. Therefore the information concerning urban ITIs should be in the chapter 4.2, including corresponding table/s.
88. Information has to be provided within the IROP on how the coordination with other OPs will be ensured within ITI.
89. It must also be indicated within the IROP how management and implementation of ITIs' will be carried out and the extent of urban authorities' involvement. This is particularly important since all ITIs will cover broader areas than just the cities. Presented set up common to integrated instruments is not appropriate for Article 7 ERDF where at least project selection needs to be delegated to urban authorities who consequently become intermediate bodies with responsibilities proportionate to the level of delegation. In this respect it has to be clarified that also in polycentric agglomerations it will be urban authorities who will manage the corresponding ITI.
90. ITIs are described as means to carry out capital-intensive infrastructure projects and not as tools to address selected functional areas in an integrated way. Challenges to which these investments would respond need to be described and taken through intervention logic.
91. Certain ITIs, including Prague ITI address metropolitan areas detached from their corresponding core cities. In that sense it needs to be clarified how many of the 6 ITIs are actually urban ITIs represented by urban authorities and not by regional authorities. Only urban ITIs shall be counted against 5% ERDF allocation to sustainable urban development. In case of Prague it needs to be explained within the IROP how the city of Prague will be involved in the ITI since in fact the area of Prague itself does not seem to be covered. At the same time the coordination mechanism and complementarities with the OP Prague have to be explained.

92. Integrated plans for territorial development (IPRU) have been included in the OP. More details are needed within the IROP, such as: how the IROP will contribute to them, whether other OPs will be included, priorities to be financed, which TOs' will be tackled by the IROP, how operations (projects) will be selected, how coordination will be ensured with other OPs, etc.
93. ITIs and IPRU as described seem to be very similar instruments since they both tackle exactly the same TOs, PAs, IPs and SOs. The only difference seems to be the fact that IPRUs are foreseen for cities that are regional centres. The value added of IPRUs needs to be explained and the fact that they cannot be counted against 5% sustainable urban development, as defined by the Article 7 ERDF, fully acknowledged.
94. National Permanent Conference seems to have a role in the managing integrated tools. Therefore its membership, powers and legal basis should be clarified within IROP.

SECTION 5 SPECIFIC NEEDS OF GEOGRAPHICAL AREAS MOST AFFECTED BY POVERTY OR TARGET GROUPS AT HIGHEST RISK OF DISCRIMINATION OR SOCIAL EXCLUSION

95. Integrated implementation of measures focused on the most deprived areas is not obvious from the text of the OP. It needs to be evident from the OP what the most deprived areas are, where they are located, what their specific needs are, how they will be tackled and what the share of investments dedicated to these localities is (share of the budget for SO2.1.). The current OP text only lists three thematic areas (social and health-care services, social entrepreneurship and education infrastructure). However these thematic areas have been planned for the whole territory of the Czech Republic without any specific focus on the most deprived areas.
96. Measures focusing on the Roma community should be included in the OP as well. Activities should be identified within the priority 2 and an integrated approach should be demonstrated.
97. Commission invites the Czech authorities to indicate how this type of interventions will be implemented (special calls, more points to projects coming from these localities, etc.).

SECTION 7 AUTHORITIES AND BODIES RESPONSIBLE FOR MANAGEMENT, CONTROL AND AUDIT AND THE ROLE OF RELEVANT PARTNERS

98. The section on the appraisal of integrated instruments has to specify roles of individual bodies in individual phases of the assessment process. The holders of the integrated strategies are expected to have decisive role. Any other authority can only verify formal criteria of acceptability. The role of intermediate bodies is unambiguous in this respect.

99. As a new element seven intermediate bodies (regional councils) have been introduced. However the added value of such a structure has not been justified and remains questionable. Moreover the Czech authorities, within the PA chapter 2.5, declared reducing number of subjects involved in implementation as one of the factors to achieve better efficiency and effectiveness in 2014-2020 period in comparison to 2007-2013. Furthermore the letter, dated 11 July, from Minister Dienstbier to the DG REGIO cabinet, includes the statement that "So called Regional Councils (regulated by the Act on Officials of Territorial Self-Governing Units 312/2002) will not assess and approve ESIF projects; therefore will be excluded from the scope of the Civil Service Act." The role planned for Regional Councils within the IROP, page 131, does not seem to be in line with this statement.

Finally, the excessive number of intermediate bodies within 2007-2013 IOP has been identified as one the obstacles for efficient and effective implementation.

Therefore, under current circumstances and reasons outlined above, primarily the unclear added value and efficiency and effectiveness of the implementation, the Commission invites Czech authorities to leave Regional Councils out of the implementation structure.

100. The strategic environmental assessment (SEA) Statement issued on 30 June 2014 (public EIA/SEA server: http://portal.cenia.cz/eiasea/detail/SEA_MZP171K) is not to be understood as the final statement in the light of SEA Directive to be issued with the adoption of this OP. Therefore, the position of the Commission is without the prejudice to finalise the procedure in accordance with the SEA Directive

SECTION 8 COORDINATION BETWEEN THE FUNDS, THE EAFRD, THE EUROPEAN MARITIME AND FISHERIES FUND (EMFF) AND OTHER UNION AND NATIONAL FUNDING INSTRUMENTS, AND WITH THE EIB

101. The Commission underlines the importance to demonstrate the coordination mechanisms and synergies between the IROP and the OP Employment with respect to public administration reform, e-government areas and child-care facilities including nurseries. The same applies with respect to education (in particular kindergartens, primary and secondary education, lifelong learning) between the IROP and the OP Research, Education and Development Relevant references have to be included in the chapter 8. OP should also contain two agreed documents on the above coordination mechanisms.

102. With regards to coordinating with other EU funds, due mention should be made to the need for synergies with the Asylum, Migration and Integration Fund (AMIF).

103. The IROP is expected to recognise the need for mobilising funds and capacity building also through LIFE+ integrated projects; e.g. in the sectors related to Air

Quality measures, which are directly relevant for Czech regions and for objectives of the IROP

SECTION 9 EX ANTE CONDITIONALITIES

104. Each OP must identify all ex ante conditionalities (EACs) applicable to that OP and provide an assessment of their fulfilment. In case an EAC is not fulfilled an action plan has to be introduced, within the corresponding OP, defining actions to fulfil the EAC, the responsible bodies and a timetable for such actions (art.96 of the CPR). In case of general EACs identical action plans have to be introduced within all OPs, coordinated by the National Coordination Authority. In case of the IROP no detailed action plans have been provided for all applicable EACs, reflecting all non-fulfilled criteria. This concerns particularly the general EACs 4, 5, and 7 but also certain thematic EACs, e.g. EAC 7.1 or EAC 11. For all unfulfilled (elements of) EACs, it should be noted that there is a risk that the significant prejudice clause would be triggered.
105. EAC 9.2: The self-assessment needs to provide more information referring to particular sub-criteria. While the information in the OP specifies what criteria are considered fulfilled (all except one), annex 5 is not clear in this respect. From the action plan in the OP it is obvious that the only non-fulfilled criterion will be fulfilled by the end of 2014 when the Roma Integration Strategy until 2020 will be adopted. Action plan does not specify the sub-criteria raised in the self-assessment. Neither are they specified in the more detailed action plan in annex 5 that provides more background information than the action plan in the OP. Moreover, according to the annex 5, it seems that some measures will be realised in 2015 and the EAC would only be fulfilled then.
106. EAC 9.3: The self-assessment needs to provide more information referring to particular sub-criteria. With regards to the action plan: it claims that the EAC will be fulfilled through a document "National strategy of health protection and assistance and diseases prevention - Health 2020" and its implementation documents (action plans). However, then it is specified that the necessary strategic framework required in the EAC is in fact defined by many other documents as well (which may be more relevant to ensure economic sustainability). Moreover, from the action plans that are specified in a great detail in Annex 5 it is clear that they respond to the strategy and in some cases only very partially to the need defined by the EAC.
107. Example: the action plan for ensuring the access and organisation of care providers is not elaborated while it seems very relevant for the EAC. On the other hand, some action plans do not seem entirely related to some criteria. Some themes of the first action plan on health protection and assistance and diseases prevention (e.g. appropriate nutrition habits or sufficient physical activity of population) or the action plan linked to tobacco use and alcohol have very little to do with the access to the

services which is the core of the EAC. Planning in the action plans in Annex 5 is often not updated when referring to past actions. With regards to the system for monitoring and assessing, this will be a part of all action plans and related areas. However, the EAC assumes a system for monitoring and assessing the health sector as such and this is not described at all.

108. EAC 10.1: The Commission provisionally agrees with the Czech self-assessment that this EAC is not fulfilled. The action plan relevant to this EAC only sets the deadlines for the approval of the main strategic documents. More information is needed referring to the particular sub-criteria of the fulfilment, namely on inter alia: an evidence-base of the system for collecting and analysing data and information on early school leaving (ESL) (mainly concerning the disadvantaged); an evidence-base of the ESL strategic policy framework; coverage and targeting of the ESL strategic policy framework; prevention, intervention and compensation measures.
109. EAC 10.3: The Commission provisionally agrees with the Czech self-assessment that this EAC is not fulfilled. The action plan relevant to this EAC only sets the deadlines for approving of the main strategic documents. Annex 5 lists the strategic documents and relationships among them in more details. However, it does not specify the details covered by the sub-criteria in the self-assessment. This needs to be completed.
110. EAC 10.4: The Commission provisionally agrees with the Czech self-assessment of that this EAC is not fulfilled. The action plan provided in the OP does not address some of the details requested by the sub-criteria of the self-assessment. We welcome more detailed information provided in Annex 5. However, more information is still needed on the following issues: skills anticipation, guidance and monitoring and evaluation.
111. EAC 11: The self-assessment needs to provide more information referring to particular sub-criteria. Regarding the first criterion, the column for the deadline should reflect that crucial methodologies will be elaborated by the end of 2015. With regards to the third criterion, a general reference to the implementation plan is not sufficient. The deadline for the planned measures planned should be added. Regarding the fourth criterion, a general reference to the implementation plan is not sufficient, the deadline, i.e. end of 2015, for the measures that are relevant (as some of the presented ones are not), has to be added.
112. General EAC 3: The third criterion is not filled in. A summary of the information should at least be provided. The reference to the PA is not sufficient. For the IROP the issue of accessibility is important. Concerning the third criterion, it is also necessary to keep in mind that information is required on the monitoring mechanism within scope of the ESIF, i.e. to indicate who will be responsible for monitoring (Ministry of Labour or Government Council for People with Disabilities)

and under which framework (a part of the National Plan for Creating Equal Opportunities for People with Disabilities).

113. General EAC 4 (public procurement) and the necessary arrangements for the effective application of EU public procurement rules through appropriate mechanisms, the Commission considers that the following points and questions should as a minimum (but not exclusively) be covered by a detailed action plan:

The setup of a coordination mechanism including not only the meetings of a working group, which will be established, but also its powers and mandate (how it will be deciding, how it will enforce its decisions, for example upon the Office for Protection of Competition (OPC)) and monitoring and follow up of issues linked to the effective application of EU public procurement rules. Moreover, the EAC assessment attached to the PA states that there is a planned analysis of the working group activities to be carried out by the end of 2016 – this should be a part of the action plan.

Information on how the most common errors are going to be tackled, when an analysis is going to be prepared, what the follow up would be, timeframe when this is going to be carried out and who will manage the whole process.

Regarding the internal database of most common errors (the assessment of this EAC in the PA notes that it will be modified) the action plan has to define when the database is to be functional, whether it is to be public and the update periodicity.

Regarding possible incompliance of the decisions of OPC with the Commission, European Court of Auditors (ECA), European Court of Justice (ECJ), the Commission acknowledges that the OPC is an independent body but a mechanism shall be in place to prevent, to monitor and to follow up any possible discrepancies (e.g. an analysis has to take place at a certain point by a responsible body assessing the compliance, e.g. on a sample basis).

As for the arrangements to ensure administrative capacity for implementation and application of EU public procurement rules, it is still not clear whether the competent national bodies have already ensured the necessary capacity and, if this is not case, by when it will be ensured. The same comment is valid also for the OPC, where the administrative capacity to deal timely with public procurement cases linked to the ESIF was not sufficient in the past.

114. General EAC 5 (state aid): According to the action plan included in the PA individual operational programmes will describe in action plans OP-specific measures to fulfil this ex-ante conditionality. As the current OP does not mention any additional specific measures compared to the PA, it has to be amended correspondingly, for the first and third EAC criteria.

For the first criterion, see the suggestions below:

Only public funding not exceeding the de minimis threshold is put in the central registry of de minimis aid and only funding from the ESI Funds will be included in MS2014+. An action plan shall be submitted for registering and monitoring all public support not covered by the above two categories of public funding (e.g. public support exceeding the de minimis threshold financed exclusively from public budgets) to respect relevant aid ceilings.

As the Czech authorities have considered the sub-criteria "control of compliance with the General Block Exemption Regulation and approved schemes" and the sub-criterion on "the knowledge about any aid granted" as not fulfilled, appropriate OP specific measures shall be included in the action plan.

115. General EAC 6 (EIA/SEA): The Commission notes that the relevant action plan (dated 16 June 2014) is limited to the adoption of modified EIA law only, and that it does not include any information on the fulfilment of the commitments given by the Czech Republic with regards to co-financed projects as well as transitional measures other than the reference to the "methodological guidance". This methodological guidance seems to be limited to explanations on the proposed changes to the EIA and construction law and the instructions to the Czech authorities how to proceed within the margins of the existing law to ensure the maximum possible similarities with the future legal regime. No further requirements which would lead to any concrete steps to ensure the actual compliance of co-financed projects with the EIA Directive (e.g. screening of the changes) are included.

In addition, as noted in the discussions on the adoption of the PA, the draft law is not finalised, and the Commission cannot be considered to have approved the draft that is not complete or finalised. Therefore any references and conclusions in this respect have to be removed.

SECTION 10 REDUCTION OF ADMINISTRATIVE BURDEN FOR BENEFICIARIES

116. The current text of the programme is vague and does not come with concrete proposals. For instance, the programme is expected to include information about how the Managing Authority (MA) plans to make use of the options available to MS when it comes to flat rates and standard unit costs.
117. Moreover, the programme is expected to also outline other simplification measures related, for instance, to submitting documents (e.g. single submission principle, no submission for documents available via public registers) or to the number of controls that can be carried out (e.g. single control policy where once a project is controlled by one mandated body it cannot be controlled again that year).
118. The OP has to explain how e-cohesion is going to be implemented. How the conditions of Article 122(3) CPR will be met to ensure that all exchanges of information between managing authorities, certifying authority (CA), audit authority

(AA), intermediate bodies and beneficiaries are carried out by electronic data exchange systems by 31 December 2015.