Observations on the draft version of the **OP PRAGUE GROWTH POLE**

Version of the OP commented: as submitted informally to the Commission in January 2014.

These comments are reflecting the state-of-play as of January 2014 and are to be understood as non-comprehensive. Other comments or objections might be raised during a later stage of the negotiations.

 **Maturity of the OP**

1. In general, the latest version of the OP follows the OP template available since the end of October 2013. Majority of the tables have been included as well, including the relevant data. The next version of the OP should be also adapted to the latest available OP template.
2. The document would gain much in terms of clarity if the strategic part would merge all the information and relevant statistical data which are otherwise scattered across the different sections of the document. As an example, there is a long section showing links to different strategies and documents on the EU or national level. Information and justification in this part is very repetitive and should be better merged together with the main weaknesses and development needs described earlier in the OP. The same applies for information and data given at the beginning of description of each priority axis or in some of the annexes. Some data in the text should be updated.
3. Concerning the description of the priority axes, results are often mixed with supported activities. The expected results should be clearly indicated for each specific objective, followed by an indicative list of supported activities to achieve those objectives. The list of supported activities as presented in the current draft is very general and should be elaborated in more detail, giving more concrete examples of actions foreseen.
4. As regards the financial allocation, the relevant table was provided. However, the justification does not seem to be based on the results of the ex-ante evaluation which should be corrected in the next version of the OP. Financial allocation differs from the allocation for this OP indicated in the draft Partnership Agreement.
5. The number of result indicators used in the OP should be reduced. As a general recommendation, each specific objective should be covered by maximum 2 result indicators. Targets should be set for 2023 and all baselines should be provided, stating clear source of data. Concerning output indicators, all actions should be reflected in terms of output indicators and the common indicators should be used wherever possible.
6. The OP indicates that financial instrument will be used but no further information is provided. We understand that the decision on what type of financial instruments will be used is subject to further assessment but more concrete information should be given in the next version of the OP.
7. Guiding principles for the selection of operations contributing to the delivery of specific objectives and achievements are not sufficiently described and should be further developed to ensure the selection of quality operations.
8. The chapter on ITI should be further developed, including the rationale behind selection of this tool and well as coordination mechanisms.
9. Draft report of the ex-ante evaluation with an executive summary is missing.
10. Some information on the fulfilment of ex-ante conditionalities is not updated.
11. The Czech authorities should introduce in the draft OP the standard clause regarding the respect of state aid rules: “Any public support under this programme must comply with the procedural and material State aid rules applicable at the point of time when the public support is granted.”
12. References to EU legislation should be checked and adapted to the latest version of regulation (CPR, CF, ERDF, ESF, CEF published in Official Journal L 347 and OJ 348 on 20 December 2013) throughout the whole draft OP.

**Quality of the OP**

**Chapter 2 - Strategy**

1. The strategic part of the document should be more evidence based (for many statements, no statistical data were provided to support them or are scattered across the document). As already mentioned earlier, this part should be more concentrated, using information and data from other parts of the document (description of the priority axes, part on linkages with the EU or national strategies, annexes, etc.).
2. The draft OP contains references to regional RIS3 strategy. We understand that the City of Prague has decided to update its own regional innovation strategy in line with the concept of the smart specialization and we presume that the regional RIS3 will be part of the strategy on the national level. Nevertheless, since the Czech authorities have decided to submit the RIS3 strategy on the national level (with regional annexes), the draft OP should be above all in line with the national RIS3 strategy. This should be clearly visible from the OP and information on how the OP will contribute to the RIS3 strategy on the national level has to be provided. Investments which are not in line with the RIS3 strategy cannot be financed by the OP.
3. As regards the support of childcare for 0-3 year-olds, this cannot be covered by the thematic objective 10 but only by the thematic objective 8. In case the support will have clear focus on disadvantaged groups and/or social aspects, support under the thematic objective 9 could be considered. (Note: An official reply to the question on this issue will be sent very soon by DG EMPL.)
4. Despite the negative growth trend in the number of job seekers, employment is not tackled among the thematic objectives selected. Existing problems in the labour market serve only as justification for funding of the social undertakings under the ERDF (table p. 23, CZ) and activities under the investment priority 3.4 (social enterprises).
5. Justification of the financial allocation (p. 21, CZ) should correspond to the needs analysis and should not take into account only possible absorption capacity but should also reflect the results of ex-ante evaluation and RIS3 strategy.
6. Since the Czech authorities are considering possible use of Art. 70 and 93 of the CPR, more information should be provided on how the intended transfer will complement the planned allocation for the OP Prague.

**Chapter 3 – Priorities**

1. The text at the beginning of this chapter is not particularly relevant and should be better used in the section on coordination mechanisms.

**Priority axis 1**: TO 1 – strengthening research, technological development and innovation (ERDF)

1. The draft OP contains references to RIS3 strategy on the regional level (p. 25, CZ). Nevertheless, the information on how the OP will contribute to the fulfilment of the national RIS3 strategy is missing or it is not explained how is the regional RIS3 strategy in line with the national one. It is also not clear why and how should the identified domains of specialization change during the programming period, as the text in this chapter states.
2. Concerning the references to the RIS3 strategy, the OP cannot only refer to the underlying strategy. It needs to be a self-sufficient document, with enough level of detail and information on clear objectives and targets and priorities for funding. Therefore the conclusions of the RIS3 strategy should be visibly reflected in the OP once the strategy is finalised.
3. The necessary synergies and complementarity with the activities financed under the OP Enterprise and Innovation for Competitiveness and the OP Research, Development and Education are still not sufficiently developed and we would welcome more information on this area to avoid overlaps.
4. As for the indicative list of activities, we think that the support of technology/science parks fits more under the ERDF investment priority 1a (p. 27, CZ). In addition, information on activities planned for the development of companies in the critical period of their life cycle should be provided to see whether this activity could be supported under the thematic objective 1 since it seems to fit more under the thematic objective 3 (p. 27, CZ).
5. Since no ESF actions are foreseen to support the ERDF financed measures under this thematic objective in the Prague area, how is it to be ensured that the ESF support for employment, labour mobility, education, skill and life-long learning are synergetic to the ERDF investments in R&D+I?
6. It should be clarified to which extent the support of large enterprises is envisaged in this priority axis.
7. Since the use of financial instruments is planned in this priority axis, more information on the concrete set-up should be provided (p. 28, CZ). Given the relatively small allocation foreseen for financial instruments, the cost and time involved in setting up and running the scheme should be considered.

**Priority axis 2:** TO 4 – supporting the shift towards a low-carbon economy in all sectors (ERDF)

1. The energy efficiency part of the priority axis should be linked to key EU or national strategies. The Czech Republic committed itself to finalise a National Air Quality Strategy in 2014, yet there is no reference on how this strategy was incorporated in the OP. As energy efficiency will also contribute to air quality, this should be reflected in the text and preferably also in the selected indicators.
2. The same applies to the national Energy Efficiency Plan, required under the Energy Efficiency Directive. The Directive requires Member States to establish a long-term strategy for mobilising investment in the renovation of the national building stock, including policies and measures to stimulate cost-effective deep renovations. In that respect, we would like to know whether this has been taken into account and how the buildings to be renovated will be selected. Is there a coordination of these specific energy efficiency investment measures and broader urban development/regeneration as to arrive at an integrated approach?
3. Are the planned transport measures parts of a wider Sustainable Urban Mobility Plan? How will the areas of new P+R be selected? In view of the negative experience with the location of P+R facilities linked to the Prague metro extension, we would strongly recommend to take the issues of urban/spatial planning very seriously.
4. Since the OP foresees an option to finance building of parking spaces with possibility to recharge electric cars (p. 37, CZ), possible overlaps with the measures planned under the OP Transport (priority axis 2 – road infrastructure on the TEN-T network and public infrastructure for clean mobility; specific objective 2 – support for the development of alternative energy refuelling stations on the road network) should be considered.
5. More explanation should be given on what exactly "metro space" means (p. 32, CZ).
6. As regards the terminology used, some parts of the text suggest (p. 17, CZ) that air pollution is linked to greenhouse gases. To avoid confusion, we would suggest to explicitly mention PM and NO2, i.e. to qualify air pollution in the meaning of EU Air Quality legislation.

**Priority axis 3**: TO 9 – promoting social inclusion, combating poverty and any discrimination (ERDF, ESF)

1. Concerning the investments in social housing, it has to be clearly specified what kind of housing will be supported. Two prerequisites must be in place: clear definition of target groups (for example the ETHOS typology could be used) and high quality social housing strategy developed in cooperation with civil society and organisations acting in the field of housing exclusion that would be generally accepted (and not opposed by the relevant actors). Moreover, there has to be a direct commitment in the OP that no sub-standard housing such as social hostels (“ubytovny”) and any other types of low-quality housing with shared facilities etc. is supported by the ESI Funds. Any social housing potentially supported must ensure quality of standard housing and should avoid any kind of segregation or social exclusion.
2. It should be also defined whether the support will be focused on existing housing stock or on construction of new stock. In this respect priority should be given to support of publicly owned housing stock (e.g. municipal).
3. As regards the strengthening of infrastructure for social enterprises, this specific objective should be more concrete. What social innovations will be developed (p. 45, CZ)? It should be also specified how the territorial dimension will be taken into account. Clear focus should be on the most deprived neighbourhoods.
4. As for the activities supporting integration, community services and prevention, services delivered should aim at sustainable inclusion and not only temporarily occupying disadvantaged people (art projects, p. 48, CZ).
5. Regarding the promotion of social enterprises and entrepreneurship, long-term unemployed are not present among the target groups while the social entrepreneurship is described as the activating measure for people with limited employability. The setting up of new social enterprises is envisaged so it should be reflected in indicators.

**Priority axis 4:** TO 10 – investing in education, training and vocational training for skills and lifelong learning (ERDF, ESF)

1. It should be shown how the infrastructure needs have been appraised, including the territorial and budgetary aspect. How is the sustainability of the investments ensured?
2. Isolated renovations of building with limited impact on quality or participation should be avoided; simple renovations or refreshing of existing and functional premises should be financed through maintenance budgets and not by the ESI Funds.
3. Concerning the investment priority 2, it should be stressed that the support for the talented children is not a priority of the ESF which should primarily focus on equal access to education.

**Priority axis 5:** Technical assistance

1. Technical Assistance is to be programmed and implemented like any other priority in terms of performance monitoring and target setting. Technical assistance priority has to define not only output indicators but also result indicators and set targets for result indicators. Consequently a more strategic perspective is required as well as focus on the added value that it may bring in management of ESI Funds.
2. The text relevant for the technical assistance should contain sound analysis of the bottlenecks of the 2007-2013 period and lessons learnt or areas of improvement. Results and recommendations of the previous evaluations should be added as well. Consequently, the text should propose a set of comprehensive remedial measures while being able to demonstrate what added value the TA resources will bring compared to the TA measures currently implemented.
3. Expected results for each specific objective should be added as is the case in other priority axes. There must be a clear link between the expected results and proposed indicators as well.
4. Activities to be supported are listed without any description and quantification. Please elaborate. It is also not indicated whether the salaries of staff will be financed.
5. The text should also indicate what activities financed within this priority will be carried-out "in-house" and whether outsourcing to external contractors has been planned. In any case, outsourced activities should be limited in order to develop and to concentrate expert knowledge within the managing authority.
6. The text should include references to the new requirements of the CPR in the field of anti-fraud and anti-corruption. The managing authority has new responsibilities in this field and we need to see text in the OP stating that the necessary risk assessments will be carried out and that the necessary anti-corruption measures will be put in place.

**Chapter 4 - Financing plan**

1. Apart from the table 57, this part of the OP is not developed.

**Chapter 5 - Integrated approach**

1. It is indicated that ITI will be used, together with the financial allocation from the OP. However, no information has been provided why this tool has been selected and on what basis. It is not clear what the added value of the ITI is given that Prague has its own programme. What other OPs will contribute to the ITI and what thematic objectives will be covered? How will the coordination between the OP Prague and other OPs be ensured? How the territorial particularities have been/will be taken into account?

**Chapter 6 – Specific needs of geographical areas most affected by poverty or target groups at highest risk of discrimination or social exclusion**

N/A

**Chapter 7 – Specific needs of geographical areas which suffer from severe and permanent natural or geographical handicaps**

N/A

**Chapter 8 - Bodies responsible for management, control and audit and role of partners**

No comments at this stage.

**Chapter 9 - Coordination**

1. Most relevant information on coordination and synergies with other OPs and other EU instruments/programmes has been provided. Nevertheless, given the similar nature of interventions in the OP Research, Development and Education and possible use of Art. 70 of the CPR, more information on the demarcation with this OP should be provided. The same applies in case of the OP Enterprise and Innovation for Competitiveness.
2. No information on coordination with the OP Technical Assistance has been provided.

**Chapter 10 – Ex-ante conditionalities**

1. Each OP should identify all EACs applicable to that OP and provide assessment of their fulfilment. When an EAC is not fulfilled, an action plan has to be introduced containing actions to fulfil the EAC, the responsible bodies and a timetable for such actions (Art. 96 CPR). This is not always the case in respect to EACs applicable to the OP Prague. Deadlines have been provided but not timetables (milestones to be checked). Moreover, arrangements of the EACs in the final version of the CPR have been adjusted in comparison to the previous versions. Therefore also the Czech documents, including OP Prague, should be adjusted in this sense. The information in the tables regarding the EACs should be updated/streamlined/complemented according to the guidance from the Commission to cover all aspects of the criteria of the fulfilment. However, EC recognizes that coordination of EACs is a responsibility beyond the competence of the managing authority of the OP Prague.

**Chapter 11 – Reduction of administrative burden for beneficiaries**

No comments at this stage.

**Chapter 12 – Horizontal principles**

1. Ex-ante evaluation and SEA: both procedures are still underway, hence there is no input from them into this version of the draft OP. The outcomes and recommendations of the SEA and ex-ante evaluation should be clearly integrated in the next draft in terms of strengthening the specific objectives, formulating expected results, identifying output and result indicators and well as project selection guiding principles. Therefore, the opinion is given without the prejudice to the findings and completion of the SEA and ex-ante evaluation.
2. The chapter of sustainable development should be reinforced in the next draft of the OP.