

Annual Report on Implementation of the Operational Programme Research and Development for Innovations for 2011

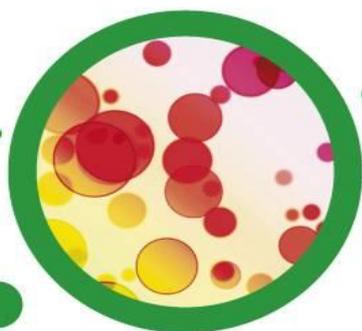


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EXECUTIVE SUMMARY

The overall aim of the Operational Programme Research and Development for Innovations (OP RDI) is to strengthen the research, development and innovation potential of the Czech Republic (CR), which will contribute to growth, competitiveness and the creation of high-skill jobs so that the regions of CR become an important place where such activities are concentrated in Europe. In accordance with Czech Government Resolution No. 175/2006 of 22 February 2006, the Ministry of Education, Youth and Sports (MEYS) acts as the Managing Authority (MA) for the OP RDI. In securing the MA function, the OP RDI was, within MEYS, entrusted by the minister with the EU Operational Programme Management Section. No intermediating bodies are designated to act on behalf of the MA.

The total financial allocation for the OP RDI amounts to EUR 2,436.095,160.00 of which EUR 2,070.680,884.00 represents the contribution of the European Regional Development Fund (ERDF), i.e. 85% of the total allocation, and EUR 365.414,276.00 represents co-financing from the State budget of the CR, i.e. 15% of the total allocation.

In 2011, there was a major shift in the volume of the projects approved. At the same time, a number of projects approved in the previous two years progressed with its implementation and, consequently, significant material and financial performances may thus be observed in the OP RDI for the last year. Thanks to the positive approach in advance payments utilization, the beneficiaries have enough funds to successfully start-up their projects. Consequently, the volume of paid-out funds exceeded EUR 0.5 billion in the last year. Despite that there was still no significant increase in the volume of certified funds representing a significant benchmark in particular for the fulfilment of the n+3/n+2 rule. This problem has several causes (e.g. difficult public procurement administration, delays in projects, etc.). In this respect, the Managing Authority introduced several measures in relation to the recipients in order to expedite the withdrawal.

In 2011, revision of the Operational Programme was submitted to the Monitoring Committee for approval and, subsequently, it was also submitted to the European Commission. It is expected to be approved at the beginning of 2012. Furthermore, key documents for functioning of the Operational Programme were created and updated. In particular, they were key documents for applicants and beneficiaries, the Handbook for Applicants and Handbook for Beneficiaries, including their annexes. Continuous preparation and updates also took place for other documents relating to communication and evaluation.

The greatest substantive and financial progress was made in the framework of Priority Axis 1 European Centres of Excellence where four Grant Award Decisions were granted to four major projects with the required subsidy of over EUR 626.4 million (CZK 16.23 billion). In summary, the Decisions granted in PA 1 already amount to almost 86% of this Priority Axis allocation for the whole programming period.

In Priority Axis 2, the projects with granted Decision in the amount of EUR 733.8 million (CZK 19 billion) already achieved 91% of the total PA allocation. Within this Priority Axis, the grant beneficiaries were already paid out EUR 277 million (CZK 7.2 billion), which is the highest of all the Priority Axes of the OP RDI. Also the largest volume of funds – EUR 28.7 million

(CZK 742.8 million) was certified in this Priority Axis.

In the framework of the Priority Axis 3, the Managing Authority granted, from the beginning of the programming period, Decisions for 12 projects in the amount of EUR 132 million (CZK 3.4 billion) of the total of 55 applications for grants. On 28 January 2011, call 3.3 focused on the Technology Transfer Centres was closed. On 1 August 2011, call 4.3 specializing in the Equipment of Specialized Research and Department Libraries was announced. For 2012, the Managing Authority plans on announcing two more calls in this Priority Axis to improve and make the R&D policy more effective (No. 5.3) falling within the Support Area 3.2 and a call to

support pre-seed activities (No. 6.3) to be announced in the framework of the Support Area 3.1. The financial volumes of calls already announced and calls planned for 2012 cover roughly almost the entire allocation for the Priority Axis 3.

Significant progress has also been made in supporting the infrastructure of universities, to which Priority Axis 4 is dedicated. 29 Grant Award Decision in the amount of EUR 420 million (CZK 10.9 million) have hitherto been granted in this Priority Axis which represents 86% of the total allocation of this Priority Axis. On 1 July 2011, call 2.4 was announced for the remaining allocation PO 4 where the acceptance of project applications ends on 31 January 2012.

In the Priority Axis 12, implementation of 12 projects took place. Implementation of one project entitled Preparation of OP RDI and Evaluation of Projects has already been terminated. Also certification process progressed successfully within this Priority Axis due to which funds in the amount of EUR 7.058,117.00 (CZK 182.9 million) could be certified.

In 2011, the beneficiaries were paid out total of EUR 513.7 million (CZK 13.3 billion), approximately 21% of the OP allocation of this volume has been certified by EUR 56 million (CZK 1.4 billion), which represents 2.3% of the OP allocation.

Cumulatively, in all the OP RDI Priority Axes, 224 project applications in total financial volume of more than EUR 4.1 billion (CZK 105.2 billion) of public sources were received, which represents approximately 167% of the total OP RDI allocation for the 2007-2013 programming period. The results achieved thus reflect the efforts of the OP RDI MA to build a sufficient absorption capacity creating good conditions for low-risk implementation. An overlap of submitted applications was registered for all announced calls with the exception of Priority Axis 5 (Technical Assistance), where the continuous calls for the whole allocation of the programming period of 2007-2013 are announced.

In the subsequent period, further significant shift both in the withdrawal and physical implementation of projects can be expected. Smooth management of public contracts on the part of the beneficiaries and their control by the Managing Authority will be crucial. In order to ensure smooth implementation, further stabilization of personnel capacity of the OP RDI Managing Authority is required because fluctuation of personnel in the framework of the Managing Authority continued in 2011. The OP RDI Managing Authority will need to be reinforced particularly with regard to the necessary administration of new calls in PO 3 (in particular the planned Pre-seed calls where larger number of projects is expected) and public contracts control. Stability in the management of the ministry, especially in the management of Section IV., is also desirable for the smooth course of the OP implementation, also with regard to the possible planning and enforcement of priorities of MEYS for the next programming period.

Table 1 OP RDI Real Progress

Support Area	Allocation 2007-2013	Funds covered by Decision / Contract (amendment)		Payments to beneficiaries		Certified funds submitted to the EC*	
	a) EUR	b) EUR	%b/a	c) EUR	%c/a	d) EUR	%d/a
1.1	806,347,498	692,370,329	86%	108,396,534	13%	7,051,818	0.9%
2.1.	806,347,498	733,767,330	91%	277,123,733	34%	30,351,273	3.8%
3.1.	73,240,803*	0	0.0%	0	0.0%	0	0.0%
3.2.	177,676,999*	132,133,583	74%	9,939,916	5.6%	0	0.0%
4.1.	487,219,032	420,399,141	86%	110,270,979	23%	11,597,438	2.4%
5.1.	74,179,099	34,484,371	46%	7,711,356	10%	7,135,452	9.6%
5.2.	2,557,900	1,929,757	75%	279,677	11%	283,063	11.1%

5.3.	8,526,331	2,161,328	25%	8,376	0.1%	7,033	0.1%
Total OP	2,436,095,160	2,017,245,839	83%	513,730,570	21%	56,426,077	2.3%

Source: MSC2007 as of 4 January 2012 Exchange rate 25.91 CZK/EUR was applied.

*allocation change - to be updated in the information system

** Rate used from IS Viola as of date of calculating summary payment requests.

Note: The allocation for the calls represents the public sources in total (EU and national).

As of 15 April 2011, the certification process interrupted by PCA at the end of 2010 was resumed. The Managing Authority refuted and remedied the shortcomings ascertained by the audit.

After the public support problems were resolved, all major projects in PA 1 and PA 2 were approved by the EC in 2011. The approval and financing of major projects in the Priority Axes 1 and 2 was and is crucial for further implementation progress and successful compliance with n+3 / n+2 rule. In the area of major projects, there were meetings of the so-called Search Committees, i.e. Expert Committees consisting of domestic and foreign experts, who were looking for, in the form of executive search, and recommended suitable candidates for top managerial positions in major projects. This is - in the Czech scientific and research environment - a relatively unique and pioneering achievement which proves to be very successful. Overall, dozens of top experts from around the world have applied for the 9 announced positions. It is clear now that, through this highly professional selection process, the centres will secure experts with wide foreign experiences for the key positions who will bring foreign know-how into the centres and will help improve world reputation of these research workplaces.

In the area of publicity, raising the awareness of the applicants and beneficiaries through expert seminars continued. Many activities took place in 2011 also in relation to major projects. There were joint meetings with the representatives of major projects and individual meetings with the representatives of major projects and JASPERS representatives. However, organizing the Annual OP RDI Conference and media campaign in the framework of broadcasting TV spots on public television were the main communication activities for 2011. Unfortunately, it was yet not possible to create and make accessible new website that would present the results of OP RDI in clearly structured and user-friendly way; however, this activity continues to be on the agenda of the Managing Authority.

The shift occurred in the creation and modification of all levels of the monitoring system which covers the entire scope of implementation. In 2011, additional calls in PA 3 were successfully launched and the system of submitting payment applications and monitoring reports was being tuned. Also the preparation of the new application for specific calls for Pre-seed activities was commenced. The OP RDI management and implementation reports were continuously supplemented. At the central level, the MA staff participated in the working meetings on IS for the new programming period and on managerial information system that should operate over the MSC2007 system. The purpose of these meetings was to define the required functionalities and reports applicable also for the OP RDI.

In the period from January to May 2011, there was the first implemented Evaluation of the communication strategy and publicity of the OP RDI aimed at determining to what extent the Communication Plan reflects the current needs of the OP RDI. In December 2011, the contractor presented the main conclusions and recommendations for the evaluation project of Evaluation of system, administrative and external effects on the OP RDI implementation. During the period under review, also the tender dossier for the contract entitled Interim Evaluation of OP RDI was finalized; the contract aims, inter alia, to continuously evaluate, in terms of quality and quantity, the fulfilment of the objectives of the OP RDI over the period of 4 years. During 2011, considerable attention was paid to the preparation of methodologies for the implementation of the Interim Evaluation of projects in the Priority Axes 1 and 2, where the aim is to assess the actual state of the completed projects in order to improve their implementation.

This Annual Report has been prepared in accordance with Article 67 of Regulation No. 1083/2006 (General Regulation) and in accordance with the provisions of Regulation No. 1828/2006 (Implementing Regulation) and the structure of the annual report as set out in Annex XVIII of the Implementation Regulation. As such, the Managing Authority will submit it to the OP RDI Monitoring Committee for review and approval and subsequently, until 30 June 2012, send it to the European Commission.

Data in this report are presented as of 4 January 2012, in case of physical progress as of 28 February 2012. If any information is specified as of different date, it is explicitly stated next to that information.

1 IDENTIFICATION OF THE OPERATIONAL PROGRAMME

OPERATIONAL PROGRAMME	Objective Concerned OP RDI contributes to achieving the “Convergence” objective which is aimed, in accordance with Article 3 (2a) of the General Regulation, at speeding up the convergence of the least-developed Member States and regions by improving conditions for growth and employment through the increasing and improvement of the quality of investment in physical and human capital, the development of innovation and of the knowledge society, adaptability to economic and social changes, the protection and improvement of the environment, and administrative efficiency.
	Eligible area concerned CZ02 Central Bohemia; Southwest CZ03; Northwest CZ04; Northeast CZ05; Southeast CZ06; Central Moravia CZ07; Moravia Silesia CZ08.
	Programming period 2007-2013
	Programme Number (CCI) 2007 CZ 161 PO 012
	Programme Title Operational Programme Research and Development for Innovations, 2007-2013
ANNUAL REPORT ON	2011

OP RDI is one of the operational programmes that contribute to meeting the objectives of the Lisbon Strategy and balanced regional development of the Czech Republic in compliance with the objectives of the European regional policy. Together with the Operational Program Enterprise and Innovation (OP EI) and the Operational Programme Education for Competitiveness (OP EC), the OP RDI represents mutually interconnected system of interventions aiming to ensure long-term sustainable competitiveness of the Czech economy and the target regions in the framework of the Convergence objective.

At the national level, the OP RDI is one of the key instruments contributing to implementation of the Reform of the system Research, Development and Innovation in the CR:

- ✓ The excellence of the R&D performed is one of the main criteria in selecting projects for financing from the OP RDI.

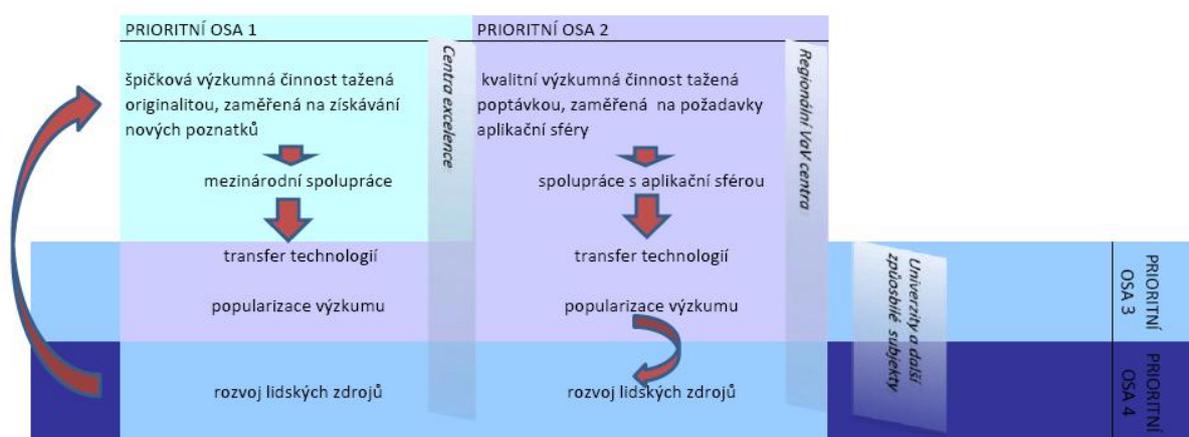
- ✓ Emphasis of the OP RDI on beneficiaries' collaboration with the application sphere contributes towards achieving the objective of increased coherence of R&D with innovations and strengthening applied R&D in regions.
- ✓ Emphasis of the OP RDI on obtaining foreign grants and contracts contributes to greater focus of Czech R&D on international cooperation.
- ✓ Many projects financed by OP RDI are part of a national or European map of large research infrastructures.

The overall aim of OP RDI is to strengthen research, development and innovation potential of CR, which will contribute to growth, competitiveness and creation of high-skill jobs so that the regions of CR become an important place where such activities are concentrated in Europe.

The overall aim ensures an important part of the Strategic Objective of the National Strategic Reference Framework (NSRF), "Competitive Czech Economy", and is fully compliant with the Community Strategic Guidelines, 2007-2013 (CSGC), namely the principle of "Improving knowledge and innovation for growth", "Increase and better target investment in research and technological development" and partially also to "Facilitate innovation and promote entrepreneurship." The overall aim of OP RDI also fits into the overall framework of reform steps of the Czech National Reform Programme (NRP) in the microeconomic field.

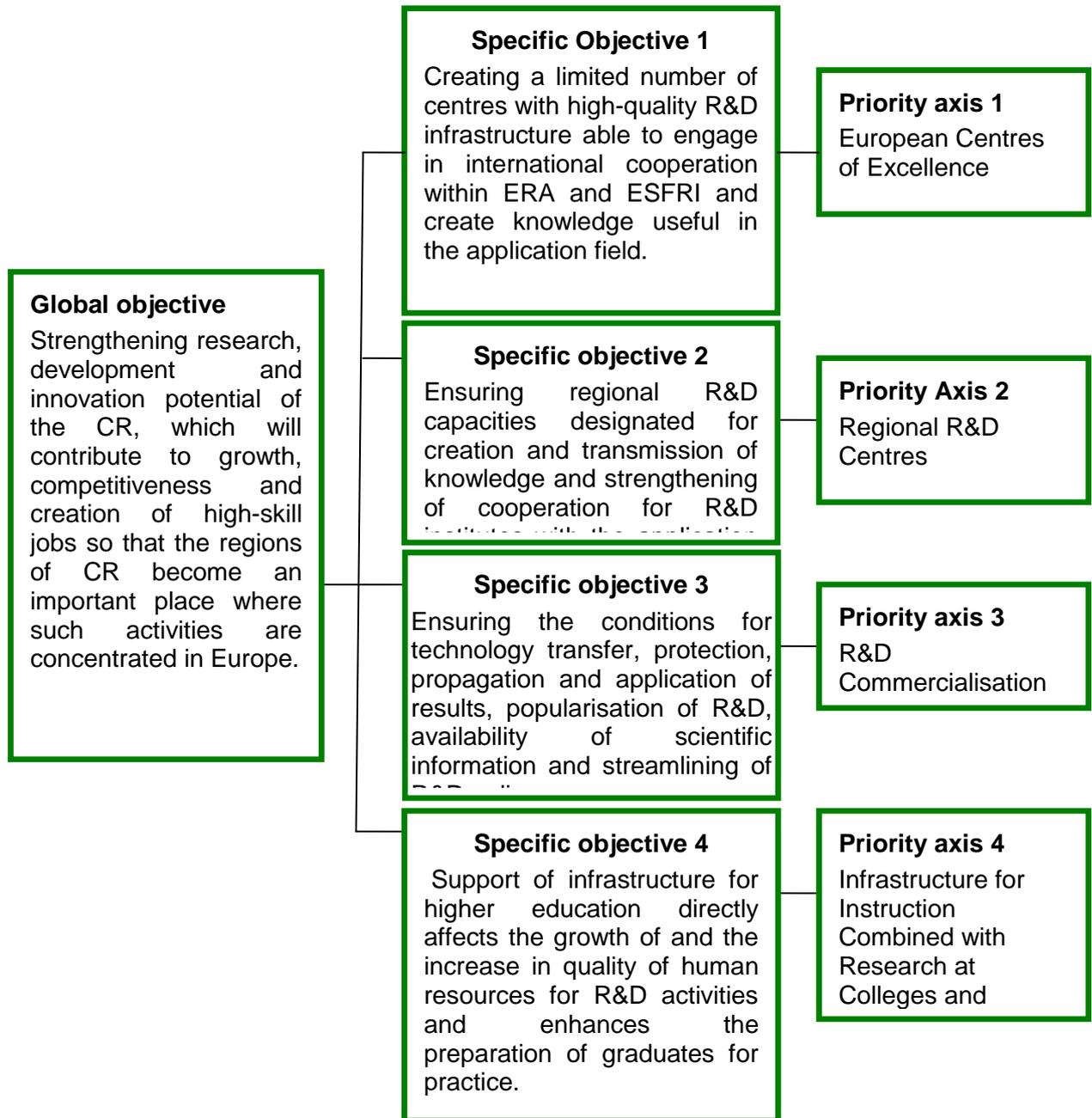
The strategic framework of the OP RDI is based on analysis of the current situation in research and development (R&D), current trends, SWOT analysis and analysis of the relationship between research, technology transfer and competitiveness. It can be described as a two-tier strategy, supported by three cross-cutting objectives. It is shown schematically in the following image:

Figure 1 Selected OP RDI Strategy



This strategic framework is transferred to four specific objectives. These objectives are shown in the following diagram.

Figure 2 OP RDI Objectives and Priority Axes



The financial allocation for 2011 was EUR 308.824,129. The total financial allocation of each Priority Axis for the whole programming period can be seen in the following table.

Table 2 Financial allocations for individual Priority Axes for the entire programming period (in EUR)

Priority axis title	Community Contribution (ERDF)	National sources	Total sources
1. European Centres of Excellence	685,395,373	120,952,125	806,347,498
2. Regional R&D Centres	685,395,373	120,952,125	806,347,498
3. R&D Commercialisation and Popularisation	213,280,131	37,637,671	250,917,802
4. Infrastructure for Instruction Combined with Research at Colleges and Universities	414,136,177	73,082,855	487,219,032
5. Technical Assistance	72,473,830	12,789,500	85,263,330
Total	2,070,680,884	365,414,276	2,436,095,160

Source: Operational Programme Research and Development for Innovations, 2008

1.1 Overview of Priority Axes

Priority Axis 1 – European Centres of Excellence

Priority axis 1 is made of a single Support Area – 1.1 European Centres of Excellence, which focuses on the support of establishment and development of high-quality R&D with emphasis on international cooperation, cooperation with the application sector and on the production of excellent, applicable R&D results. Globally, the Support Area aims at generating a limited number of excellence centres, well-equipped R&D centres with modern and in justified cases unique R&D infrastructure, with a critical volume, networked as partners with R&D centres abroad so that they could contribute to the connection and greater integration of leading Czech R&D teams with leading international research organisations and European research infrastructures.

In the period 2007–2013, 33.1% of the total allocation of OP RDI, i.e. in total approximately EUR 806 million will be allocated for this Priority Axis.

Priority Axis 2 – Regional RD Centres

PA 2 is carried out with a Support Area – 2.1 Regional RD Centres. Globally, Support Area 2.1 aims at the establishment and development of well-equipped RD institutions focused on applied research, with developed cooperation and strong relationships with partners from the application sphere (companies, especially SME, and other entities), whose activities will reinforce the competitiveness of the region and its potential for the exporting of goods, services, and know-how.

In the period 2007–2013, 33.1% of the total allocation of OP RDI, i.e. in total approximately EUR 806 million will be allocated for this Support Area.

Priority Axis 3 – RD Commercialisation and Popularisation

In the period 2007–2013, 10.3% of the total allocation of OP RDI, i.e. in total approximately EUR 251 million will be allocated for this Priority Axis.

Priority axis 3 is implemented through two Support Areas:

- ✓ 3.1 Commercialisation of Results of Research Institutions and Protection of Their Intellectual Property Rights
- ✓ 3.2 Publicity and Awareness of R&D Results

Support Area 3.1 Commercialisation of results of research organizations and protection of their intellectual property is focused on promoting commercialisation of R&D results in research institutions, particularly through the promotion of systems of commercialisation and protection and use of intellectual property, including establishment and development of technology transfer centres in the framework of research institutions.

In the period 2007-2013, 73.2 million EUR have been allocated to this Support Area.

Support Area 3.2 Promotion and awareness of R&D results deals with strengthening the promotion and popularisation of R&D, improving the system of awareness and availability of information on the R&D results, improving the system of evaluation of research organizations using foreign experience with a view to contributing to more efficient public support for R&D.

In the period 2007-2013, approx. 177.7 million EUR have been allocated to this Support Area.

Priority Axis 4 – Infrastructure for Instruction Combined with Research at Colleges and Universities

Priority axis 4 is implemented with a single Support Area – 4.1 Infrastructure for Instruction Combined with Research at Colleges and Universities It focuses on the development of high-quality infrastructure of colleges and universities with the goal of enhancing the capacity of tertiary education and creating conditions for improving the quality of education and R&D. Their main objective of the priority is so that material conditions for the preparation of university students improve as regards their preparedness for research and development and for training the basic creative skills needed for future work in R&D.

In the period 2007–2013, 20% of the total allocation for OP RDI, i.e. in total approximately EUR 487 million will be allocated for Priority Axis 4.

Priority Axis 5 – Technical Assistance

In the period 2007–2013, 3.5% of the total allocation of OP RDI, i.e. in total approximately EUR 85 million will be allocated for this Priority Axis.

Priority axis 5 is implemented through three Support Areas:

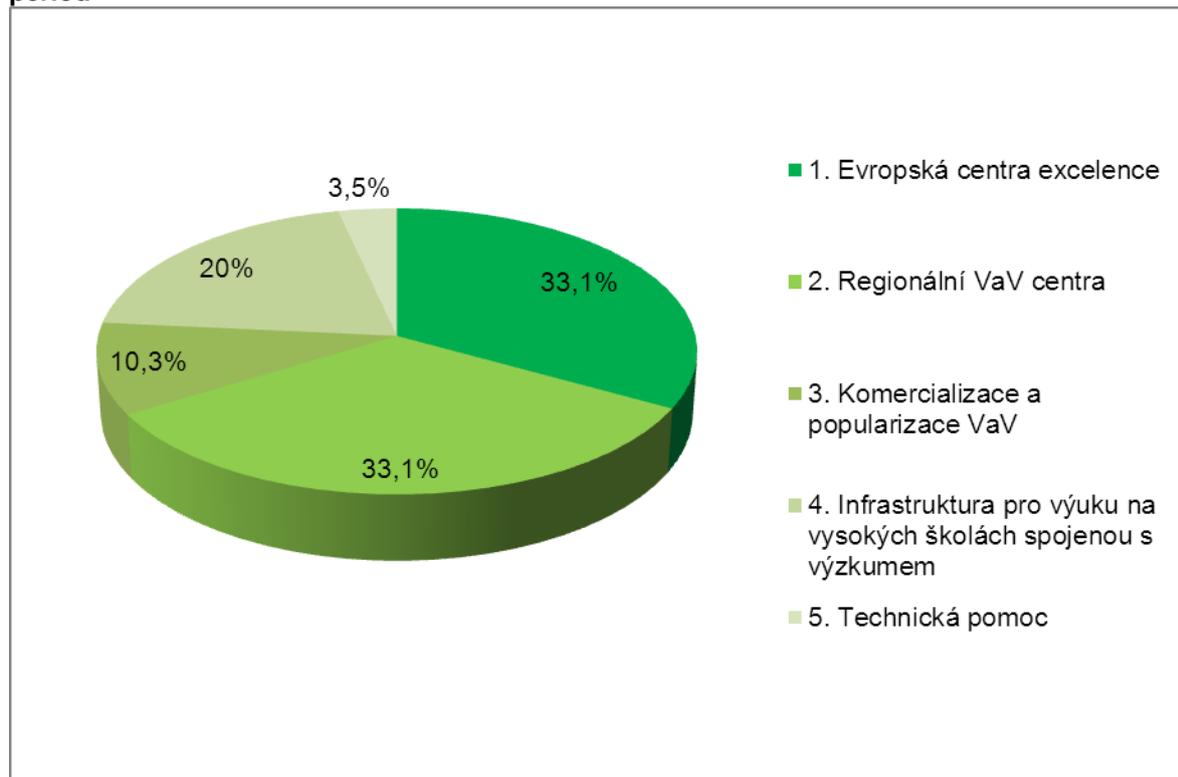
- ✓ 5.1 Administration of the OP RDI
- ✓ 5.2 Information and Publicity of the OP RDI
- ✓ 5.3 Absorption Capacity of the OP RDI

Support Area 5.1 Administration of OP RDI focuses on the preparation, management, implementation, evaluation, monitoring, control and audit of the OP RDI within the meaning of the General Regulation and national legal norms. The allocation amount is 87% of the total allocation for Priority Axis 5 of the OP RDI, or about EUR 74 million.

Support Area 5.2 Information and publicity of OP RDI aims at providing timely, comprehensive and precise information on the OP RDI, respecting the requirement for adequate and efficient use of funds. The allocation amount is 3% of the total allocation of funds for Priority Axis 5 of the OP RDI, or about EUR 2.5 million.

Support Area 5.3 Absorption Capacity of OP RDI is focused on supporting the activities aimed at development of absorption capacity, cross-sectional professional information and consulting services, professional specific instruction and training, identifying and promoting best solutions, networking, etc. The allocation represents 10% of the total allocation for the Priority Axis 5 of the OP RDI, i.e. EUR 8.5 million.

Chart 1 Distribution of allocation to the individual Priority Axes for the whole programming period



Source: MSC2007 as of 28 February 2012

1.2 OP RDI documents

General documents

The OP RDI is based on a whole range of European and national strategic documents in the area of research, development and innovation and regional development. From the European strategic documents, OP RDI relies in particular on the Community Strategic Guidelines, the Lisbon Strategy, and its revised version, from the objectives set in Barcelona in 2002, from the budget outlook for the EU programming period of 2007-2013, and a range of other EU authorities' documents. This refers, for example, to the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, "Implementation Programme: More Research and Innovation – Investing for Growth and Employment: A Common Strategy, Communication to the Spring European Council in 2006," "Time to move up a gear: The new partnership for growth and jobs", the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, "Putting knowledge into practice: A broad-based innovation strategy for the EU," Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, "Improving knowledge transfer between research institutions and industry across Europe: embracing open innovation," the Green Paper, "The European Research Area: New Perspectives," etc.

It is possible to identify the OP RDI's link to the Community Strategic Guidelines primarily within Guideline 1.2., "Improving knowledge and innovation for growth", and in particular, in point 1.2.1., "Increase and better target investment in RTD", and then in point 1.2.2., "Facilitate innovation and promote entrepreneurship". Implementation of this guideline comes via investments in technology infrastructure for R&D both in building centres of excellence

and building regional research infrastructure, and in increasing competitiveness. In addition, it also fulfils with support for commercialisation of R&D results, strengthening of international cooperation from Czech R&D, streamlining public support for R&D and investments in the infrastructure of universities with a view to improving the readiness of graduates and their employability, thereby strengthening ability of the application sphere to absorb new knowledge and findings.

The OP RDI links to the 2007-2013 National Development Plan, the 2007-2013 National Strategic Reference Framework, the National Lisbon Programme – Czech National Programme of Reforms, the Economic Growth Strategy, the Czech National Innovation Policy for 2005-2010 and the Czech National Research and Development Policy for 2004-2008, from national strategic documents.

In the case of the National Development Plan of the OP RDI, it contributes to fulfilment of measures for the Priority Axis “Strengthening the competitiveness of Czech economy” by promoting innovation and knowledge economy, strengthening research capacities, technological development, and infrastructure for business and innovation networks, including the use of new information technologies.

Within the National Strategic Reference Framework, OP RDI contributes to the fulfilment of the Priority Axis “Competitiveness of the Czech economy” and, specifically, particularly the priorities “Support for R&D Capacities for Innovation”, where the OP RDI, together with the OP EI, represents the core of interventions. It also contributes to the fulfilment of strategic objectives and “Open, Flexible and Cohesive Society” and “Attractive Environment”. It further contributes to the technological development of regions for the Convergence objective, which is part of the “Balanced Territorial Development” strategic objective.

In the framework of the National Reform Programme of the CR, the OP RDI follows up fully on the priority measure Research and Development, innovation and contributes also to implementation of the priority measure Education. In the Economic Growth Strategy, the OP RDI significantly enhances the performance of the fourth and particularly the fifth growth pillar. OP RDI creates conditions for strengthening R&D and innovations by developing a network of research workplaces, both top centres of excellence and regional application-oriented R&D capacities. It also promotes the protection and use of intellectual property and commercialisation of R&D results, promotion of R&D as well as overall increase in awareness of R&D results.

OP RDI is coherent with the National Innovation Policy of the CR for 2005-2010 following the implementation of all its strategic objectives: strengthening R&D as the source of innovation, creating a functional cooperation between the public and private sectors, providing for human resources for innovation and making the state administration in research, development and innovation more effective. The OP RDI is also fully consistent with National Policy on Research, Development and Innovations of the Czech Republic for 2009-2015.

Documents for Implementation of OP RDI

The actual implementation is supported and codified by several documents. Firstly, it is the OP RDI, which includes information primarily on the chosen strategy and the OP RDI implementation system. Until mid-2011, there were proposals for several changes to the programme document related mainly to updating the OP RDI implementation structure, clarifying some terms, updating the list of major projects, specifying the beneficiaries in the Priority Axis 3, modifying the contracts on synergies with the Operational Programme Enterprise and Innovations (OP EI) and modifying and extending the OP RDI indicators. The new text of the OP RDI was approved by the Monitoring Committee at its 8th meeting in June 2011; in Autumn, the comment on the proposal by the European Commission concerning specification of the chapter Compliance with State Support Rules. Until the end of 2011, the updated programme document had not been approved by the European Commission.

The key document for applicants is the Handbook for Applicants, which introduces the focus of the Operational Programme, its individual Priority Axes, specifics for projects in individual Priority Axes, with general conditions of preparation and project implementation and preparation of project applications. For the sake of clarity, three specific versions of the Handbook for Applicants were created – the Handbook for Applicants for Priority Axes 1 and 2, Handbook for Applicants for Priority Axis 3 and Handbook for Applicants for Priority Axis 4. The Handbook for Applicants including annexes were modified several times, mainly in relation to the announcement of calls within each Priority Axis.

Following on from the Handbook for Applicants, the Handbook for Beneficiaries was issued. The aim of this Handbook is to ensure that the beneficiary (or possibly partner) proceed in the project implementation in accordance with the rules and is able to document its procedures in an appropriate manner and ensure thus successful project implementation. The Handbook for beneficiaries of OP RDI was also updated.

Key documents also exist in the area of publicity and evaluation. The European Commission has approved the Communications Plan (CP) representing a framework communication strategy of the OP RDI. The OP RDI CP defines the objectives for information and publicity of the OP RDI, including target groups, communication tools and processes for evaluating their effectiveness, and also sets a framework schedule for implementation of individual measures of information and publicity and their indicative budget. The communication plan is being continually refined on the basis of annual communication plans processed at a higher level of detail.

A similar document was created and approved for the programme evaluation. The OP RDI Evaluation Plan (OP RDI EP) acts like a default document to improve the OP RDI management at different stages of its implementation as well as to improve the evaluation capacity. The OP RDI EP builds on the NSRF Evaluation Plan and is drawn up for the whole 2007-2013 programming period. If appropriate, it may be updated during the programming period. In the last year, the OP RDI EP was updated and the planned individual activities were elaborated in the OP RDI Annual Evaluation Plan for 2012.

During 2011, with regard to the development and refinement of processes at the level of the Managing Authority, the Operating Manual which describes in detail all the processes associated with the implementation of OP RDI and defines the procedures for its management, distribution of powers and responsibilities within the organizational structure of the Managing Authority.

Table 3 Summary of changes in implementation documents in 2011

Document	Date modified
OP RDI Operating Manual	Version 7.0 effective from 1 August 2011
Handbook for applicants of OP RDI	PA3 Version 2.2 effective from 16 February 2011
	PA3 Version 3.0 effective from 15 September 2011
	PA3 Version 3.1 effective from 21 November 2011
	PA4 Version 2.0 effective from 1 September 2011
Handbook for beneficiaries of OP RDI	Version 4.0 effective from 1 June 2011

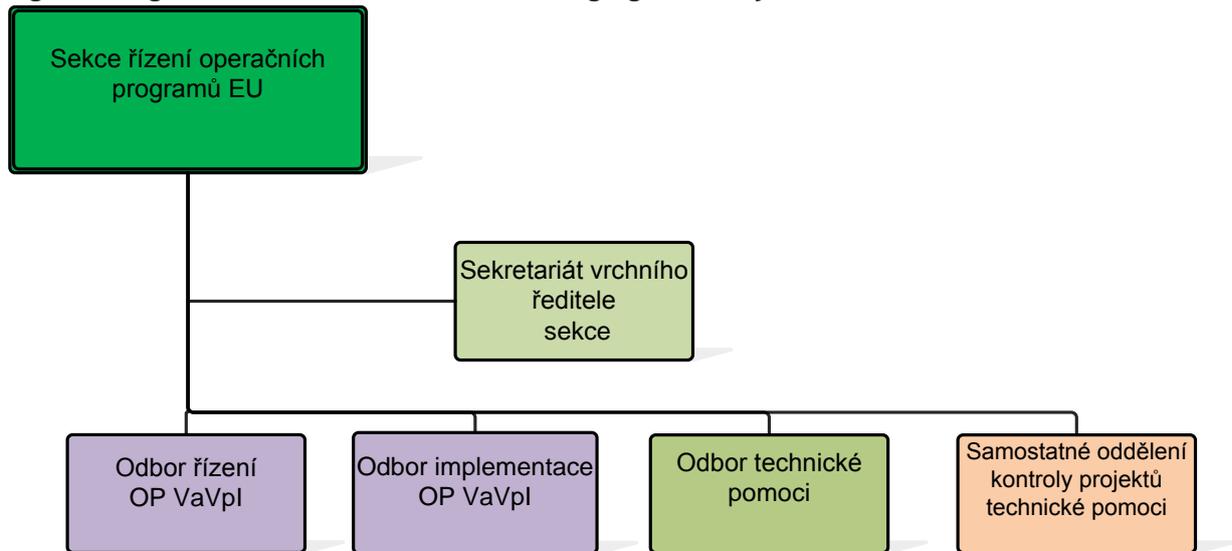
Source: OP RDI MA

1.3 OP RDI Implementation

In accordance with Article 59 (1a) of the General Regulation, the Government Resolution No. 175/2006 of 22 February 2006 charged MEYS with the duties of the Managing Authority of Operational Programme Research and Development for Innovations. The Minister entrusted the EU Operational Programme Management Section headed by the General Director with securing the function of MA OP RDI.

The following image approximates the organisational structure of this section.

Figure 3 Organisational Structure of the Managing Authority of the OP RDI



Source: Organizational Rules of the MEYS, 2011

All activities associated with implementation are provided within MEYS itself. No intermediating bodies are designated to act on behalf of the MA.

The MA provides coordination for the OP RDI Management Division (division managed within the EU Operational Programme Management Section). At the beginning of 2011, a change in the implementation structure consisting in severance of the autonomous Project Implementation Department from the OP RDI Management Division.

The OP RDI Management Division is structured into the following departments:

- ✓ *Department of Financial Management and Methodology of the OP RDI* is primarily responsible for methodical management of the OP RDI implementation process, setting up and interpretation of methodologies and OP RDI implementation procedures, preparation and review of the OP RDI Operational Manual, financial management of the programme, preparation of documents for certification of expenditures, monitoring the n+3/n+2 rule, management of risks and irregularities, coordination of requirements for technical assistance, preparation of documents for audits at all levels, and management of corrective actions.
- ✓ *Department of Monitoring and Communication of the OP RDI* is primarily responsible for programme monitoring, information system management, programme monitoring system, communication with the EC and other relevant institutions, activities of the Monitoring Committee, preparation of documents for conceptual materials of the Government and other bodies, publicity and promotion of the programme, implementation of the communication plan, reporting of the programme, activities of secretariat of evaluation and selection committees.
- ✓ *Department of Conceptual Management of the OP RDI Programme* provides for methodical check of the programme implementation at the level of the Implementation Department, setting challenges, resolving of professional agendas in connection with implementation and verification of sustainability of the programmes and projects.

Department of Project Implementation is structured into the following departments:

- ✓ *Department of PA 1, 2 Project Administration* provides, in respect to the projects in the PA 1 and 2 (including major projects, separate department was cancelled in

2011), for communication with applicants and beneficiaries, receipt of project applications, administration of project applications, support for evaluators and selection committees, monitoring during the implementation of projects, checking the formal requirements and acceptability, checking the substantive aspects of public contracts, authorization of changes in the project, substantive control of applications for payment and monitoring report and final evaluation of the project from the viewpoint of substantive correctness.

- ✓ *Department of PA 3, 4 Project Administration* provides, in respect to the projects in the PA 3 and 4, for communication with applicants and beneficiaries, receipt of project applications, administration of project applications, support for evaluators and selection committees, monitoring during the implementation of projects, checking the formal requirements and acceptability, checking the substantive aspects of public contracts, authorization of changes in the project, substantive control of applications for payment and monitoring report and final evaluation of the project from the viewpoint of substantive correctness.
- ✓ *Financing Department* provides in particular for the control of the financial aspects of the project, support for beneficiaries in the accounting issues, checking applications for payment in financial terms, monitoring of project funding in relation to the approved budget, authorization of changes in the project budget and final evaluation of the project in financial terms.
- ✓ *Project Control Department* provides for carrying out on-site public administration inspections and control of formal and legal requirements of public contracts.

Implementation of projects in Priority Axis 5 ensured by the Division of Technical Assistance, which is responsible for using technical assistance funds. The process of approval of projects of technical assistance and their inspections are carried out by the Independent Department for TP Project Control, which was established during the year through severance from the CERA Department (Czech Education and Research Agency).

The Managing Authority cooperates, in particular in the area of preparation of the substantive content of selected challenges and evaluation of results and impacts of the Operational Programme, with the departments of Group III (Group for Research and Higher Education) and Group I (Group for Financial, Legal Aspects and Office Administration) at the MEYS. The function of financial department according to the Methodology of Financial Flows and Control of Programmes Co-Financed from Structural Funds, Cohesion Fund and European Fisheries Fund for the programming period 2007-2013, issued by the Ministry of Finance, is fulfilled by the Division 18 - Department of Main Accounting and Summary Reporting. Division 17 – Budget Administrator and Management Control Methodology Division provides primarily the agenda for the budget administrator for the implementation structure of the OP RDI within MEYS. The Department of Public Relations and Communications participates in the publicity of the OP RDI. In cooperation with the MA, it designs and implements campaigns and promotions for the OP RDI (spots, articles in the media, etc.).

The function of the audit authority is performed based on Czech Government Resolution No. 760 dated 11 July 2007, from the Ministry of Finance, Audit Authority Department – Central Harmonisation Unit. Activities of the ministry as the trusted audit authority connected to performance of an audit are ensured for the OP RDI Department M1 – MEYS Internal Audit Department, PAS department for OP RDI – M13,

Performance of the PCO function for SF/CF was entrusted to the Department of the National Fund of the Ministry of Finance with the decision of the minister of finance, issued based on Czech Government Resolution No. 198 dated 22 February 2006. This authority does not delegate any part of its responsibilities to an intermediating body.

An important element in the implementation of the programme is the National Coordination Authority of the National Strategic Reference Framework. Its function is performed based on the Government Decision of 22 February 2006 (Resolution No. 198), the Ministry for Regional Development.

During 2011, 14 employees were hired due to increase in the volume of activities associated with administration of new projects. As of 31 December 2011, the Managing Authority of the OP RDI employed total of 100 employees, of which 73 full-time employees, 25 part-time employees and 2 employees working on a 0.25 basis. At the same time, 65 employees left in 2011 (6 due to political changes, 7 maternity leave, 38 change in working position, 8 left during trial period, 4 switched to another position within the Office, 2 left abroad). In filling the working positions, emphasis is put on the qualifications and experience of the applicants, their motivation, specialisation and professional growth within the implementation system. The number of employees is expected to rise also in 2012, by approx. 72 people.

1.4 Current socio-economic analysis

The objectives set by the EU at the Barcelona summit in 2002, i.e. to increase the intensity of R&D in the form of total expenditure to the level of 3% of GDP by 2010, have not yet been achieved in most of the EU-27 countries. The average EU-27 level stabilized at about 2%. The intensity of R&D in the CR in 2010 ranged around 1.6% of GDP, which puts it in the middle positions in comparison with other EU-27 countries. However, this represents the second largest share of investments in R&D among the new Member States.

Total expenditure for R&D in 2010 reached nearly EUR 2.3 billion (CZK 60 billion). Almost half of the total expenditure for R&D originated from domestic business sources. The State budget contributed roughly 40%, foreign companies contributed 7% and international organizations, in particular through EU funds and programmes, then contributed the remaining 4%.¹ Enterprises thus still represent an important source of R&D funding in the CR. Over the last four years, they invested from their own sources, whether in their own R&D or in R&D implemented in other sectors, about EUR 4.2 billion (CZK 110 billion). Only 2.5% (EUR 108 million - CZK 2.8 billion) represented co-financing of R&D realized in the higher education or in the government sector. Consequently, the CR is still facing a difficult task - to stimulate R&D in these sectors for deeper mutual cooperation.

Most funds in the CR is being spent on experimental development, in total EUR 976.5 million (CZK 25.3 billion) (43%). The applied research receives approximately EUR 690.8 million (CZK 17.9 billion) (30%) and basic research, which is the dominant feature of primarily government sector, then receives the remaining EUR 613.7 million (CZK 15.9 billion) (27%). In terms of scientific disciplines, most funds were allocated in 2010 in the technical sciences (50%) and natural sciences (24%).

For the CR as well as for most countries, the process of catching up on investments in research and development is a long-term affair. This applies not only to public and private investments in R&D, but also to issues of human resources and education policy, governance, overall structure of industry and economical development. Of the total R&D expenditures, about 62% are currently spent by business entities, 18% by the higher education sector, 20% by the government sector.

In the last decade, the higher education sector managed to eliminate the difference in the proportion of level of investment in R&D and make up for the delay it had in comparison to the government sector due the perceiving the higher education institutions as universities with purely educational function. Currently, universities and faculties have been actively adopting their third role and have been modernizing their curriculum. The higher education

¹ Analysis of research, development and innovations in the Czech Republic and their comparison with foreign countries in 2011, the Office of the Government of the Czech Republic, Research, Development and Innovation Council, 2011

sector is the only sector in which also the number of researchers increased inter-annually. If the increasing intensity of R&D in the higher education sector interconnects now with the massive volume of research activities of already a stable institution such as the Academy of Sciences, the CR can see a very progressive synergistic effect. Even today, we could already identify a certain degree of cooperation which is very good. In 2009, virtually all the workplaces of AS CR participated in tertiary education and employees of the individual workplaces gave more than 3 thousand lectures, tutorials and seminars at various higher education institutions, served as leaders of a large number of theses or as doctoral advisors for doctoral students directly at the workplaces of AS CR.

Creation and transfer of knowledge plays an important role for the development of R&D. Activities associated with research, development and innovations require high-quality base of human resources. Particularly universities, with contribution of other levels of educational system, of course, exercise fundamental influence on the creation of high-quality human resources for R&D. One of their main tasks is to prepare a sufficient and high-quality platform of scientists. Although the number of university students has been growing over the years in the CR in absolute terms, we can see diversion of young people from studying technical subjects which are considered, together with the natural sciences and medical specializations, to be a basis for the emergence of new knowledge and R&D results. Between

2000 and 2010, the number of people educated in the fields of technical sciences in the tertiary-educated population fell by as much as 6 percentage points. On the other hand, we can see growing number of students in the fields of social sciences, business, law and humanities, whose role in the framework of R&D is also indispensable, but only as a secondary complementary factor. There are several keys to solving this unsatisfactory development and OP RDI has been dealing with most of them within its support implemented across all the priority axes. These are, in particular, investments in high-quality educational facilities, i.e. infrastructure and equipment within research centres built at universities or research institutions and facilities, as well as equipment of the schools themselves, including their ancillary facilities (e.g. libraries). Likewise, considerable resources in the framework of the OP RDI are allocated to popularisation of science and technology, which can be one of the main tools to attract young people to research activities.

High-quality development of research and development activities requires the operation of other related factors which can be summarized under the general name of innovation and competitiveness. International comparison of competitiveness² suggest that the CR has relatively good state of economic environment which is its greatest advantage in comparison to other states. At the same time, competitiveness in the framework of multicriterial comparison is positively affected especially by effective market, business and technical maturity, ability to innovate and the quality of higher education. Competitiveness of the CR is negatively affected in particular by the quality of institutional environment.

As regards overall innovation performance, the CR still remains below the EU-27 average according to international comparison³. The main weaknesses of the innovation environment include low availability of financial resources for innovation (especially in the form of venture capital) and lesser use of industrial-legal protection. The CR has very good position in the number of innovating small and medium-sized enterprises.

The manufacturing industry invests most funds in R&D. In this respect, leading positions in the CR are held mainly by the industry of manufacture of transport equipment and manufacture of optical and electronic precision devices.

The development in the framework of foreign trade where the proportion of high-tech sector in total export is continuously increasing can be marked as very positive. From the viewpoint

² The Global Competitiveness Report 2010-2011 © 2010 World Economic Forum

³ Innovation Union Scoreboard 2010

of structure of the goods, computing technology and electronic and telecommunications equipment represent the most important trade commodity in the long term.

Foreign sources have great importance in the area of R&D as they enable the Czech entities to expand their activities and engage in projects that would otherwise exceed their budget possibilities. The total amount of financial resources incoming to the Czech R&D reaches about one tenth of the gross expenditure for R&D.

An indispensable role is also played by the activities of international cooperation, in both directions - i.e. both through the initiative of national teams, as well as through the interest of foreign entities in the knowledge and researchers working in the Czech environment. According to available statistics, both directions indicate high quality of the Czech R&D that is able to successfully compete for the funds in international competitions as well as to offer specific knowledge which is appreciated abroad.

However, highly fragmented research (research and development is currently conducted in the CR at about 2.5 thousand workplaces), small size of research groups and lack of strategic management resulting from insufficient institutional support somewhat retard the development of international cooperation. In global competition in the production of R&D results, it is necessary for the state of a smaller size such as the CR to concentrate its investments into a limited number of centres with critical size and superior quality. Likewise, the coordination among different entities involved should be substantially strengthened.

Most of the shortcomings of the Czech R&D described is just being solved by the OP RDI across its priority axes. It allocates significant investment funds to elimination of substandard material conditions that can retard high quality research or production of commercially applicable results. It also attempts, through its interventions, to support the important area of human resources both in terms of quantity through motivating particularly young people to pursue a research career, and in terms of quality by increasing the professional skills of existing workers.

The completion of the European centres of excellence implemented in the framework of the Priority Axis 1 of the OP RDI are eagerly awaited as they should allow better integration of the Czech R&D teams into the international research organizations and European research infrastructures. The interventions thus result in the establishment of an important connecting element between the Czech regions and key international partners from the public and private sectors which will allow the CR access to international know-how, contacts and new technologies available in the developed regions.

A significant contribution to R&D in the CR is also expected from the projects implemented in the Priority Axis 2 which supports the formation and development of well-equipped regional R&D workplaces focused on applied research. The existing applied R&D institutions, specialized university workplaces or departments of AS CR are provided with support of both material and immaterial nature, which helps the centres transform into research institutions fully emphasizing the demand and pursuing long-term cooperation with the industry.

The question still remains whether the regional capacities will be able to sufficiently meet the demand for researchers in the given scientific disciplines in the emerging unique infrastructures, especially at that regional level. Due to persistent limited mobility of workers in the CR, the excessive regional concentration of infrastructures in combination with dominant representation of the selected field of science may cause local excess demand for R&D employees over their real supply.⁴ In such case, in the recruitment of new employees it will not suffice to rely solely on motivation through high-quality working environment, but it will also be necessary to place emphasis on the creation of quality working conditions, incl. motivating remuneration.

⁴ Infrastructures for R&D supported from the Operational Programme Research and Development for Innovations: sustainability from regional and individual point of view, David Marek, Pavla Žižalová, Technology Centre ASCR

2 OVERVIEW OF OP RDI IMPLEMENTATION

2.1 Progress made and its analysis

Table 4 Overview of the most important events for 2011

Date	Event
28 January 2011	Termination of call 3.3 of the Technology Transfer Centre
15 April 2011	Renewed certification of OP RDI expenditures
22 June 2011	8th meeting of the OP RDI Monitoring Committee
1 July 2011	Announcement of call 2.4 Modernization of infrastructure for research-related teaching
1 August 2011	Announcement of call 4.3 Equipment of Specialized Research and Department Libraries
11 November 2011	EC approved the last major project under OP RDI
1 December 2011	9th meeting of the OP RDI Monitoring Committee

Source: OP RDI MA

2.1.1 INFORMATION ABOUT THE MATERIAL PROGRESS OF THE OP RDI

In 2011, the implementation of the OP RDI continued. A large shift occurred mainly in the approved projects where 96 individual projects (of which 5 major projects) were approved as of 4 January 2012 whereby 83% of the total OP RDI allocation were allocated. The negotiation process in all announced calls continued in calls in the Priority Axes 1 and 2. In the Priority Axis 2, also negotiations with the projects of the so-called project pipeline were initiated based on a decision of MA. For approved projects in the Priority Axis 2, the process of their implementation was started and, where the beneficiaries accounted for the expended financial means, advance payments were paid out and monitoring reports were administered. Shift could have thus occurred also in the volume of certified funds submitted to the EC. Although this volume still does not meet the appropriate level, the funds payout system was tested and it proved to be viable. Also the next period will require increased efforts for the volume of certified funds to continue to increase. Substantive progress has been made in the Priority Axis 3 where the receipt of applications in the call 3.3 - Technology Transfer Centre falling within the Support Area 3.1 was terminated. In this call, factual evaluation was performed and currently the negotiation process is under way. Call 4.3 - Equipment of Specialized Research and Department Libraries from the Support Area 3.2 was newly announced. In both terminated calls (2.3 - R&D Information Infrastructures and 1.3 - Centres of R&D Popularization, Promotion and Publicity, both from the Support Area 3.2), the process of evaluation and selection of appropriate applications was successfully completed and Decisions for all recommended projects were issued. Due to the great interest of the applicants, the originally planned allocation in call 1.3 was increased. For approved projects from call 2.3, the process of their implementation was started and, where the beneficiaries accounted for the expended financial means, advance payments were paid out and monitoring reports were administered. Uncovered allocation will be used in the Priority Axis 3 for scheduled calls that should take place in 2012. In call 1.4 in the Priority Axis 4, the evaluation process was completed and Decisions for the projects were issued. Further, a follow-up call 2.4 was announced for the remaining part of the PA 4 allocation and it is focused primarily on the modernization and equipment of premises used for the research at universities outside of Prague.

In 2011, steps were taken to stabilize and strengthen the administrative capacity. Now, it is necessary to maintain these capacities and develop as much as possible the skills of the newly recruited staff so that they are able to implement and administer challenging and specific projects of the OP RDI.

The tables below show the ongoing implementation of the monitoring indicators referred to in the OP. In addition to contextual indicators, also the values of some impact indicators (e.g. addition to the total number of eligible R&D results for the supported workplaces) as well as outcome indicators, thanks to the more advanced implementation of projects, particularly in PA 2, are being fulfilled.

Table 5 Indicators of context at the level of OP RDI

NI code EU Code/Lisbo n Indicator type	Indicator title	Unit of measure ment	Source	Value	2007	2008	2009	2010	2011	Target Value 2015	Total
11.05.00 context	Increase in the total number of approved R&D results for all locations in Convergence regions	number	RIV	Achieved	25,355	22,529	26,762	26,770	26,770	N/A	26,770
				Default	0	25,355	22,529	26,762	26,770	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	8,000	8,000
11.04.00 Lisbon context	The share of total expenses on R&D to GDP	%	CSO	Achieved	1.48	1.41	1.48	1.56	1.53	N/A	1.53
				Default	1.42	1.48	1.41	1.48	1.56	N/A	1.42
				Planned	N/A	N/A	N/A	N/A	N/A	2.2	2.2
14.01.00 context	The total number employed in RD per 1000 employees in the national economy	per thousand (‰)	CSO	Achieved	9.99	10.15	10.33	10.7	10.33	N/A	10.33
				Default	9.1	9.99	10.15	10.33	10.7	N/A	9.1
				Planned	N/A	N/A	N/A	N/A	N/A	10.8	10.8
14.01.02 context	The total number employed in RD per 1000 employees in the national economy – women	per thousand (‰)	CSO	Achieved	7.4	7.34	7.5	7.64	7.5	N/A	7.5
				Default	5.1	7.4	7.34	7.5	7.64	N/A	5.1
				Planned	N/A	N/A	N/A	N/A	N/A	6.3	6.3
13.10.00 context	Summary Innovation Index (SII)	value	EIS	Achieved	0.39	0.4	0.41	0.41	0.44	N/A	0.44
				Default	0.26	0.39	0.4	0.41	0.41	N/A	0.26
				Planned	N/A	N/A	N/A	N/A	N/A	0.36	0.36

Source: Research and Development Indicators for 2011, CSO 2011

Table 6 Impact indicators at the level of OP RDI

NI code EU Code/Lisbon Indicator type	Indicator title	Unit of measurement	Source	Value	2007	2008	2009	2010	2011	Target Value 2015	Total
11.05.01 impact	Increase in the total number of approved R&D results for supported locations	number	IS MA	Achieved	0	0	N/A	77	649	N/A	649
				Default	0	0	0	N/A	77	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	2,000	2,000
14.05.10 impact	Increase in the number of PhD students in Convergence regions	number	MEYS Registries	Achieved	1,000	1,000	911	871	1,240	N/A	1,240
				Default	1,000	1,000	1,000	911	871	N/A	1,000
				Planned	N/A	N/A	N/A	N/A	N/A	1,700	1,700
11.03.00 Core 6 impact	The number of newly created jobs, R&D personnel – total	number	IS A/B	Achieved	0	0	N/A	33.24	444.57	N/A	444.57
				Default	0	0	0	N/A	33.24	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	2,500	2,500
11.03.02	The number of newly created jobs, R&D personnel – women	number	IS A/B	Achieved	0	0	N/A	11.01	73.89	N/A	73.89
				Default	0	0	0	N/A	11.01	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	840	840

Source: MSC2007 as of 28 February 2012

Table 7 Output indicators at the level of Priority Axes OP RDI

NI code EU Code/Lisbon Indicator type	Indicator title	Unit of measurement	Source	Value	2007	2008	2009	2010	2011	Target Value 2015	Total
1. European Centres of Excellence											
11.07.00 output	Number of excellence centres	number	IS MA	Achieved	0	0	0	0	N/A	N/A	0
				Default	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	5	5
11.06.00 output	The number of supported R&D projects (start-up grants) carried out in supported centres	number	IS MA	Achieved	0	0	0	N/A	N/A	N/A	0
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	5	5
11.08.00 output	Centres equipped with unique R&D infrastructure of national relevance	number	IS MA	Achieved	0	0	0	0	N/A	N/A	0
				Default	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	3	3
11.05.11 output	Renovated, expanded and newly built capacities	sq ^m	IS MA	Achieved	0	0	0	N/A	N/A	N/A	0
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	60,000	60,000
2. Regional R&D Centres											
11.10.00 output	Number of equipped regional R&D centres	number	IS MA	Achieved	0	0	0	N/A	N/A	N/A	0
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	20	20
11.11.00 output	Number of functioning regional R&D centres	number	IS MA	Achieved	0	0	0	N/A	N/A	N/A	0
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	20	20
11.06.00 output	The number of supported R&D projects (start-up grants) carried out in supported centres	number	IS MA	Achieved	0	0	0	N/A	N/A	N/A	0
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	20	20
11.05.11 output	Renovated, expanded and newly built capacities	sq ^m	IS MA	Achieved	0	0	0	N/A	627	N/A	627
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	60,000	60,000
3. R&D Commercialisation and Popularisation											
13.20.00 output	Number of supported projects and mechanisms for	number	IS MA	Achieved	0	0	0	0	0	N/A	0
				Default	0	0	0	0	0	N/A	0

	commercialisation			Planned	N/A	N/A	N/A	N/A	N/A	20	20
13.21.00 output	Number of projects of visitor centres and science learning centres for R&D popularisation	number	IS MA	Achieved	0	0	0	0	N/A	N/A	0
				Default	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	2	2
13.25.00 output	Number of supported projects of information infrastructure for R&D	number	IS MA	Achieved	0	0	0	0	N/A	N/A	0
				Default	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	2	2
4. Infrastructure for Instruction Combined with Research at Colleges and Universities											
11.05.10 output	Number of supported projects – R&D infrastructure	number	IS MA	Achieved	0	0	0	N/A	N/A	N/A	0
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	20	20
11.05.11 output	Reconstructed and built capacities	sq ^m	IS MA	Achieved	0	0	0	N/A	N/A	N/A	0
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	70,000	70,000
5. Technical Assistance											
48.01.00 output	Number of supported technical assistance projects	number	IS MA	Achieved	0	0	1	1	1	N/A	1
				Default	0	0	0	1	1	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	15	15
48.05.00 output	Number of issued studies and reports (incl. evaluation)	number	IS MA	Achieved	1	1	8	16	18	N/A	18
				Default	1	1	1	8	16	N/A	1
				Planned	N/A	N/A	N/A	N/A	N/A	20	20
48.03.00 output	Number of committee meetings (monitoring, advisory and management)	number	IS MA	Achieved	0	2	4	5	6	N/A	6
				Default	0	0	2	4	5	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	16	16
48.11.00 output	Number of training sessions, seminars and workshops and other similar activities	number	IS MA	Achieved	0	5	22	45	107	N/A	107
				Default	0	0	5	22	45	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	50	50

Source: MSC2007 as of 28 February 2012

Table 8 Outcome indicators at the level of Priority Axes OP RDI

NI code EU Code/Lisbon Indicator type	Indicator title	Unit of measurement	Source	Value	2007	2008	2009	2010	2011	Target Value 2015	Total
1. European Centres of Excellence											
11.08.10 result	Number of researchers using the created infrastructure	number	IS A/B	Achieved	0	0	0	N/A	N/A	N/A	0
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	2,500	2,500
11.08.20 result	Number of students of MA and PhD programmes using the created infrastructure	number	IS A/B	Achieved	0	0	0	N/A	N/A	N/A	0
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	500	500
11.07.10 result	Number of projects involving cooperation of the application sector with excellence centres	number	IS A/B	Achieved	0	0	0	N/A	N/A	N/A	0
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	30	30
11.08.30 result	Capacities of new infrastructures used by other entities	%	IS A/B	Achieved	0	0	0	0	0	N/A	0
				Default	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	30	30
11.03.00 result Core 6	The number of newly created jobs, R&D personnel – total	Number	IS A/B	Achieved	0	0	0	N/A	18.54	N/A	18.54
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	1,000	1,000
11.03.02 result	The number of newly created jobs, R&D personnel – women	Number	IS A/B	Achieved	0	0	0	0	0.7	N/A	0.7
				Default	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	340	340
2. Regional R&D Centres											
11.07.20 result	Number of projects involving cooperation of the application sector with regional R&D centres	number	IS A/B	Achieved	0	0	0	N/A	37	N/A	37
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	100	100
11.08.15 result	Number of students of all programmes who use the created infrastructure / are involved in the activities of the centre	number	IS A/B	Achieved	0	0	0	5	79	N/A	79
				Default	0	0	0	0	5	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	400	400

11.03.00 result Core 6	The number of newly created jobs, R&D personnel – total	Number	IS A/B	Achieved	0	0	0	33.24	426.03	N/A	426.03
				Default	0	0	0	0	33.24	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	1,500	1,500
11.03.02 result	The number of newly created jobs, R&D personnel – women	Number	IS A/B	Achieved	0	0	0	11.01	73.19	N/A	73.19
				Default	0	0	0	0	11.01	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	500	500
3. R&D Commercialisation and Popularisation											
13.20.10 result	Number of entities using services for support of commercialisation	number	IS A/B	Achieved	0	0	0	0	0	N/A	0
				Default	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	500	500
13.21.10 result	Number of visitors in supported visitor centres and science learning centres	number	IS A/B	Achieved	0	0	0	0	N/A	N/A	0
				Default	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	30,000	30,000
13.24.00 result	Number of entities using the services of information infrastructure for R&D	number	IS A/B	Achieved	0	0	0	0	N/A	N/A	0
				Default	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	65	65
4. Infrastructure for Instruction Combined with Research at Colleges and Universities											
11.05.20 result	Number of students benefiting from the new / reconstructed infrastructure	number	IS A/B	Achieved	0	0	0	N/A	0	N/A	0
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	50,000	50,000
11.05.21 result	Number of students benefiting from the new / reconstructed infrastructure, students of PhD programmes	number	IS A/B	Achieved	0	0	0	N/A	0	N/A	0
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	5,000	5,000

Source: MSC2007 as of 28 February 2012

2.1.2 OVERVIEW OF ANNOUNCED CALLS

In 2011, total of 3 calls took place: 2 calls in Priority Axis 3 - call 3.3 Technology Transfer Centres (Call No. 10) and call 4.3 Equipment of Specialized Research and Department Libraries (Call No. 12); 1 call in the framework of the Priority Axis 4 - Call 2.4 Modernization of Existing Infrastructure for Education-Related Research (Call No. 11). All calls were carried out in rounds. As of 4 January 2012, total of 18 grant applications in the total amount of EUR 31.539,583 (CZK 817.2 million) were received in these calls (only call 3.3 was terminated in 2011). In all announced calls (except for calls in the Priority Axis 5, which are continuously announced for all funds intended for the whole programming period and call 3.3 for TTC), the submitted applications are expected to exceed the announced allocation.

The maximum level of support within the announced calls provided by the European Regional Development Fund is 85%. The remaining 15% is financed from national public sources. The support is provided as a grant. The support provided does not constitute state aid within the meaning of Article 87 of the EC Treaty. The funds will be earmarked for eligible project expenses.

Detailed information on the current calls is presented in Table 9 and Chapter 3 Implementation according to individual Priority Axes.

Table 9 Overview of announced and ongoing calls in 2011

Serial number of call	Submission of project applications - Starting date of receipt of project applications	Submission of project applications - Closing date of call	Call Type	Number of Priority Axis / Support Area / Sub-Area	Allocation for the call in EUR	Submitted Project Applications		Projects with the Decision issued / Contract signed	
						number	in EUR	number	in EUR
10	15 October 2010	28 January 2011	round	5.3.1	38.595,137	18	31.539,583	0	0
11	1 October 2011	31 January 2012	round	5.4.1	42.454,651	0	0	0	0
12	1 November 2011	20 January 2012	round	5.3.2	27.016,596	0	0	0	0
Total	---	---	---	---	108.066,384	0	0	0	0

Source: MSC2007, IS MA as of 4 January 2012, exchange rate in the amount of 25.91 CZK/EUR.

Note: The allocation for the call represents the public sources in total.

2.1.3 INFORMATION ABOUT THE OP RDI FINANCIAL DATA

The following table shows the financial progress in the framework of the OP RDI in accordance with Regulation (EU) No. 539/2010 of the European Parliament and of the Council

and in accordance with the data sent through SFC2007. The table does not include advance payments from the EC, whose amount can be found in the table showing the performance of n+3/n+2 rule.

Table 10 Priority Axes by sources of funding (financial contribution from SF/FS and from national public funds in EUR)

---	Operational Programme Funding Total (EU and national)	Basis for calculating the contribution of the Union (from public sources or in total)	Total certified eligible expenses paid by beneficiaries*	Relevant public contribution	Performance rate in %
Priority Axis 1 – European Centres of Excellence	806,347,498	Public	7,051,818	7.051,818	0.87%
Priority Axis 2 – Regional RD Centres	806,347,498	Public	30,351,273	30,351,273	3.76%
Priority Axis 3 – RD Commercialisation and Popularisation	250,917,802	Public	0	0	0.00%
Priority Axis 4 – Infrastructure for Instruction Combined with Research at Colleges and Universities	487,219,032	Public	11,597,438	11,597,438	2.38%
Priority Axis 5 – Technical Assistance	85,263,330	Public	7,425,549	7,425,549	8.71%
Grand total	2,436,095,160	Public	56,426,077	56,426,077	2.32%

Source: MSC2007 as of 4 January 2012, cumulative data.

* Rate used from IS Viola as of date of calculating summary payment requests.

OP RDI Financial Plan

The OP RDI financial plan is based on the financial allocation plan of CR for the Convergence objective for 2007-2013. For the OP RDI, within the total financial plan, 8% of objective funds are allocated. The total financial allocation of the OP RDI is EUR 2 436 095 160, of which EUR 2 070 680 884 represents the contribution of the ERDF (85%) and EUR 365 414 276 is co-financing from the Czech state budget (15%). The following table shows the financial plan of the OP RDI for each Priority Axis and Support Area.

Table 11 OP RDI financial plan by Priority Axes and Support Areas

Priority Axis / Support Area	Fund	EU contribution in EUR	Public funds in total IN EUR	Share of total allocation of OP in %
1. European Centres of Excellence	ERDF	685,395,373	806,347,498	33.1
1.1 European Centres of Excellence	ERDF	685,395,373	806,347,498	33.1
2. Regional R&D Centres	ERDF	685,395,373	806,347,498	33.1
2.1 Regional R&D Centres	ERDF	685,395,373	806,347,498	33.1
3. R&D Commercialisation and Popularisation	ERDF	213,280,131	250,917,802	10.3
3.1 Commercialisation of Results of Research Institutions and Protection of Their Intellectual Property Rights	ERDF	62.254,683	73.240,803	3.0
3.2 Publicity and Awareness of RD Results	ERDF	151.025,449	177.676,999	7.3
4. Infrastructure for Instruction Combined with Research at Colleges and Universities	ERDF	414,136,177	487,219,032	20.0
4.1 Infrastructure for Instruction Combined	ERDF	414,136,177	487,219,032	20.0

with Research at Colleges and Universities				
5. Technical Assistance	ERDF	72,473,830	85,263,330	3.5
5.1 Administration of the OP RDI	ERDF	63,052,231	74,179,099	3.0
5.2 Information and Publicity of the OP RDI	ERDF	2,174,199	2,557,900	0.1
5.3 Absorption Capacity of the OP RDI	ERDF	7,247,399	8,526,331	0.4
Total	---	2,070,680,884	2,436,095,160	100.0

Source: Operational Programme Research and Development for Innovations, 2011
*allocation change - to be updated in the information system

The MA of the OP RDI closely monitors the progress in use of funds for individual projects with the objective to fulfil the n+3/n+2 rule. Accordingly, predictions of future development of fund use are regularly updated, and optimising measures are implemented. Monitoring development of the exchange rate, monitoring implementation of more financially challenging projects, monitoring control borders for use according to the Methodological Directive of NCA-MRD, obtaining updated financial documents for the projects with the issued Grant Award Decision, etc. are included in these measures.

In relation to Regulation No. 539/2010 of the EP and of the Council (EU) of 16 June 2010, which lifted the N+3 rule for allocation in 2007, the budget commitment of this allocation was divided in the six subsequent years of the programming period.

Column *a* shows the volume of funds that must be withdrawn from the OP in the given calendar year according to the n+3/n+2 rule.

For the year 2011, pre-financing payments were deducted from the commitment (total sum in column *b*) and the EC also carried out automatic deduction of annual allocation for major projects in 2008 (VP) to reduce the related annual commitment. Similarly, MA may apply the VP deduction also in 2012 and 2013; for example, in 2012, the original withdrawal amount of EUR 637.437,753 (the respective row in column *f*) would thus be reduced by approximately EUR 416.6 million (total allocation for major projects in 2008 and 2009). This commitment will be further reduced by certified means for 2012 (MA expects approx. EUR 232.6 million), i.e. the n +3 rule will also be met in 2012.

Table 12 Fulfilment of the n+3/n+2 rule (in EUR)

Financial plan - year	Total allocation of EU funds 2007-2013 - annual	n+3/n+2 limits	Pre-financing payment from the EC	Applications for interim / final payment submitted to the EC	Pre-financing payments from the EC + applications for payments from the CR	Pre-financing payments from the EC + applications for payments	Difference between limits and payments
		- summary *	- annual	- annual	- annual	- summary	- summary
		a	b	c	d=b+c	e	f=e-a
2007	0	-	0	0	0	0	0
2008	312.372,583	-	103.534,044	0	103.534,044	103.534,044	103.534,044
2009	325.065,171	-	82.827,235	0	82.827,235	186.361,279	186.361,279
2010	338.351,279	-	0	1.333,644	1.333,644	187.694,923	187.694,923
2011	351.643,449	312.372,583	0	46.628,521	46.628,521	234.323,444	-78.049,139
2012	364.887,305	637.437,754	0	0	0	0	-637.437,754
2013	378.361,099	1,327.432,482	0	0	0	0	-1,327.432,482
2014	0	1,692.319,787	0	0	0	0	-1,692.319,787
2015	0	2,070.680,886	0	0	0	0	-2,070.680,886

Total	2,070.680,886	2,070.680,886	186.361,279	47.962,165	234.323,444	234.323,444	-2,070.680,886
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Source: IS MA as of 4 January 2012, figures are specified in EUR, share of ERDF.

* n+3 rule applies for the years 2008-2010, n+2 rule applies for the years 2011-2013. The n+3/n+2 rules meet in 2013.

In the implementation of the OP, it is also necessary to pay special attention to the risks threatening fulfilment of the rule n+3/n+2, which the MA is actively obliged to avoid.

The general risks affecting the use of the OP RDI funds are primarily:

- ✓ Inadequate use of funds sent by the MA for pre-financed planned project activities. These funds accumulate unused in the project accounts of beneficiaries.
- ✓ The absence of a system for preventive measures reflecting insufficient use by beneficiaries in the process of paying advanced payments, leading to an excessive burden on the SR chapter. A lag time in usage results in a delay of the planned refund of pre-financed funds to the SR from the PCO source account.

Following the identification of the above risks, MA plans to proceed, in the framework of its financial management, with the implementation of a system of measures that will significantly contribute to improving and speeding up administrative processes on the part of the beneficiary, more efficient control by MA and, last but not least, to accelerating core activities which include regular submission of summary applications for payment in the greatest possible volumes and their subsequent certification which is determining for the successful fulfilment of the n+3/n+2 rule:

- ✓ Consolidating the role of the time schedule for using funds in the project;
- ✓ reduction of billing times;
- ✓ application of financial sanctions;
- ✓ temporary suspension/reduction of advance payments (pre-financing for beneficiary).

These measures will evolve adequate stimulation for the beneficiary for the full usage of the provided advanced payments, which results in the accelerated use of OP RDI funds.

Use of allocated funds for the OP RDI should not be affected for the following reasons either:

- ✓ The established system of advance payments occurring every 3 months permits beneficiaries the fluid use of OP funds.
- ✓ The volume of submitted projects is more than a third of the allocation for the whole programming period.
- ✓ A smaller number of projects in large financial volumes are and will be implemented in the main, which significantly simplifies use of funds.
- ✓ Admissible EC opinions on major projects were issued (within the meaning of Art. 40 of EC Regulation No. 1083/2006 → the MA will be able deduct all these projects from individual annual OP commitments.
- ✓ A precise system of project evaluation and approval minimises the possibility of problems in the implementation phase;
- ✓ The OP RDI MA carries out monthly monitoring of the real progress of implementation.

Table 13 Advance payments in EUR from the beginning of the programming period

Priority axis (PA)	Percentage of allocation per PA	2008	2009	Total

1	33.1	34.269,768.63	27.415,814.90	61.685,583.53
2	33.1	34.269,768.63	27.415,814.90	61.685,583.53
3	10.3	10.664,006.55	8.531,205.24	19.195,211.79
4	20.0	20.706,808.84	16.565,447.07	37.272,255.91
5	3.5	3.623,691.55	2.898,953.24	6.522,644.78
Total	100.0	103.534,044.20	82.827,235.36	186.361,279.56

Source: MSC2007 as of 4 January 2012

Cross-financing

The system of cross-financing of projects did not take place in the framework of the OP RDI in 2011.

2.1.4 INFORMATION ON THE BREAKDOWN OF THE USE OF FUNDS

Information on the breakdown of the use of funds is included in electronic format in SFC2007. The correctness of division of the funds utilization schedule into individual categories was randomly verified and corresponds to the actual situation. This issue will continue to be carefully monitored and controlled.

2.1.5 INFORMATION ON ASSISTANCE BY TARGET GROUPS

The OP RDI target groups are primarily made up of R&D institutions and universities. Within Priority Axes 1 and 2, it refers mainly to research organisations and other entities meeting the conditions of the Community Framework for State Aid for Research and Development and Innovation. Priority Axis 3 is especially focused on research organisations and other entities concerned with specialist activities in the area of popularisation and promotion of RD, which meets the conditions of the Community Framework for state aid for research, development and innovation. Priority Axis 4 focuses on public, State and private universities and other entities in the sense of Act No. 111/1998 Coll., on universities⁵, that satisfy the conditions of the Community Framework for State Aid for Research and Development and Innovation. The target group under Priority axis 5 is MEYS as the OP RDI Managing Authority.

By sector, support of the OP RDI is focused primarily on NACE 73 Research and development (rev. 1.1, 72 NACE rev.2) and 8030 Higher and university education (rev. 1.1, 8542 NACE rev. 2).

Programme activities are implemented, with the exception of the NUTS II Prague region, throughout the Czech Republic.

From a geographic perspective, a significant concentration of projects implemented in centres of regional and national importance and in those areas can be expected. At NUTS III level, it refers especially to the Central Bohemia Region (due to the Prague region), South Moravia, Plzen and Liberec. This concentration is typical for progressive tertiary and quaternary, which are activities with high added value and are qualitatively subject to qualified human resources.

According to the types of territory defined with focused state aid according to the applicable 2007-2013 Regional Development Strategy, greater investment into economically weak regions or in regions with high levels of unemployment cannot be expected. An exception can be the region of Ostrava, where research institutions are concentrated and are going through relatively successful economic conversion.

⁵Act No. 111/1998 Coll., on higher education institutions and on the amendment and supplement to some other acts (Higher Education Act), as amended.

Short description of specification of several projects that received the Grant Award Decision in the period until 31 December 2011 is given in Annex 1 to this Report. The current list of beneficiaries of the OP RDI is given on <http://www.msmt.cz/strukturalni-fondy/seznam-prijemcu-v-ramci-op-vavpi>.

2.1.6 RETURNED OR RE-USED ASSISTANCE

During the programme implementation in 2011, no funds were returned as a result of breach of the sustainability of operations rule or due to irregularities. For any return of funds, the beneficiary will be governed by the conditions set in Article 98 of Regulation 1083/2006 "Financial corrections by Member States."

2.1.7 QUALITATIVE ANALYSIS

Given the focus of the Operational Programme and challenging nature of activities with high added value, which are supported by the OP RDI source, we can assume gradual material and financial progress, for which there will be strengthened dynamics in the following stages of implementation.

After approval of all necessary documents for implementation, the OP RDI MA created very good conditions for the full and effective use of public resources. 224 project applications were cumulatively received in all the Priority Axes of the OP RDI in the total financial volume of more than EUR 4.1 billion (CZK 105.2 billion) of public sources, which represents approximately 167% share of the total allocation for the OP RDI for the programming period 2007-2013. Consequently, the results achieved reflect the efforts of the OP RDI MA to build up sufficient absorption capacities that create good preconditions for low-risk implementation. An overlap of submitted applications was registered for all announced calls with the exception of Priority Axis 5 (Technical Assistance), where the continuous calls for the whole allocation of the programming period of 2007-2013 are announced.

The largest substantial progress and financial progress was recorded last year in the framework of the Priority Axis 1 European Centres of Excellence, where the Grant Award Decision was hitherto granted to a total of 3 normal projects and 4 major projects with the required funding of more than EUR 692 million (CZK 17.9 billion), which amounts to almost 86% of the allocation for this Priority Axis for the whole programming period. In the Priority Axis 2 Regional R&D Centres, Decisions were granted to another 6 projects and negotiations were commenced with projects in the so-called project pipeline.

In the Priority Axis 3, evaluation and negotiations took place for two calls focused on R&D promotion and information infrastructures in Support Area 3.2 which were finalized and announced at the end of 2009. In these two calls, a total of 37 project applications amounting to EUR 264 million (CZK 6.8 billion) were submitted which is almost double the funds allocated to this Support Area for the entire programming period. During 2011, 12 projects were granted the Grant Award Decision. Thanks to the great interest of applicants and high quality of the projects submitted in the call 1.3, Monitoring Committee approved an increase in the planned allocation for this call by approx. CZK 1 billion (EUR 40.8 million) on 22 June 2011. Currently, the Decisions granted cover the funds allocated to the call 2.3 and the call 1.3. In addition, the receipt of applications in the call in the Support Area 3.1 which is focused on the Technology Transfer Centres was terminated. In this call, 18 project applications in the total financial volume of CZK 817.190,603 (EUR 31.539,583 EUR) were received. These projects were evaluated by expert evaluators and are currently subject to the process of negotiation. The issue of Decisions for the approved projects is expected in the first half of 2012. In the framework of the Priority Axis 3, another call was announced in 2011 which is focused on the Support Area 5.3.2 - call 4.3 Equipment of Specialized Research and Department Libraries. The call 5.3 for improving the R&D policy and making it more efficient was moved to 2012 due to ongoing IPn Audit and Methodology. For 2012, two more calls from the Support Area 5.3.1 are planned in the framework of the Priority Axis 3, namely call

6.3 - Support for Pre-Seed Activities and call 7.3 Support for Pre-Seed Activities. The content of the call 7.3 will be based on the setup of call 6.3. However, based on the course and evaluation of call 6.3, the content may be modified or the planned amount of the allocation may be adjusted. Significant progress has also been made in supporting the infrastructure of universities, to which Priority Axis 4 is dedicated. The call in this Priority Axis had a continuous nature like the evaluation of project applications. Some 37 project applications with the required allocation of over EUR 561 million were received. In 2011, total of 28 Decisions were granted in this Priority Axis in total volume of EUR 420.4 million. Furthermore, call 2.4 for Modernization of the Infrastructure for Instruction Combined with Research was announced here on 4 July 2011 where EUR 42.5 million were allocated. The Decision in this call is planned to be granted in 2012. In the Priority Axis 5, implementation of 1 project was completed and implementation of 11 projects continued, of which implementation of 2 projects - Legal Services for OP RDI and OP Monitoring and Control of OP RDI Constructions commenced in 2011.

Simultaneously with the approval process, steps have been taken to secure sufficient number of implementation workers. During the year, due to increasing administrative capacity the situation has already begun to stabilize in terms of the number of newly arrived workers, however, even during 2011 there was a higher turnover and departure of more experienced workers who have been and are gradually being replaced by the newcomers. In the next period, these newcomers will have to be trained in the processes and issues of the OP RDI. Also, due to cancellation of contract for legal services, it will be necessary to employ qualified staff to control the public contracts in order to avoid any possible discrepancies. It will also be necessary to strengthen the positions of project and financial managers for the Priority Axis 3 whose load is expected to increase in connection with the administration of new calls (particularly Pre-seed where larger number of project applications is expected to be received). In 2011, documents necessary for the successful implementation and realization of the OP RDI were modified. Joint review of the OP RDI Operational Programme was sent to the EC for approval. Also the Handbook for Applicants and the Handbook for Beneficiaries were updated, also supporting documents for the announcement of future calls (selection criteria, expenditure eligibility rules, monitoring indicators at project level and other materials) were preliminary prepared. During 2011, the draw-down of financial allocation of the OP RDI took already place in all Priority Axes. The beneficiaries were paid out total of EUR 513.7 million (CZK 13.3 billion), i.e. approx. 21% of the OP allocation (compared to the end of 2010, the paid out funds accounted for 3.2% of the OP allocation); of this volume, EUR 56.4 million (1.4 billion CZK) were certified which accounts for 2.3% of the OP allocation (at the end of 2010, it was EUR 1.6 million). After interruption by PCA, the certification process was resumed on 15 April 2011 after the MA explained and remedied the audit findings. In OP RDI conditions, ex-ante financing mode is predominant for payments. Also during 2011, the MA resolved the issue of disproportionate utilization of the funds by the beneficiaries vis-à-vis the funds provided for pre-financing of projects. For that reason, MA took steps aimed at increasing the efficiency of spending the funds by the beneficiaries (see measures responding to withdrawal risks specified in Chapter 2.1.3). Other measures consist mainly of regular monthly monitoring, longer-term planning of the funding amount by beneficiaries and in the case of other measures, which are there to increase the volume of charges to beneficiaries (e.g. temporary suspension/reduction in the advances provided, using financial penalties, etc.).

Given that most projects are still in the initial stage of implementation, one cannot currently speak about specific and actual contributions of the OP RDI to fulfilling the objectives of the NSRF, impact on horizontal issues of the EU and progress in achieving the Lisbon indicators. However, the outcome indicators already show clear progress e.g. in the number of newly created jobs in R&D. Along with ongoing implementation of the OP RDI, we can expect a strong influence of the OP RDI on all the above mentioned areas as the projects progress to

more advanced stage of implementation. However, significant results of a number of projects, with regard to their nature of long-term research projects, can be expected at the end of the programming period, or even later, e.g. in the period of their sustainability.

For the NSRF, a strengthening contribution can be expected to meet the Priority Axis “Competitive Czech Economy”, in particular the priority “Support for R&D capacity for innovation”, where the OP RDI, together with OP EI, represents the core interventions. There will also be fulfilment of the strategic goal of an “Open, Flexible and Cohesive Society”, the priority of “Education”, where the OP RDI follows interventions implemented via the OP EC (financed from ESF). Projects supported by the OP RDI also contribute to meeting the strategic objective “Attractive Environment”, specifically to activities in the area of R&D, which can create conditions for the development of eco-industry and environmentally friendly technologies. It further contributes to the technological development of regions for the Convergence objective, which is part of the “Balanced Territorial Development” strategic objective.

Similarly, growing influence on adherence to the principle of equal opportunities can be expected. Projects are assessed in terms of ensuring equal access to the opportunities offered. Particular attention is paid to the position and simpler integration of women in the field of R&D and promotion of gender equality. In relevant Priority Axes / Support Area of the OP RDI, indicator of women in R&D is specifically monitored in relation to the newly created jobs in R&D; in this respect, the values yet reached do not achieve the required amount with respect to the initial stage of implementation of majority of projects.

The OP RDI is closely linked to the Priority of applied research, development and innovation for the CR for 2009-2011, which are currently incorporated in the document of the National Policy on Research, Development and Innovations for the Czech Republic for 2009-2015. Two of eight strategic development directions (or seven directions supported within the Priority Axes 1 and 2) are focused on the area with a direct link to support for sustainable development; an increasing impact of support projects can also be expected, and as a result of the whole OP RDI on sustainable development. A link to these priorities is expressed in the way that compliance of the project with the Priorities is a qualification criteria for Priority Axes 1 and 2 of the OP RDI.

Implementation of the OP RDI contributes significantly to the development of the partnership principle, especially the development of collaboration between research institutions, universities and the business sphere. Given the significant scope of activities envisaged in the projects, Priority Axes 1 and 2 will have partnerships of regional, national and international dimensions. It will therefore link major players in R&D in different scientific disciplines, they will be created and strengthened with the synergy via a network of contacts, which will be a significant impulse to generate R&D results with high added value. To form a partnership and actively connect partners to a project, emphasis is put on all Priority Axes.

As was mentioned previously, the EC stated on the relation of the OP RDI and meeting the Lisbon Strategy that the OP RDI may be used as an example to address the operational programme covered from EU funds to meet the objectives of the Lisbon Strategy. Targeting of the OP RDI towards the Lisbon Strategy objectives is also evident from the amount allocated for each priority theme. Above average results are being achieved particularly in the priority issue No. 01 Activities in the area of research and technological development in research centres and the priority issue No. 02 Infrastructure for research and technological development and training centres for specific technology. Solid results are also achieved in the priority issues related to technical assistance projects - 85 and 86. Other priority issues - 03, 04, 07, 12 which the OP RDI committed to monitor are expected to be fulfilled later in more advanced stage of implementation of the projects and approval of projects in the PA 3 (financial representation, see table 15).

Table 14 Real progress of the OP RDI

Support Area	Allocation 2007-2013	Funds covered by Decision / Contract (amendment)		Payments to beneficiaries		Certified funds submitted to the EC*	
	a) EUR	b) EUR	%b/a	c) EUR	%c/a	d) EUR	%d/a
1.1	806,347,498	692,370,329	85.9%	108,396,534	13.4%	7,051,818	0.9%
2.1	806,347,498	733,767,330	91.0%	277,123,733	34.4%	30,351,273	3.8%
3.1	73,240,803*	0	0.0%	0	0.0%	0	0.00%
3.2	177.676,999*	132,133,583	74%	9,939,916	5,6%	0	0.00%
4.1	487,219,032	420,399,141	86.3%	110,270,979	22.6%	11,597,438	2.4%
5.1	74,179,099	34,484,371	46.5%	7,711,356	10.4%	7,135,452	9.6%
5.2	2,557,900	1,929,757	75.4%	279,677	10.9%	283,063	11.1%
5.3	8,526,331	2,161,328	25.3%	8,376	0.1%	7,033	0.1%
Total OP	2,436,095,160	2,017,245,839	82.8%	513,730,570	21.1%	56,426,077	2.3%

Source: MSC2007 as of 4 January 2012 Exchange rate 25.91 CZK/EUR was applied.

*allocation change - to be updated in the information system

** Rate used from IS Viola as of date of calculating summary payment requests.

Note: The allocation for the calls represents the public sources in total (EU and national).

Table 15 Contribution of OP interventions to the Lisbon objectives

Priority issue	Allocation In EUR 2007-13	Drawn in 2011 in % compared with allocation in 2007-13
01 Activities in the area of research and technological development in research centres	318.840,696	151
02 Infrastructure for research and technological development and training centres for specific technology	1,310.093,166	91
03 Technology transfer and improvement of cooperation networks between SMEs and other businesses and universities, institutes for post-secondary education of all kinds, regional authorities, research centres and scientific and technological centres	265.851,873	3
04 Assistance for research and technological development, especially in small and medium-sized enterprises	9.694,551	0
07 Investment in firms directly linked to research and innovation	9.694,551	0
12 IT and Communication Technology Division (TEN-ICT)	84.032,217	7
85 Preparation, implementation, monitoring and control	50.248,522	52
86 Evaluation and studies, information and communication	22.225,308	28
Total	2,070.680,884	84

Source: MSC2007 as of 4 January 2012.

2.2 Information on compliance with Community legislation

In 2011, no cases of serious non-compliance with the legal regulations of the European Union (hereinafter the "EU") were ascertained in the execution of the OP, neither on the part of the Managing Authority nor on the part of the beneficiaries of aid from the OP RDI. This is also confirmed by the MMR-NOK summary statement for all operational programmes co-financed in the CR from EU structural funds where no cases of non-compliance with EU legislation were ascertained in these programmes in 2011.

The Managing Authority issues a system of managed documents, including the entire OP implementation system, which is in accordance with the legislation of the CR and the EU. The document management system for the content and formal aspects emphasises compliance with the rules of:

competition,
of public contracts,
environmental protection,
promoting equal opportunities.

Competition rules

Funds for implementation of the OP are considered public funds, the provision of which is related to the relevant EU rules concerning state aid and national regulations.

The basic norm defining public support are Articles 107 to 109 of the Treaty on the Functioning of the European Union. In accordance with these articles, any aid granted in any format by a Member State or through state resources, which distorts or threatens to distort competition by favouring certain businesses or a specific sector of manufacturing, is incompatible with the common market if it affects trade between Member States. Exceptions to this basic rule are also enshrined in the Treaty on the Functioning of the European Union.

In the CR, the protection of competition is implemented on the basis of Act No. 143/2001 Coll., on the protection of competition and on amendment to some laws, as amended. Pursuant to Act No. 272/1996 Coll., Office for Protection of Competition (OPC) is the central body of the state administration which ensures supervision over the compliance with the competition rules.

Due compliance with the competition rules is incorporated in the setup of the individual operational programmes. In the process of assessing applications for grants, the principle of control of the projects in terms of correct application of state aid rules is also taken into account.

The rules for granting state aid did not change in 2011; the latest legislative changes occurred in 2009.

On 1 June 2009, Act No. 109/2009 Coll. amending, inter alia, Act No. 215/2004 Coll., on regulation of certain relations in the area of state aid and on amendment to the act on the support of research and development, entered into effect.

The amendment to the act introduces a new concept of “coordinating body of public aid,” which collectively refers to the Office for Protection of Competition and the Ministry of Agriculture as the authorities competent to carry out activities in the public aid areas defined in the law. OPC performs the competence of the coordinating body except for the area of agriculture and fishing. In proceedings before the Commission, the providers are obliged to request prior opinion of the coordinating body on the submissions made before the commencement of the proceedings before the Commission and in their course. The coordinating body will issue the opinion not later than within 5 working days, in case of agriculture and fishing within 15 working days of the date of receipt of the application. Should the coordinating body fail to issue the opinion within such time-limit, the coordinating body's opinion on the submission is considered to be positive.

Proper compliance with rules for state aid is a component in setting the OP RDI. In the process of assessing applications for grants, the principle of control of the projects in terms of correct application of state aid rules is also taken into account.

The issue of state aid, especially in relation to major projects and projects in Priority Axis 3, is addressed by the OP RDI. For the initial opening of the issue of state aid for major projects from DG Comp (Directorate General of EC for Competition), which was via an Interruption letter during November 2010. Subsequently questions from the interruption letter were extended with additional questions at the turn of 2010/2011. Intensive communication took place in this matter between the MEYS, DG Comp and DG Regio. The negotiations resulted in the approval of submitted major projects by the European Commission during 2011 based

on the information and commitments / guarantees provided by the MEYS. As regards doubts about the presence of public support for projects submitted in the framework of the PA 3, the MEYS entered into contact with DG COMP which refused the doubts of the MEYS in an official notice. On the basis of statement of the EC, the MEYS thus continues to grant decisions for projects submitted in the PA 3

Public contracts

In the event of public procurement, the obligation arises from programme documentation of OP RDI for all applicants and beneficiaries to proceed in accordance with Act No. 137/2006 Coll., on public procurement, as amended, which reflects the European Procurement Directives 2004/17/EC and 2004/18/EC and at the same time according to additional rules of the OP RDI. Public procurement is controlled by the Managing Authority.

Based on audits carried out and experience from 2004-2006, the Ministry for Local Development (NCA) in collaboration with the PCO and the managing authorities proceeded to create the basic minimum in the area of awarding contracts which are not regulated by law. The aim of the document "Mandatory procurement procedures co-financed from EU funds, not covered under Act No. 137/2006 Coll., on Public Procurement, in the 2007-2013 programming period" is therefore to set cohesive policy for all entities involved in the implementation process with a unified procedure in the procurement area not subject to statutory regulation. This document was approved by the Czech Government Resolution of 12 January 2009, No. 48. These binding processes also serve as a basis for creating a methodological directive for Regional financial institutions in carrying out the control of contract procurement. In 2011, the Binding Procedures were updated and the update consisted in modification and specification of selected provisions which appeared to be unclear in the course of implementation or provided more possible interpretations - the update was prepared on the basis of input from the managing authorities and experiences following from the implementation process and in the introduction of a uniform system of penalties for breaching the rules for awarding these types of contracts which was made in accordance with the fulfilment of the Government Resolution No. 745 of 20 October 2010.

Transparent public procurement is one of the main principles of implementation of operational programmes co-financed from the EU budget which, according to EU legislation, must be strictly adhered to, controlled and, if breached, adequate sanctions must be stipulated in the form of a payment corresponding to part of the funds provided as grant. It was therefore necessary to unify the given issue, for procurement of the contracts and sanctions for not respecting the set principles to approach uniformly and clearly regardless of whether they are contracts (not) falling under statutory regulation.

The Managing Authority of OP RDI has also issued for the needs of applicants and beneficiaries the "Regulations for the selection of suppliers in the Operational Programme Research and Development for Innovations", which is based on the above binding procedures for the award of contracts co-financed from EU sources, and contain both the binding methodological part and a part recommending and giving information on how to improve "best practice" for contracting authorities in public procurement. At the beginning of 2012, substantial update of these Regulations has been planned with regard to the extensive amendment to the Act on Public Procurement, which will take effect in 2012, as well as with regard to other relevant legislative changes (regulation of financial limits for contracts, etc.).

Environmental protection

European Parliament and Council Regulation (EC) 42/2001, dated 27 June 2001, on the effects of certain plans and programmes on the environment is reflected in Act No. 100/2001 Coll. on the assessment of environmental impact and the amendment of some related acts (Environmental Impact Assessment Act), as amended.

MA OP RDI proceeds in accordance with these legislative standards and, in addition, impact of the supported activities on the environment is taken into account when selecting and evaluating projects.

Promoting equal opportunities

The principle of promoting equal opportunities is applied in accordance with Council Regulation (EC) No 1083/2006, Article 6 – Gender equality and the prohibition of discrimination.

This chapter of the annual report is about compliance of Czech legislation with EU legislation. A description incorporating these key areas into the OP settings is given in the qualitative analysis for the annual report, i.e. in Chapter 2.1.7.

2.3 Serious problems and measures taken to overcome them

In 2011, OP RDI extensively addressed the issues of Full Cost methodologies. On 22 June 2011, OPC decided to cancel all the steps of the contracting authority in the framework of the announced contract addressing certification of “Full cost” methodologies. Certification of full cost methodologies is required so that the grant beneficiaries could declare indirect costs (operating expenses, overhead, etc.). Temporary suspension of implementation of this project therefore creates problems in the cash flow of the beneficiaries. The solution to this problem for 2010 was discussed at the OP RDI Monitoring Committee in June - transitional application of indirect costs based on the beneficiaries' own procedures approved by the MA (no waiting for certification by external company). Due to the fact that no OPC Decision had been issued by September 2011, it was necessary to consider measures for the years 2011 and 2012. MA initiated discussions on this topic involving several beneficiaries. Transitional regime was agreed in the framework of which the methodologies will be certified at the level of beneficiaries. On 13 October 2011, per rollam procedure was initiated under which the members of the OP RDI MC approved the proposed approach.

During the year of 2011, problems were also reported in particular with suspension of certification of expenditures by the Payment and Certification Authority of the Ministry of Finance. By letter dated 22 December 2010, the 3rd certification of expenditures of the OP RDI was suspended by the Payment and Certification Authority. The reason was the finding of the Designated Audit Body from the system audit No. 7/2010/VaVpl which was the subject of re-audit No. VAVPI/PAS/S/01/2011. More detailed comments on this re-audit are specified below. The second problematic aspect consisted in the fact that the MA Information System (Monit7 +) does not reflect the true status of the programme implementation when, in a number of projects, the contracted situation does not correspond to the real situation and OP RDI MA has not set up a system that would provide for immediate results of factual evaluation of the individual projects in the Information System. OP RDI MA adopted the following measures:

- The status of implementation of the OP RDI was not fairly presented in the IS MA due to lack of administrative capacity. Currently, this problem has already been eliminated. On the basis of performed analysis of IS MA (January 2011), no contradictions between the state of programme implementation and IS MA (as P4) were ascertained.
- On 1 January 2011, four departments were established in the framework of the newly created Department of OP RDI Implementation that are fully responsible for monitoring the compliance of the project status in the OP RDI IS MA. The heads of these new departments were instructed of the necessity to switch the statuses

of projects in the IS according to the actual state of projects to ensure fair presentation of the real state of projects in the IS.

- The obligation to record the results of the substantive evaluation of individual projects in the IS is not enshrined in the Methodology of Monitoring 2007 - 2013. Any possible monitoring is only for the needs of the Managing Authority. The substantive evaluation is performed duly, the documentation is put in a file/archive. Recording of this activity in the IS MA has no direct impact on the possible certification.

Certification of the OP RDI expenditures was re-launched on the basis of the aforementioned re-audit.

15 April 2011.

In the period under review, the new organizational structure had stabilized and administrative capacity of the OP RDI MA had been filled. Another progress consisted in approval of all major projects which represent 1/3 of the OP RDI allocation.

In 2011, 98 suspected irregularities were considered, 54 of which were marked as justified by the OP RDI MA. Overall, the OP RDI MA records 109 cases of suspected irregularities for the years 2010 and 2011. During 2011, in three cases the Tax Office or the Office for Protection of Competition decided that there was no lapse and the suspected irregularities were not confirmed in these cases. The Tax Office confirmed a total of 3 cases of irregularities. In these cases, however, the beneficiary appealed against the conclusion of the Tax Office.

During 2011, there were several audits. Based on the findings of these audits, appropriate remedial measures were carried out, which led to the elimination of the identified shortcomings and elimination of the identified risks. We present the main findings on the audits and remedial measures taken.

On 13 January 2011, an on-site inspection was carried out by the Payment and Certification Authority. The inspection focused primarily on the administration of requests for payment and certification of OP RDI expenditures. In September 2011, OP RDI MA received the *Protocol on the outcome of on-site inspection*. The Payment and Certification Authority identified one formal finding. Immediately after the notice of the control group, this finding was removed.

In 2011, three system audits and 12 audits of operations were conducted under the competence of the Designated Audit Entity. These were the following audits:

OP RDI system audits

Audit No. 8/2010/VaVpl - Adequate audit trail

Audit was opened on 25 October 2010 and concluded on 11 March 2011. Its objective was to ensure a control of sufficient audit trails and provide assurance that procedures are set for securing an audit trail and that there is an adequate audit trail on the level of the OP RDI Managing Authority.

The audit investigation was focused on the following areas: summary amounts reported to the Commission, verification of payment of allowance from public sources to the beneficiary, technical specifications of operations, financial plan, documents concerning the approval of the subsidy/grant, progress reports, reports on verification and audits performed, archiving of documents, control of the beneficiaries.

8 findings were identified in total, of which 2 fall within moderate findings, 4 findings fall within low level of significance and 2 are little significance level findings.

Moderate findings related to the following areas: document archiving, backup.

The final audit statement is: "The system is working, but some improvements need to be done."

Main findings:

- ✓ The MA does not have the OP RDI central archive at disposal. This is a breach of Operating Manual Version 5.0, section H, page 27.
- ✓ Rooms that are designed for temporary storage of documentation are not protected against theft and unauthorized entry, there is a partial fire protection.
- ✓ The OM of OP RDI Version 5.0 sets rules and deadlines for data backup, but the responsibility for carrying out these activities has not been designated (repeated data backup on technical media at least once in every two years).

Main recommendations:

- ✓ Establish an archive in accordance with audit report recommendation.
- ✓ Immediately remove the shortcomings relating to rooms that are designed for temporary storage of documentation.
- ✓ Control documentation must be updated to determine the responsibility for securing data backup. It would be appropriate to use long-term backup media for archiving, the so-called gold CDs or DVDs.

Measures taken:

- ✓ The procedure for storing and archiving documents was not described accurately in the OM of OP RDI. OM of OP RDI was updated in this respect. The name archive was inappropriately used for the reference registry in the OM of OP RDI. However, this does not mean that the MA of OP RDI would not have adequate data storage space (reference registry) to store its documentation. The reference registry, which the MA of OP RDI has at its disposal, is being used for storing project folders. Projects (or project folders) are being continuously administered and the MA expects the administration of these will continue until the conclusion of the OP RDI. However, the MA does not underestimate the existing situation and has launched negotiations to secure archive space when there is a future need to archive documentation concerning the implementation of OP RDI.
- ✓ A room (the so-called reference registry) was allocated for temporary storage of documentation and this room was secured against theft and unauthorized entry. The MA has introduced stricter rules for entry into the reference registry.
- ✓ Responsibility for data backup was included in the OM of OP RDI. The so-called gold CDs or DVDs designed for long-term data backup were recommended for use by the OM OP RDI.

Audit No. VAVPI/PAS/S/01/2011 - Implementation of measures to remedy selected serious findings from previous system audits, especially audit No. 7/2010/VaVpl

The audit was conducted from 28 February 2011 to 29 March 2011 and its main objective was to verify implementation and efficiency of remedial actions taken on the basis of previous system audits on the OP RDI managing authority level. The audit was conducted due to the suspension of certification of OP RDI expenditures.

This audit verified the adoption of remedial measures and found that out of the total of 24 measures, 2 measures were not fulfilled. Based on the verification of measures, the audit team agreed to reduce the level of significance for these measures. All measures are now of little significance degree.

Also, a guided interview was held under this audit aiming at determining whether the MA of OP RDI started removing shortcomings identified during the audit number 8/2010/RDI "Adequate audit trail." The audit team was satisfied with the correction initiated by the MA, respectively, the elimination of deficiencies detected by audit number 8/2010/RDI and expressed its positive evaluation.

The final audit statement is: "The system is working, but some improvements need to be done."

Main findings:

- ✓ The MA of OP RDI launched negotiations with the Ministry for Regional Development to eliminate the deficiencies. With regard to the fact that the MA of OP RDI is not the operator of Monit7+ and is not entitled to change the contract condition The audit team notes that the OP RDI MA did everything within its competence.

Main recommendations:

- ✓ The audit team recommends continuing negotiations with the Ministry for Regional Development addressing the SLA issue.

Measures taken:

- ✓ The solution depends on the Ministry for Regional Development which has now been solving these problems centrally for all OPs. The suggestions for modifications were forwarded by the OP RDI to the Ministry for Regional Development; OP RDI now awaits the promised response from the Ministry regarding the joint meeting to discuss the possibilities. The MA will continue negotiations addressing the SLA issue.

Audit No. VAVPI/PAS/S/15/2011 - System audit

The audit was conducted from 8 September 2011 to 30 December 2011 and its main objective was to assess the key requirements for the OP RDI implementation system according to COCOF 08/0019/00-EN:

- 1) Clear definition, allocation and separation of functions between the Managing Authority and the Intermediating Body/Bodies and within themselves,
- 2) Appropriate procedures for the selection of operations,
- 3) Adequate information and strategies for providing guidance to beneficiaries,
- 4) Adequate management verification,
- 5) Adequate aids for audit with a focus on financial flows,
- 6) Reliable accounting systems, monitoring systems and reporting systems in an electronic form,
- 7) Necessary preventive and corrective measures in cases where the audit found system errors.

The audit team identified 13 findings with low significance and 1 finding with little significance.

The final audit statement is: "The system is working, but some improvements need to be done."

Main findings:

- ✓ Insufficient proof of full security of the part of the control system of project implementation in the area of control, surveillance, supervision, monitoring and verification on-site according to Article 13 of the Commission Regulation (EC) No. 1828/2006.

- ✓ Delay and low standard of the performed and predicted certification until the end of 2011 (less than 2%) shows a risk for the subsequent period from 2012, accumulation of control activities, reduction in efficiency of MR/RfP inspections and on-site inspections.

Main recommendations:

- ✓ With regard to the predicted development of the OP RDI, adjust the MCS setting in this region and ensure adequate control activities in terms of quantity and method of execution.
- ✓ Carry out analysis of the period of accumulation of inspections according to Article 13 of the Commission Regulation (EC) No. 1828/2006 to ensure sufficient staffing capacity (both in number and expertise) with emphasis on securing the ex-ante phase of control and verification activities.

Measures taken:

- ✓ An action plan is currently being prepared in collaboration with the Designated Audit Body. Of course, OP RDI MA, also with regard to the predicted development of the OP RDI, adopts appropriate measures and has already commenced recruitment of new employees to strengthen the controlling department also with respect to securing the ex-ante phase of control and verification activities.

Audits of operations in OP RDI projects

Audits of operations were aimed to verify that:

- ✓ the operation meets the selection criteria for an operational programme, is being implemented in compliance with the issued decision on approval and meets all related conditions regarding functionality and the utilization or goals that need to be achieved;
- ✓ the reported expenditure complies with the accounting records and with supporting documents administered by the beneficiary;
- ✓ expenditure declared by the beneficiary is in accordance with Community and with national rules;
- ✓ public contribution was paid out to the beneficiary in accordance with Article 80 of Regulation (EC) No. 1083/2006.

Audit No. VAVPI/PAS/O/01/2011 - "Audit for verification of operations in the framework of project No. CZ.1.05/5.1.00/05.0053"

The audit investigation was conducted in the period from 1/2011 to 3/2011 and was focused on operations in the framework of the project "Evaluation and monitoring of OP RDI projects", Reg No. CZ.1.05/5.1.00/05.0053. The audit team identified total of 4 findings with low degree of significance.

Summary of findings of the audit team:

- ✓ Wrong designation of the project number in Appendix No. 1 to the Measures of Section IV General Director No. 09/2009.
- ✓ Errors made in correcting the text by the beneficiary's contact person in already submitted Application for financial assistance from the OP RDI.
- ✓ Missing sheet numbering in the provisions of the evaluation committee in public procurement,
- ✓ Incorrect labelling of the document from the meeting with the candidate within the negotiation procedure without publication.

Audit No. VAVPI/PAS/O/02/2011 - "Audit for verification of operations in the framework of project No. CZ.1.05/5.1.00/05.0049"

The audit investigation was conducted in the period from 1/2011 to 3/2011 and was focused on operations in the framework of the project "Education of RDI IS Employees", Reg No. CZ.1.05/5.1.00/05.0049. The audit team identified total of 2 findings with small degree of significance.

Summary of findings of the audit team:

- ✓ Illegibility of some copies of documents.
- ✓ Incorrect labelling of accounting documents in the list.
- ✓ Incomplete description of invoice for training.

Audit No. VAVPI/PAS/O/03/2011 - Audit for verification of operations in the framework of project No. CZ.1.05/5.1.00/05.0047

The audit investigation was conducted in the period from 4/2011 to 5/2011 and was focused on operations in the framework of the project "Employees of OP RDI Implementation Structure", Reg No. CZ.1.05/5.1.00/05.0047. The audit team identified total of 5 findings (2 findings with low degree of significance and 3 findings with small level of significance).

Summary of findings of the audit team:

- ✓ Shortcomings in the area of determination of liability for materials transferred from the Department of Human Resources and from the Department of Main Accounting and Summary Reporting.
- ✓ Inaccuracies in the calculation of individual components of super-gross wage and CSNF.
- ✓ The audit team points out to possible ineligibility of expenditures for disability pension contribution from CSNF.
- ✓ Shortcomings in the system of rewards and personal allowances of employees.

Audit No. VAVPI/PAS/O/04/2011 - Audit for verification of operations in the framework of the project No. CZ.1.05/2.1.00/01.0006

The audit investigation was conducted in the period of 4/2011 and focused on operations in the framework of the project "Centre for Applied Microbiology and Immunology in Veterinary Medicine", Reg No. CZ.1.05/2.1.00/01.0006. The audit team identified total of 4 findings (1 finding with low level of significance and 3 findings with small significance).

Summary of findings of the audit team:

- ✓ Shortcomings in the selection of suppliers.
- ✓ Failure to take account of interest credited to the project account from the provided advance until the application for payment.
- ✓ Delayed refunding of expenditures from the project account.
- ✓ Shortcomings in the calculation of wages per project worker.

Audit No. VAVPI/PAS/O/05/2011 - Audit for verification of operations in the framework of project No. CZ.1.05/5.1.00/05.0051

The audit investigation was conducted in the period from 5/2011 to 6/2011 and focused on operations in the framework of the project "Provision for additional activities in connection with implementation of OP RDI", Reg No. CZ.1.05/5.1.00/05.0051. The audit team identified total of 2 findings with a small degree of seriousness.

Summary of findings of the audit team:

- ✓ Absence of OP RDI stamp on invoices and bank statements.
- ✓ Wrong correction of travel orders.

Audit No. VAVPI/PAS/O/06/2011 - Audit for verification of operations in the framework of project No. CZ.1.05/2.1.00/01.0002

The audit investigation was conducted in the period of 7/2011 and focused on operations in the framework of the project "NETME Centre (New Technology for Mechanical Engineering)", Reg No. CZ.1.05/2.1.00/01.0002. The audit team identified total of 5 findings with small degree of significance.

Summary of findings of the audit team:

- ✓ Insufficient identification of documents.
- ✓ Written notices in the framework of public contract of minor value did not include correctly estimated contract value excluding VAT.

Audit No. VAVPI/PAS/O/07/2011 - Audit for verification of operations in the framework of project No. CZ.1.05/5.1.00/05.0048

The audit investigation was conducted in the period from 5/2011 to 6/2011 and focused on operations in the framework of the project "Preparation and Evaluation of OP RDI projects", Reg No. CZ.1.05/5.1.00/05.0048. The audit team identified total of 3 findings with low level of significance and 2 findings with small degree of significance.

Summary of findings of the audit team:

- ✓ Incomplete compliance with the procedures governing the preliminary governing financial control.
- ✓ Missing identification of documents.
- ✓ Deficiencies in the documents for billing.
- ✓ Shortcomings in the reporting of travel expenses.
- ✓ Shortcomings in labour contracts and delayed sending of calls to the addressed suppliers in the framework of public procurement.

Audit No. VAVPI/PAS/O/08/2011 - Audit for verification of operations in the framework of project No. CZ.1.05/2.1.00/01.0017

The audit investigation was conducted in the period from 5/2011 to 6/2011 and focused on operations in the framework of the project "Application and Development Laboratories of Advanced Microtechnology and Nanotechnology," Reg. No. CZ.1.05/2.1.00/01.0017. The audit team identified total of 1 finding with low degree of significance.

Summary of findings of the audit team:

- ✓ Shortcomings in the documentation for the tender procedures.

Audit No. VAVPI/PAS/O/09/2011 - Audit for verification of operations in the framework of project No. CZ.1.05/5.3.00/07.0054

The audit investigation was conducted in the period of 7/2011 and focused on operations in the framework of the project "Support for Absorption Capacity of OP RDI", Reg No. CZ.1.05/5.3.00/07.0054. The audit team identified total of 3 findings with small degree of seriousness. 2 findings with low degree of seriousness and 1 finding with low degree of seriousness.

Summary of findings of the audit team:

- ✓ Non-compliance with the procedure according to the Manual for Implementation of Technical Assistance OP RDI.
- ✓ Failure to properly correct orders.
- ✓ Violation of conditions for archiving of documents related to the tender procedure.

Audit No. VAVPI/PAS/O/10/2011 - Audit for verification of operations in the framework of project No. CZ.1.05/2.1.00/01.0007

The audit investigation was conducted in the period of 7/2011 and focused on operations in the framework of the project "Centre for the Haná Region and Biotechnological and Agricultural Research," Reg. No. CZ.1.05/2.1.00/01.0007 The audit team identified total of 3 findings. Of which, 1 finding with low degree of seriousness and 2 findings with small degree of seriousness.

Summary of findings of the audit team:

- ✓ Ambiguous wording in the Rules for Selection of Suppliers.
- ✓ Missing documents.
- ✓ Shortcomings identified in the project partner; the project partner removed these shortcomings.

Audit No. VAVPI/PAS/O/11/2011 - Audit for verification of operations in the framework of project No. CZ.1.05/5.1.00/05.0050

The audit investigation was conducted in the period from 5/2011 to 6/2011 and focused on operations in the framework of the project "Technical Support for OP RDI", Reg No. CZ.1.05/5.1.00/05.0050. The audit team identified total of 4 findings with small degree of seriousness.

Summary of findings of the audit team:

- ✓ Inadequate identification of an invoice in the EIS JASU CS accounting system.
- ✓ Approved project application for financial aid was not drawn up in two signed originals.
- ✓ Missing information on some documents about the project co-financing from EU funds.
- ✓ Missing Id. No. information on some tax documents.

Audit No. VAVPI/PAS/O/12/2011 - Audit for verification of operations in the framework of project No. CZ.1.05/5.2.00/06.0055

The audit investigation was conducted in the period from 5/2011 to 6/2011 and focused on operations in the framework of the project "OP RDI Information and Publicity", Reg No. CZ.1.05/5.2.00/06.0055. The audit team identified total of 3 findings with small degree of seriousness.

Summary of findings of the audit team:

- ✓ Confusion of names of companies involved in the public contract of minor value.
- ✓ Discrepancy between the price of order and offer.

Main findings from the performed audits of operations can be summarized as follows:

- ✓ Total number of findings by significance:
 - ✓ high significance: 0

- ✓ medium significance: 0
- ✓ low significance: 10
- ✓ small significance: 31
- ✓ all audited expenditures are eligible;
- ✓ the findings have only a formal character without identifying any financial impact;
- ✓ appropriate measures have been taken on the basis of the audits and some of the findings have been remedied already during the ongoing audit investigations.

Table 16 Summary of suspended and renewed certifications in 2011

Date of suspension of certification	Order of certification ¹	Reason	Date of resumption of certification
22 December 2010	3	The findings of the Designated Audit Body from system audit No. 7/2010/VaVpl, MA system (Monit7 +) does not reflect the true status of the programme implementation when, in a number of projects, the contracted situation does not correspond to the real situation and OP RDI MA has not set up a system that would provide for immediate results of factual evaluation of the individual projects in the Information System. Suspension by the PCA.	15 April 2011

Note: ¹ Order of certification in the summary of all the certifications performed from the beginning of the programming period.

Statistics for decommissioning projects

The table below lists the reasons for removing projects within the whole administrative process before issuing a Decision. The prevailing number of unapproved projects in the substantive evaluation of projects, while only a small percentage of projects, failed to fulfil the eligibility criteria and formalities. This fact is evidence of the higher level of readiness or project applications for formal preparation of project applications, but on the contrary, it is clear that a range of projects was rejected either due to the content (did not reach the minimum level of points, or a larger number of projects was evaluated as better qualitatively), or there was a lack of funds in the given call and some applications therefore ended up as reserves and are waiting for any funding left over from the given call, or were not approved for financing. The quality of applications submitted was rated as relatively high for the majority of calls. Although a higher number of applications submitted represent a greater degree of administrative burden on the MA, not many adequate measures can be taken by the MA, as it can not affect the total number of applications submitted. However, the MA is trying especially for regularly organised seminars for applicants in individual calls, or even in personal consultations, to inform the beneficiary of all the rules and particulars of the OP RDI.

Table 17 Statistics of reasons for exclusion of projects during the approval process prior to granting the Decision

Support Area	Number of applications submitted	Failure to comply with eligibility criteria and formal requirements		Project not recommended / not approved		Application withdrawn by applicant		Failure to comply with the conditions before the Decision	
		Number	%	Number	%	Number	%	Number	%
1.1	15	0	0%	6	40%	0	0%	0	0%
2.1.	103	6	6%	51	50%	5	5%	1	1%

3.1.	18	0	0%	9	50%	0	0%	0	0%
3.2.	37	2	5%	14	38%	0	0%	0	0%
4.1.	37	1	3%	4	11%	2	5%	0	0%
5.1.	12	0	0%	0	0%	0	0%	0	0%
5.2.	1	0	0%	0	0%	0	0%	0	0%
5.3.	1	0	0%	0	0%	0	0%	0	0%
Total OP	224	9	4%	84	38%	7	3%	1	0%

Source: MA IS as of 4 January 2012.

2.4 Any changes in relation to the implementation of the OP RDI

During the ongoing implementation of the OP RDI, facts arose which necessitated the revision of the text of the Operational Programme. Given that the changes were not of a nature that would substantially change the focus of the OP RDI, they were gradually collected and finally approved by the Monitoring Committee in June 2011. Subsequently, in the second half of 2011, revision of the OP RDI was sent to the EC for approval. More in Chapter 1.2.

2.5 Any Substantial Change

In 2011, there has been no substantial change according to Article 57 of the General Regulation. The RDI MA takes all steps to ensure the sustainability of operations in accordance with the given article.

2.6 Complementarity with other instruments

The OP RDI and another two thematic operational programmes materially add to each other. This is the OP EC and OP EI. These three operational programmes react together in to weaknesses identified in the analysis of the current social and economic situation in R&D. The set of three interrelated operational programmes is an important element to fulfil the objectives of the Lisbon Strategy, based on strengthening the role of a knowledge-based economy, innovation and the role of R&D. The interventions implemented in these three operational programmes are also important instruments in achieving national policy goals expressed in the reform of the R&D and innovation system in the Czech Republic. Along with the substantive definition of borders, the programmes named are primarily distinguished by support sources (OP EC – ESF and OP RDI – ERDF) and borders set by EC rules for state aid in R&D (OP RDI – supports “R&D of organisation meeting the definition of the Union Framework for State Aid for Research, Development and Innovation” and OP EI – the “business” sphere).

To achieve maximum effect arising from the complementarity of these operating programmes, applicants are informed about the benefits and added value of linking of OP RDI projects with the projects submitted in other programmes. Furthermore, when evaluating the projects, synergies are taken into account and complementarity with other projects submitted under the OP EI and the OP EC. In the context of synergy with OP EI, this primarily means activities in Support Area 5.1. Cooperation platforms, i.e. project clusters, technological platforms, collaboration with businesses which obtained support for financing RD and innovation activities, etc. For OP EC it is mainly about projects within the activities of 2.3. Human resources in RD and 2.4. Partnerships and networks. In case of maximum synergy with the projects in OP EI and OP EC, the evaluated projects can receive up to 10% bonus. More about synergies can be found in Annex 2 (Form for reporting synergy links between OPs).

In the event of preparation of major projects, use of the knowledge potential of experts from DG Regio, the European Investment Bank and the European Bank for Reconstruction and

Development, or individual EU Member States through the JASPERS initiative (Joint Assistance to Support Projects in European Regions) is expected. This cooperation took place also in 2011 when this initiative was aimed at consultancy in dealing with cooperation between the CEITEC and ICRC projects; it resulted in the signed cooperation agreement. In case of the ICRC project, the JASPERS representatives consulted also addressing the EC comments particularly on public support.

2.7 Measures for monitoring and continuous evaluation

In 2011, there was a development in the system of OP RDI monitoring on the part of the MA. Monitoring implementation of OP RDI occurs at three levels:

- ✓ financial monitoring, where the task will be to collect data and information relating to spending funds;
- ✓ material monitoring, which will monitor the material focus of the project in technical, physical and analytical terms;
- ✓ procedural monitoring allows progress monitoring in implementation of projects in real time.

MEYS has set up a system of regular informing the MEYS management (through the Management Meetings) where Monthly Report on OP RDI Implementation is regularly submitted on a monthly basis.

In terms of setting up and reporting monitoring indicators and project monitoring, participation of monitoring analyst in the monitoring visits is ensured, if relevant. Consultation days were reserved for the project and financial managers to assess project outputs in the presence of professional sponsors of the Priority Axes. The procedures for inspections of monitoring indicators are updated and specified to ensure uniform interpretation of definitions and documentation.

Monitoring Committee

In accordance with Article 63 of the General Regulation, the Monitoring Committee (MC) was established, whose objective is to oversee the effectiveness and quality of assistance provided. The composition of the MC is based on the partnership principle and the principle of equal opportunities. MC members are primarily representatives of the OP RDI MA, OP EI, OP EC, OP PC, NCA, PCO, representatives of other authorities from central government, e.g. R&D Council, plus delegation of regional representatives, representative of economic and social partners, including non-profit organisations and EC representatives in the position of adviser.

Two regular meetings of the OP RDI MC were held in 2011. The first meeting was held on 22 June 2011 in Prague. The meeting discussed, among other things, the 2010 Annual Report to the OP RDI and Report on the Implementation. It also approved extension of deadlines for calls 1.1 and 2.2, reallocation of funds in the Priority Axis 3 - from area 3.1 to area 3.2, increase in allocation of the call 1.4, updates of calls in the framework of the Priority Axis 5 and the call 4.3 was discussed - Equipment of Specialized Research and Department Libraries.

The second meeting of the MC in 2011 took place on 1 December 2011 in Prague. The meeting discussed and approved the Report on the Implementation and the OP RDI Annual Evaluation Plan OP for 2012. It approved the first round of call 6.3 - Support for Pre-Seed Activities; information was submitted on current development of the Search Committees and information in the area of public support. Finally, the meeting dealt with the preparation of future period of EU cohesion policy.

In 2011, two per-rollam votes were taken. On 2 March 2011, the vote related to extension of the second call of the Prosperity programme which creates synergies with the OP RDI in the

framework of the OP EI. The second per-rollam vote held on 12 October 2011 dealt with supplementation of the Handbook for Beneficiaries of OP RDI - Control of Full Cost Methodology in Interim Period.

Monitoring system

The OP RDI monitoring system is part of the Central monitoring system (MSC2007), which acts like the Managing Authority for effective monitoring of the project implementation progress within the OP RDI and as a tool for managing the programme. This system also acts as other entities for the implementation structure.

The OP RDI monitoring system is made up of two levels, Benefit7 (B7) and Monit7+ (M7+). Last year, the central setting of these systems was adapted to the needs of the OP RDI.

The B7 application is used to create project applications, monitoring reports and requests for payment by the applicant/beneficiary. Forms for project applications were created according to the specifics of Priority Axes and a total of eight calls were incorporated into the IS. Forms were also incorporated into B7 to create monitoring reports and requests for payment; their development is almost over. Data from applications and reports is transmitted automatically to M7+.

Equivalent functionalities for the receipt of data from B7 and also to allow administration of projects by the Managing Authority were incorporated into M7+. The "Evaluation" module was developed primarily, in relation to the specifics of the OP RDI for entering a formal evaluation, evaluation of acceptability and material evaluation. They are also connected to the B7 development of modules for receiving, administering and approving monitoring reports and requests for payment. In relation to incorporating the functionalities concerning requests for payment, the M7+ system is set up in financial flows for successful administration of payments. Connecting M7+ to the MEYS JASU EIS TG accounting system is also related to the setting of financial flows. Automatic transmissions between the two systems have been launched and are running without problems. A series of sets used to administer the programme was drawn up for the monitoring. The required information is automatically transmitted to the MSC2007 from Monit7+.

As an additional application, the OP RDI uses the ESOP system, which is for compiling feasibility studies, CBA and financial gaps for individual and major projects submitted to Priority Axes 1 and 2. It is also used for the transmission of electronic documents to evaluators. Two forms were created in the ESOP system for the creation of a feasibility study and CBA in modification for individual and major projects. The CBA for major projects was set in accordance with EC requirements.

Evaluation

Evaluation of OP RDI Communication and Publicity Strategy was the first implemented evaluation project in the period of January - May 2011 and it aimed at determining to what extent the Communication Plan reflects the current needs of the OP RDI MA in relation to specific objectives, information priorities, target groups and information and publicity tools; what is the current status of implementation of the Communication Plan (CoP) of the OP RDI and achieved outputs/outcomes. Based on these findings, the evaluator provided the Managing Authority with a feedback and recommendations leading to an increase in efficiency of the implementation of the communication strategy and publicity of the OP.

The maximum proposed price of this contract in the tender documentation was CZK 795,000.00 exclusive of VAT (EUR 32.1 thousand). The bid of HOPE–E.S., v.o.s., with the price of CZK 556,500.00 exclusive of VAT (EUR 22.5 thousand), was evaluated as the best bid.

In the framework of this evaluation, the following activities were carried out:

- desk research of the current OP RDI documentation relating to the issue of communication strategy and publicity;
- qualitative media analysis mapping the media presentation of the mediated EU funds in the framework of the OP RDI in both national and regional media;
- field investigations carried out by means of electronic questionnaires, individual interviews and telephone survey.

Final results were then presented before the OP RDI Managing Authority and the final report together with the Annual Report on Implementation for 2010 was sent to the European Commission through the SFC information system. Of the main recommendations of this implemented evaluation, we can state for example:

- suggestion to create own interactive OP RDI web portal;
- strengthening the communication of OP RDI projects towards the general public;
- developing direct communication as a key tool for communication with potential applicants and beneficiaries and, in connection with it, appeal to eliminate personnel changes in the institution;
- user-friendlier processing of methodologies and handbooks for applicants and beneficiaries;
- continuous evaluation of quantitative performances of individual CoP measures as well as qualitative awareness aspects.

The results and recommendations arising from this evaluation are implemented in practice and the rate of their incorporation is monitored.

During 2011, the contractor finalised the evaluation project ***Evaluation of system, administrative and external impacts on the OP RDI implementation***. The aim of the evaluation was to assess the internal and external factors affecting the implementation of the Priority Axes of the OP RDI and the subsequent preparation of recommendations for making the implementation system more efficient and for possible elimination/reduction of problematic external influences affecting successful implementation of the OP RDI. The estimated contract value according to the scope of required services in the tender documentation was proposed at CZK 2.200,000 exclusive of VAT (EUR 89.6 thousand). Of the five candidates, the Selection Committee evaluated as the best bid the bid submitted by the consortium of RegioPartner, s.r.o. and AQE advisors, a.s., with the proposed price of CZK 1.380,000.00 exclusive of VAT (EUR 56.32 thousand). In order to identify problematic factors, links and external influences, the evaluator applied quantitative and qualitative methods while using the principle of triangulation. Analysis of data and documents formed the basis for the project implementation. Secondary data was mainly provided by the contracting authority (relevant OP RDI documentation and OP RDI projects, data from the IS MONIT 7 +), primary data was gathered through extensive field research which included:

- questionnaire survey with the Managing Authority staff;
- evaluation interviews with the Managing Authority staff;
- questionnaire survey with the aid beneficiaries;
- evaluation interviews with the aid beneficiaries;

- focus groups with the aid beneficiaries;
- panel of experts.

Evaluation in accordance with the above objective was focused primarily on assessing the setting of the OP RDI implementation structure, factors influencing the measurement and reporting of substantive progress, analyzing relationships between the individual OP RDI projects (assessment of intensity of cooperation/competition), analysis of user demand for contract research, impact of the realized Reform of the System of Research, Development and Innovation in the CR on the implementation of the OP RDI, availability of quality human resources for the management and administration of the OP RDI projects.

The main recommendations of this evaluation include especially the following:

- in the framework of stabilization and strengthening the personnel capacity of the MA, introduce comprehensive system measures to increase and supplement the expertise of the OP RDI MA staff who are in direct contact with the beneficiaries,
- evaluate the possibility of simplification of procedural rules and reduce the administrative burden,
- enhance communication in the framework of the MA, specification of clear definition of competences of the individual departments; in some areas of implementation, possible optimization of processes and deadlines,
- formulation of clear and comprehensive guidelines for the area of contract research including practical and model examples of functioning of this system in the CR and abroad,
- intensify cooperation of the MA with the Technology Agency of CR in the field of contract research.

The main conclusions and recommendations were presented in December 2011 to the MA representatives, as well as the MC members. At the moment, the main recommendations are being implemented.

During the period under review, the tender documentation for the above-the-threshold public supply contract entitled ***Continuous Evaluation of the Operational Programme Research and Development for Innovations*** was finalized.

The main objective of this planned evaluation is:

- over 4 years, continuously evaluate, in qualitative and quantitative terms, to what extent the objectives of the OP RDI and of the individual Priority Axes are being met;
- identify positive and negative factors affecting the implementation and propose measures to eliminate potential problems and barriers;
- provide the Managing Authority with feedback and recommendations regarding implementation of the OP RDI;
- use the conclusions and recommendations in the preparation and the actual implementation of programmes in the subsequent programming period.

Considerable attention was paid in the period under review also to preparing methodologies for implementation of ***Interim Evaluation of Projects in the Priority Axes 1 and 2***. In cooperation with a foreign expert, a comprehensive Manual for Continuous Evaluation of the PA 1 and 2 was created. In the first quarter of 2012, we expect that communication will be

launched with beneficiaries and pilot testing on the selected project which shows already sufficiently advanced stage of implementation for the purposes of evaluation. The aim of the evaluation is to assess the actual state of completed projects in order to improve their implementation and the possibility to learn from current developments. This unique evaluation project will consist of beneficiary self-assessment phase (preparation of self-assessment report with predefined structure), subsequent evaluation visits of the Czech and foreign experts in the areas of implementation of projects and, last but not least, also joint discussions regarding possible recommendations, proposals for making the institutional processes more efficient, etc.

In 2011, OP RDI was also subject to survey carried out by DG REGIO entitled **Comparative study of the project selection process applied in cohesion policy operational programmes 2007 - 2013 in a number of Member States**. The aim of the study was to propose recommendations to improve the future process of implementation of the programmes. The study analyzed the ERDF-funded interventions focused on research, development and technology transfer; innovations in small and medium-sized enterprises and urban regeneration. The main purpose of the evaluation was to assess the effectiveness, efficiency and transparency of the selection process. In addition, attention was also paid to the administrative costs and administrative burden. Data collection was conducted with active participation of the MA representatives, in particular through workshops, interviews and online surveys.

Representatives of the OP RDI MA continued to work closely with the NSRF Evaluation Unit. In addition, the NCA representative participated actively in the meeting of the OP RDI WGE, selected MA workers were present at the meeting of the NCA Evaluation Working Group. In the framework of this cooperation, during October 2011, the representatives of the OP RDI MA were involved in the survey conducted by KPMG for the contract Mid-term Evaluation of NSRF 2007-2013.

Potential for co-operation was also created at the European Commission level. Representative of the OP RDI MA actively participated in the meeting held by the DG REGIO evaluation unit. This meeting was aimed at **exchanging experiences** between the managing authorities managing operational programmes in the area of R&D "**Network of Managing Authorities Evaluating Innovation in Europe**". At the meeting, the representative of the OP RDI MA presented, among other things, the concept of continuous evaluation of projects of the Priority Axes 1 and 2.

The performed evaluations including outputs and other related activities are continuously published on the website of the Managing Authority of the OP RDI:

<http://www.msmt.cz/strukturalni-fondy/evaluace>.

3 IMPLEMENTATION IN ACCORDANCE WITH PRIORITY AXES⁶

3.1 Priority Axis 1 – European Centres of Excellence

Priority Axis 1, European Centres of Excellence (PA 1) reflects the extensive dispersal of the RD capacities. In consequence, the R&D facilities fail to reach the critical volume to ensure stable attainment of high quality results. This leads to an overall low effectiveness of public support of R&D, resulting in an insufficient production of internationally recognized and relevant outcomes. A small country, which is what CR is, needs to concentrate sources in areas that have the greatest potential in terms of international competitiveness and rank among priorities of the Czech research. The priority axis therefore focuses on supporting regions and research teams with a sufficient quality and potential to create a critical volume in clearly identified research areas and on equipping these teams with premium material, technology, and staff to enable them to maintain and further develop their position within the European Research Area.

PA 1 is carried out by means of a single Support Area – European Centres of Excellence. Globally, the Support Area aims at generating a limited number of excellence centres, well-equipped R&D centres with modern and in justified cases unique R&D infrastructure, with a critical volume, networked as partners with R&D centres abroad so that they could contribute to the connection and greater integration of leading Czech R&D teams with leading international research organizations and European research infrastructures.

In order to attain the global aim, the priority axis focuses on support and enhancement of the development of the best research teams, establishment and development of unique RD infrastructures, enhancement of integration and concentration of RD in the respective area in CR, enhancement of RD orientation on the needs of the application sphere, provision of high-quality education to students (in particular in PhD programmes) and young researches (up to the age of 35), acceleration of transfer of the results of top research in the practice, and on increasing attractiveness of the region from the perspective of investments (foreign as well as domestic) and technological enterprise in the respective area.

3.1.1 PROGRESS MADE AND ITS ANALYSIS

In the framework of the PA 1, no call was announced or terminated in 2011. The Decisions granted in the PA 1 are based on the call announced as early as 1 June 2009 - call 1.1 European Centres of Excellence which is focused on top R&D projects cooperating with leading international partners with relevance for the market and economical development of the CR. The total allocation for this call was EUR 673.534,072 (CZK 17 billion). Applications were received from 4 August 2009 to 16 November 2009.

⁶ The description of characteristic projects forms Annex 1 to the Annual Report.

Information about the material progress of the priority axis

Given that there are already 7 projects in the implementation stage, the monitoring indicators are gradually being fulfilled, namely the outcome indicator - Number of newly created jobs in R&D. As of 4 January 2012, the beneficiaries were paid to their accounts EUR 108.396,534 (CZK 2.8 billion). Compared to the year of 2010, there was an increase in these funds by 12.9%. From the beginning of the programming period, the certified funds for this Priority Axis amount to EUR 7.051,818 (CZK 182.7 million).

Table 18 Indicators of PA 1 outputs

NI code EU Code/Lisbon Indicator type	Indicator title	Unit of measure ment	Sourc e	Value	2007	2008	2009	2010	2011	Target Value 2015	Total
11.07.00 output	Number of excellence centres	number	IS MA	Achieved	0	0	0	0	N/A	N/A	0
				Default	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	5	5
11.06.00 output	The number of supported R&D projects (start-up grants) carried out in supported centres	number	IS MA	Achieved	0	0	0	0	N/A	N/A	0
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	5	5
11.08.00 output	Centres equipped with unique R&D infrastructure of national relevance	number	IS MA	Achieved	0	0	0	0	N/A	N/A	0
				Default	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	3	3
11.05.11 output	Renovated, expanded and newly built capacities	sq ^m	IS MA	Achieved	0	0	0	0	N/A	N/A	0
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	60,000	60,000

Source: MSC2007 as of 28 February 2012

Table 19 Indicators of PA 1 outputs

NI code EU Code/Lisbon Indicator type	Indicator title	Unit of measurement	Source	Value	2007	2008	2009	2010	2011	Target Value 2015	Total
11.08.10 result	Number of researchers using the created infrastructure	number	IS A/B	Achieved	0	0	0	0	N/A	N/A	0
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	2,500	2,500
11.08.20 result	Number of students of MA and PhD programmes using the created infrastructure	number	IS A/B	Achieved	0	0	0	0	N/A	N/A	0
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	500	500
11.07.10 result	Number of projects involving cooperation of the application sector with excellence centres	number	IS A/B	Achieved	0	0	0	0	N/A	N/A	0
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	30	30
11.08.30 result	Capacities of new infrastructures used by other entities	%	IS A/B	Achieved	0	0	0	0	0	N/A	0
				Default	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	30	30
11.03.00 result Core 6	The number of newly created jobs, R&D personnel – total	Number	IS A/B	Achieved	0	0	0	0	18.54	N/A	18.54
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	1,000	1,000
11.03.02 result	The number of newly created jobs, R&D personnel – women	Number	IS A/B	Achieved	0	0	0	0	0.7	N/A	0.7
				Default	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	340	340

Source: MSC2007 as of 28 February 2012

Information on the financial progress of the Priority Axis

In the framework of the call, total of 15 grant applications (of which 5 major projects) were received with total requested allocation of almost EUR 1.1 billion. In the framework of the call 1.1, 4 Decisions for 4 major projects were issued in 2011 with total requested funding of EUR 626.4 million (CZK 16.23 billion). Overall, the allocation for PO 1 is fulfilled up to 86%, the issued Decisions amount to EUR 692.4 million (CZK 17.94 billion).

Table 20 Achieved financial progress of the Priority Axis 1

Support Area	Allocation 2007–2013	Projects with the Decision issued / Contract signed		Payments to beneficiaries		Certified funds submitted to the EC*	
	a) EUR	b) EUR	%b/a	c) EUR	%c/a	d) EUR	%d/a
1.1	806,347,498	692,370,329	86%	108,396,534	13%	7,051,818	0.9%
Total	806,347,498	692,370,329	86%	108,396,534	13%	7,051,818	0.9%

Source: MSC2007 as of 4 January 2012. A rate of CZK 25.91 = EUR 1 was used.

* Rate used from IS Viola as of date of calculating summary payment requests.

Qualitative Analysis

In the framework of the call 1.1 European Centres of Excellence, final negotiations with eight recommended projects - five major projects and three common projects - took place during 2011. In summary, by the end of 2011, Grant Award Decisions were granted to 3 common projects to which Decisions had already been granted in 2010, and to 4 major projects in the total amount of EUR 692.370,329 (CZK 17.939,315.234), which represents approximately 86% of the total allocation for this Priority Axis. The last major project, BIOCEV, was approved by the EC on 30 October 2011. The Decision of the MA is expected to be granted in January 2012 (more information on major projects are specified in Chapter 4).

The volume of funds approved in this Priority Axis accounts for almost one third of the entire allocation of the OP RDI, the largest part of this Priority Axis are major projects that were approved by the EC and the MA only after almost two years after the completion of the call for submission of applications. For this reason, many projects are now already significantly delayed compared to the expected schedule. Therefore, it will be necessary to devote increased efforts to these projects so that they could fulfil their objectives of this programming period and contribute to the success of the entire programme. The risk that the projects will have to deal with in the future is the issue of public support and sustainability of the projects once the funding from the OP RDI is terminated.

The influence of the priority axis on fulfilling the objectives of the Lisbon Strategy, horizontal themes of the EU, NSRF is identical to the situation described in Chapter 2.1 (Qualitative Analysis).

3.1.2 SERIOUS PROBLEMS AND MEASURES TAKEN TO OVERCOME THEM

In the approval of major projects in the PA 1, the issue of public support was extensively examined and, also due to this problem, the approval of major projects was considerably delayed. More information on this issue is specified in Chapter **Chyba! Nenalezen zdroj odkazů.**

3.2 Priority Axis 2 – Regional RD Centres

The priority axis 2 – Regional R&D Centres (PA 2) reflects the insufficient collaboration of R&D institutions with the application sphere, which would respond to the growing demand for

R&D results applicable in private sector and in the application sphere in general. It is therefore necessary to reinforce the capacity of entities focused on applied research with a potential to become preferred partners for cooperation with the application sphere, capable of a flexible response to the demand of the application sphere. For such regional R&D centres the PA 2 provides the necessary support to help them evolve into research centres accentuating the demand and closely collaborating with the industry (especially in the area of contract research and the provision of technological services) on a long term basis. A key factor in the activities of the regional R&D centres is the R&D training of human capacities (mainly on the undergraduate but also on the PhD level), which will eventually lead to an increase in the number of qualified personnel with experience in cooperating with the application sphere.

PA 2 is carried out with a single support area – 2.1 Regional RD Centres Globally, the Support Area aims at the establishment and development of well-equipped R&D institutions focused on applied research, with developed cooperation and strong relationships with partners from the application sphere (companies, especially SME, and other entities), whose activities will reinforce the competitiveness of the region and its potential for the exporting of goods, services, and know-how.

In order to attain the global objective, the priority axis is directed at supporting thematically specialized centres (existing organizations of applied R&D, specialized university facilities or departments of Academy of Sciences of CR etc.) with high-quality research teams, reinforcing cooperation with the application sphere in the form of joint R&D projects, increasing the number of students and young researchers (up to the age of 35), accelerating the transfer of new results and technologies in the practice, particularly in SME, improving the transfer of new results from the application sphere in the educational process and activities, establishing institutionalized platforms for systematic and long-term cooperation between the public research organizations and the application sphere.

The Support Area is fulfilled mainly through common projects as well as one major project.

3.2.1 PROGRESS MADE AND ITS ANALYSIS

The aim of this Priority Axis is to support the creation and development of well-equipped, application-oriented workplaces in the CR with developed cooperation and strong ties to the partners from application sphere (businesses, especially small and medium-sized enterprises, and other relevant entities and users of the results), whose activity will strengthen the competitiveness of the region and its potential for the export of goods, services and know-how.

In the Priority Axis 2, two calls took place, namely call 1.2 Regional R&D Centres and call 2.2 Regional R&D Centres with total volume of CZK 17 billion (CZK 656.1 million).

Information about the material progress of the priority axis

The Priority Axis 2 showed relatively strong performance of the values of the outcome monitoring indicators. Specifically, the Priority Axis 2 achieved the values of outcome indicators relating to the number of newly created jobs in R&D, students using the given infrastructure and the number of projects of collaboration with application sphere. Since the projects in this Priority Axis are in the early stage of implementation, the achieved values have not been fulfilled yet. In one case, however, the value of output indicator (reconstructed, extended and newly built capacities) has already been achieved.

The following tables provide information about the monitoring indicators in PA 2 and about the financial progress achieved thanks to the approval of the above number of projects in both calls.

Table 21 Indicators of outputs PA 2

NI code EU Code/Lisbon Indicator type	Indicator title	Unit of measurement	Source	Value	2007	2008	2009	2010	2011	Target Value 2015	Total
11.10.00 output	Number of equipped regional R&D centres	number	IS MA	Achieved	0	0	0	0	N/A	N/A	0
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	20	20
11.11.00 output	Number of functioning regional R&D centres	number	IS MA	Achieved	0	0	0	0	N/A	N/A	0
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	20	20
11.06.00 output	The number of supported R&D projects (start-up grants) carried out in supported centres	number	IS MA	Achieved	0	0	0	0	N/A	N/A	0
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	20	20
11.05.11 output	Renovated, expanded and newly built capacities	sq ^m	IS MA	Achieved	0	0	0	0	627	N/A	627
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	60,000	60,000

Source: MSC2007 as of 28 February 2012

Table 22 Indicators of PA 2 results

NI code EU Code/Lisbon Indicator type	Indicator title	Unit of measure ment	Sourc e	Value	2007	2008	2009	2010	2011	Target Value 2015	Total
11.07.20 result	Number of projects involving cooperation of the application sector with regional R&D centres	number	IS A/B	Achieved	0	0	0	0	37	N/A	37
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	100	100
11.08.15 result	Number of students of all programmes who use the created infrastructure / are involved in the activities of the R&D centre	number	IS A/B	Achieved	0	0	0	5	79	N/A	79
				Default	0	0	0	0	5	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	400	400
11.03.00 result Core 6	The number of newly created jobs, R&D personnel – total	number	IS A/B	Achieved	0	0	0	33.24	426.03	N/A	426.03
				Default	0	0	0	0	33.24	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	1,500	1,500
11.03.02 result	The number of newly created jobs, R&D personnel – women	number	IS A/B	Achieved	0	0	0	11.01	73.19	N/A	73.19
				Default	0	0	0	0	11.01	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	500	500

Source: MSC2007 as of 28 February 2012

Information on the financial progress of the Priority Axis

Cumulatively, decisions for 36 projects were issued at the end of 2011 in the volume of EUR 733.8 million (CZK 19 billion) (91% of allocation for this Priority Axis). On the basis of decision of the MA, negotiations of projects from the project pipeline whose financial volume covers the remaining part of the allocation were started during 2011. There are 4 projects in the negotiation phase in the estimated grant amount of EUR 72.6 million (this amount will be reduced after the completed negotiations). In this case, the paid-out means amount to EUR 277.1 million (CZK 7.2 billion) (34% of the Priority Axis allocation), which represents the largest proportion of all the Priority Axes and more than a half of the total volume of all paid-out funds; it also represents the largest proportion of all certified funds amounting to EUR 30.4 million (CZK 742 million) (3.8% of the allocation).

Table 23 Achieved financial progress of the Priority Axis 2

Support Area	Allocation 2007–2013	Projects with the Decision issued / Contract signed		Payments to beneficiaries		Certified funds submitted to the EC*	
	a) EUR	b) EUR	%b/a	c) EUR	%c/a	d) EUR	%d/a
2.1.	806,347,498	733,767,330	91%	277,123,733	34%	30,351,273	3,8%
Total	806,347,498	733,767,330	91%	277,123,733	34%	30,351,273	3,8%

Source: MSC2007 as of 4 January 2012. Exchange rate of 25.91 CZK/EUR was applied

* Rate used from IS Viola as of date of calculating summary payment requests.

Qualitative Analysis

In this Priority Axis, projects in two calls have been announced and evaluated. In 2011, activities leading to maximum withdrawal of the financial allocation and achieving the stipulated substantive progress. In the given year, negotiations with the remaining projects from this Axis were completed, with the exception of three projects from the project pipeline with which negotiations have just been started.

Judging by the results of evaluation of the approved projects in the Call No. 1.2 and Call No. 2.2, it can be expected that sufficient number of quality projects was submitted in this Priority Axis in order to exhaust the allocation for the entire programming period. Unless there are no serious problems in the execution stage of these projects, which the MA tries to ensure by proper evaluation of the projects and continuous consultations, the rule n+3/n+2 should not be endangered. The risk that the projects will have to deal with in the future is the issue of public support and sustainability of the projects once the funding from the OP RDI is terminated.

The influence of PA 2 on fulfilling the objectives of the Lisbon Strategy, horizontal themes of the EU, NSRF is identical to the situation described in Chapter 2.1 (Qualitative Analysis).

3.2.2 SERIOUS PROBLEMS AND MEASURES TAKEN TO OVERCOME THEM

The issue of public support was examined by the EC in case of a major project in the PA 2 (Sustainable Energy). More information is specified in Chapter **Chyba! Nenalezen zdroj odkazů.**

3.3 Priority Axis 3 – RD Commercialisation and Popularisation

This priority axis aims at supporting several horizontal, cross-section themes which are essential from the perspective of successful execution of the activities and maximization of the results and impacts of PA 1 and 2. Firstly, it will aim at generating conditions for successful commercialization of the R&D results of research institutions and protection of their intellectual property rights and support of establishing new technology companies.

Secondly, the Priority focuses on improvement of the information system of R&D results, availability of research information, contribution to the publicity and awareness of R&D, improvement of the system of evaluation of research institutions using experience from abroad, and making the public support of R&D more efficient.

Priority axis 3 (PA 3) is divided into two support areas, which although interconnected require a differential approach:

- ✓ 3.1 Commercialisation of Results of Research Institutions and Protection of Their Intellectual Property Rights
- ✓ 3.2 Publicity and Awareness of R&D Results

The main aim of Support Area 3.1 is to support commercialization of R&D results, mainly through support of commercialization systems and through utilization and protection of intellectual property rights, including the establishment and development of technology transfer centres within research institutions. The Support Area focuses on the improvement, development, and expansion of activities for commercialization of the R&D results, including development of technology transfer centres, improvement of the system of protection and utilization of intellectual property rights, improvement of support of commercialization of intellectual property for researchers and students, and reinforcement of systematic cooperation of R&D institutions with the business sphere and the users of results in general (with the application sphere).

The main aim of Support Area 3.2 is fostering and development of the publicity and awareness of RD, improvement of the information system and availability of information on RD results, improvement of the evaluation system using experience from abroad, and making the public support of RD more efficient. The Support Area focuses on enhancing the positive image of research and development among the general public and stepping up the interest of the young generation in research and development, on supporting the access to sources of research information and improving access to the results of research activities for the general public, and increasing the efficiency of the system and the quality of R&D institutions in CR by introducing new elements of evaluation and strategic management of R&D policy.

3.3.1 PROGRESS MADE AND ITS ANALYSIS

- ✓ Once call was announced in the PA 3 - call 4.3 falling within the Support Area 3.2 Promotion and Awareness of the R&D Results with allocation of EUR 27.016,596 (CZK 700 million). Applicants may submit their applications for grant in this call by 20 January 2012.
- ✓ At the same time, call 3.3 focusing on the Support Area 3.1 Commercialisation of Results of Research Institutions and Protection of Their Intellectual Property Rights was closed on 28 January 2011 under this priority axis. Call 3.3 Technology Transfer Centre with allocation EUR 38.595,137 (CZK 1 billion). A total of 18 applications for grant were registered in the volume of EUR 31.5 million (CZK 817.190,603). Of which, half of the applications were rejected following substantive evaluation.

Information about the material progress of the priority axis

With regard to the initial phase of approved projects, no fulfilment of monitoring indicators has yet been achieved in this Priority Axis; the following table No. 23 and No. 24 show a list of monitoring indicators with the set target values at the end of 2015.

Table 24 Indicators of outputs PA 3

NI code EU Code/Lisbon Indicator type	Indicator title	Unit of measure ment	Sourc e	Value	2007	2008	2009	2010	2011	Target Value 2015	Total
13.20.00 output	Number of supported projects and mechanisms for commercialisation	number	IS MA	Achieved	0	0	0	0	0	N/A	0
				Default	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	20	20
13.21.00 output	Number of projects of visitor centres and science learning centres for popularisation of R&D	number	IS MA	Achieved	0	0	0	0	N/A	N/A	0
				Default	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	2	2
13.25.00 output	Number of supported projects of information infrastructure for R&D	number	IS MA	Achieved	0	0	0	0	N/A	N/A	0
				Default	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	2	2

Source: MSC2007 as of 28 February 2012

Table 25 Indicators of the results of PA 3

NI code EU Code/Lisbon Indicator type	Indicator title	Unit of measure ment	Sourc e	Value	2007	2008	2009	2010	2011	Target Value 2015	Total
13.20.10 result	Number of entities using services for support of commercialisation	number	IS A/B	Achieved	0	0	0	0	0	N/A	0
				Default	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	500	500
13.21.10 result	Number of visitors in supported visitor centres and science learning centres	number	IS A/B	Achieved	0	0	0	0	N/A	N/A	0
				Default	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	30,000	30,000
13.24.00 result	Number of entities using the services of information infrastructure for R&D	number	IS A/B	Achieved	0	0	0	0	N/A	N/A	0
				Default	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	65	65

Source: MSC2007 as of 28 February 2012

Information on the financial progress of the Priority Axis

During 2011, 3 Decisions were granted in the Priority Axis 3 from call 2.3 Information Infrastructure for R&D in the total volume of EUR 30.9 million (CZK 800.6 million) and 9 Decisions in the framework of call 1.3 Popularization, Promotion and Publicity of Science and Technology in the volume of EUR 101.3 million (CZK 2.6 billion). This resulted in the commitment of all funds allocated for these calls. At the level of operational programme, almost the entire original allocation of the Support Area 3.2 was covered; the commitment represents 52.7% of the volume of the Priority Axis 3. Beneficiaries were paid out EUR 9.9 million (CZK 257 million), which is almost 6% of the total allocation of the Priority Axis 3. Financial performances are shown in Table No. 26.

Table 26 Achieved financial progress of the Priority Axis 3

Support Area	Allocation 2007–2013	Projects with the Decision issued / Contract signed		Payments to beneficiaries		Certified funds submitted to the EC*	
	a) EUR	b) EUR	%b/a	c) EUR	%c/a	d) EUR	%d/a
3.1.	73,240,803*	0	0.0%	0	0.0%	0	0.0%
3.2.	177,676,999*	132,133,583	74%	9,939,916	5,6%	0	0.0%
Total	250,917,802	132,133,583	52.7%	9,939,916	5,6%	0	0.0%

Source: MSC2007 as of 4 January 2012. A rate of CZK 25.91 = EUR 1 was used.

*allocation change - to be updated in the information system

** Rate used from IS Viola as of date of calculating summary payment requests.

Qualitative Analysis

In call 3.3 Technology Transfer Centres, the receipt of project applications was terminated on 28 January 2011. Of the 18 registered projects, all 18 projects were subject to the control of formalities, and acceptability but only 9 projects successfully passed the evaluation of substantive quality. Selection Committee - Panel of Expert Evaluators held on 9 June 2011 recommended for funding projects with the required grant amount of EUR 88 million (CZK 2.2 billion). Selection Committee - Managing Authority confirmed this recommendation and the recommended projects thus reached the negotiation stage.

Due to doubts regarding provision of prohibited public support (see competition rules set out in Chapter 2.2) in the concurrently running call 1.3 Popularization, Promotion and Publicity of Science and Technology and subsequent negotiations with the EC on this issue, the initiation of the negotiation phase was delayed until the resolution of uncertainties. The negotiations were commenced in December 2011. The Grant Award Decision for the most successful project is expected in March 2012 and all other Decisions should be granted by mid-2012. The aim of this call was to support projects that will ensure setting up processes for the transfer of technologies and, subsequently, the actual development of the technology transfer between research organizations and application sphere. Projects focused on setting up new TTCs as well as on the development and stabilization of the existing ones will be supported in the call.

The aim of call 4.3 Equipment of Specialized Research and Department Libraries is to ensure availability of these resources, their effective use through investments in scientific information resources and related infrastructure and create thus conditions for producing high quality scientific research results. The call was announced on 1 August 2011 and the termination of receipt of project applications has been scheduled for 20 January 2012. For 2012, the MA plans to announce 3 calls in the PA 3. The first call in the Support Area 3.2 will be focused on improving the quality and efficiency of the R&D policy

(No. 5.3). Two other planned calls are focused on promoting the pre-seed activities (No. 6.3 and 7.3) and they fall within the Support Area 1.3 Call to support pre-seed activities (7.3) will be

based on the setting of call 6.3, but based on the course and evaluation of call 6.3 the content may be modified or the planned amount of the allocation may be adjusted.

The financial volumes of already announced calls and calls planned for 2012 cover roughly almost the entire allocation for the Priority Axis 3. By announcing these calls, the implementation of the priority axis 3 or the whole OP RDI will accelerate.

The influence of PA 3 on fulfilling the objectives of the Lisbon Strategy, horizontal themes of the EU, NSRF is identical to the situation described in Chapter 2.1.7 (Qualitative Analysis).

3.3.2 SERIOUS PROBLEMS AND MEASURES TAKEN TO OVERCOME THEM

As a result of organizational changes and lack of administrative capacity, especially in the lack of project and financial managers, the process of administration and evaluation of project applications may be considerably decelerated.

It will be probably necessary to strengthen the capacity to facilitate acceleration of administration and evaluation of new calls and thus make the implementation of this Priority Axis more efficient.

3.4 Priority axis 4 – Infrastructure for Instruction Combined with Research at Colleges and Universities

Priority Axis 4 (PA 4) reflects the insufficient capacity of universities and colleges and their equipment for educational and research activities. The often unsatisfactory condition of this infrastructure does not permit multi-purpose functioning in line with modern research and educational trends, and in some cases it fails to comply with sanitary and security requirements. Colleges and universities usually do not have sufficient equipment for research and often lack modern educational tools and modern libraries.

This fact, and the fact that the CR had one of the lowest shares of adult population with completed tertiary education in the EU at the time of preparation of the OP RDI, together represent an important obstacle for the future development of knowledge economy in the Czech Republic. Priority axis 4 aims at removing the unfortunate heritage of long-term underfunding of the investment needs of colleges and universities and at permitting selective support for colleges and universities that try to modernize their curricula and educational methods and reflect the needs of the labour market.

The activities of the priority axis are concentrated in a single Support Area – 4.1 Infrastructure for Instruction Combined with Research at Colleges and Universities. Their main objective is to support the high-quality infrastructure of colleges and universities in order to increase the capacity of tertiary education and to create conditions for enhancement of quality so that material conditions for the preparation of college students improve as regards their preparedness for research and development and for training the basic creative skills needed for future work in R&D. The main objective will be reached by developing high-quality infrastructure of colleges and universities, increasing the capacity of tertiary education and creating conditions for improving the quality of education of future researchers, and by strengthening the “tertiary role” of colleges and universities.

3.4.1 PROGRESS MADE AND ITS ANALYSIS

29 Grant Award Decisions were issued under the call 1.4 "Infrastructure for Instruction Combined with Research at Colleges and Universities" in a total financial volume of 420.4 million EUR (10.9 billion CZK), which represents 86% of the total allocation of Priority Axis 4. Under the PA 4 the 2.4 call for proposals “Modernisation of the Existing Infrastructure for Instruction Combined

with Research” was announced on 1 July, 2011 with a total allocation of EUR 42,454,651 (CZK 1.1 bn). The period for receiving applications was set to run from 1 October, 2011 until 31 January, 2012.

Information about the material progress of the priority axis

The following tables provide information about the progress the priority axis has made. No values have been achieved to date with regard to the setting of output and result indicators for Priority Axis 4, when the values will be achieved at the end of the implementation of projects (along with the final building approval). This is expected to happen over the course of 2012.

Table 27 PA 4 Output Indicators

NI Code EU Code/Lisbon Indicator type	Indicator title	Unit of measurement	Source	Value	2007	2008	2009	2010	2011	Target Value 2015	Total
11.05.10 output	Number of supported projects – R&D infrastructure	number	IS MA	Achieved	0	0	0	0	N/A	N/A	0
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	20	20
11.05.11 output	Reconstructed, expanded and newly built capacities	sq ^m	IS MA	Achieved	0	0	0	0	N/A	N/A	0
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	70,000	70,000

Source: MSC2007 as of 28 February, 2012

Table 28 PA 4 Result Indicators

NI Code EU Code/Lisbon Indicator type	Indicator title	Unit of measurement	Source	Value	2007	2008	2009	2010	2011	Target Value 2015	Total
11.05.20 result	Number of students benefiting from the new / reconstructed infrastructure	number	IS A/B	Achieved	0	0	0	0	0	N/A	0
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	50,000	50,000
11.05.21 result	Number of students benefiting from the new / reconstructed infrastructure, students of PhD programmes	number	IS A/B	Achieved	0	0	0	0	0	N/A	0
				Default	0	0	0	0	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	5,000	5,000

Source: MSC2007 as of 28 February, 2012

Information about the financial progress

29 Decisions were issued under PA 4 as of 4 January 2012, representing 86% of the total allocation of this priority axis. Amounts owed to programme beneficiaries at the moment cover approximately 23% of the allocation of PA 4. Certified funds submitted to the EC until 4 January, 2012 amounted to 11.6 million EUR (283.1 million CZK).

Table 29 Financial progress of Priority Axis 4

Support Area	Allocation 2007–2013	Projects with the Decision issued / Contract signed		Payments to beneficiaries		Certified funds submitted to the EC*	
	a) EUR	b) EUR	%b/a	c) EUR	%c/a	d) EUR	%d/a
4.1.	487,219,032	420,399,141	86%	110,270,979	23%	11,597,438	2.4%
Total	487,219,032	420,399,141	86%	110,270,979	23%	11,597,438	2.4%

Source: MSC2007 as of 4 January, 2012. A rate of CZK 25.91 = EUR 1 was used.

* Rate used from IS Viola as of date of entering summary payment requests into accounts.

Qualitative Analysis

The 2.4 call for proposals was announced on 1 July 2011 focusing on modernisation and increase in the quality of instruction and research at colleges and universities by developing college and university infrastructure. The deadline for receipt of applications in the 2.4 call was set for 31 January 2012. Issuance of new Grant Award Decisions under this call is expected no sooner than in the second half of 2012.

Under the PA 4, the MA OP RDI issued a total of 28 Decisions over the course of 2011 in a total required grant worth 9.9 billion CZK (382.1 million EUR). These Decisions were issued for projects that applied for a grant under the call 1.4 Infrastructure for Instruction Combined with Research at Colleges and Universities in which the deadline for submitting applications was set for 31 December, 2010.

Simultaneously, the process of payment of funds to beneficiaries and the follow-up certification of funds ran successfully. The share of funds paid under the PA 4 towards the total PA 4 allocation increased by 22.3% in 2011 - a growth of EUR 106.9 million (CZK 2.77 bn). Under the PA 4, the European Commission certified funds amounting to 11.6 million EUR (283.1 million CZK) in 2011, which represents an increase of 2.4% compared to 2010.

The objective of this priority axis is stabilization and development of high-quality infrastructure for colleges and universities in order to improve and enhance the capacity of tertiary education and create conditions for the improvement of education in connection to research, development and innovation activities. This type of investments represents the essential requirement for a quantitative and qualitative increase in the supply of human resources for research, development and the follow-up innovations. The objective is to eliminate the consequences of long-term underfunding of education infrastructures and, at the same time, enable selective support for colleges and universities or their sections that try to modernize their curricula and educational methods and reflect the needs of the labour market as well as the latest R&D results.

Providing research-connected modern infrastructure (through investments into the existing buildings and new construction and in case of call 2.4 by modernising infrastructures) for higher education directly affects the growth and increase of the quality of human resources for R&D activities and enhances the preparation of graduates for practice.

Along with other things, conditions will be created for accelerating the transfer of the latest findings from relevant R&D areas as well as best practices in the field of education and follow-

up research, especially for doctoral study, and thus for its subsequent use to promote innovation in the application field.

The objectives of both calls are specific. Eligible grant applicants are but entities in the sense of Act 111/1998 Coll., on higher education institutions, as amended, who meet the condition of having the rector's / dean's office in the CR outside of the capital Prague since not later than 1 January, 2009 for call 1.4 and not later than as of 1 July, 2011 for call 2.4 and have an accredited PhD study programme in an area related to the project submitted.

The influence of the priority axis on fulfilling the objectives of the Lisbon Strategy, horizontal themes of the EU, NSRF will be identical to the situation described in Chapter 2.1 (Qualitative Analysis).

3.4.2 SERIOUS PROBLEMS AND MEASURES TAKEN TO OVERCOME THEM

During 2011, some complaints were dealt with regarding the course evaluation; unsuccessful applicants have contested the conclusions of some evaluators. The MA properly assessed all these complaints and a new evaluation / assessment was requested in appropriate cases. In case of the project CZ.1.05/4.1.00/04.0151 Infrastructure for Implementation of Medical and Related Social and Natural Sciences and Research at the University of Ostrava - University of Ostrava, the applicant contested the refusal of the project application due to discrepancies between own reports and reports of project evaluators. In its review, the Managing Authority of OP RDI found certain formal errors on the part of evaluators and assigned the elaboration new evaluations. Following these re-evaluations of independent evaluators and with regard to the number of points achieved, the MA Selection Committee found that the project meets all necessary criteria set by the call 1.4 and recommended that the project advances to the project parameter specification phase.

3.5 Priority Axis 5 – Technical Assistance

In line with the General Regulation, priority axis 5 Technical Assistance (PA 5) aims at improving the executed measures, i.e. at securing an efficient management of the operational programme, its promotion and evaluation and thus at providing the MA of the OP RDI with sufficient technical assistance to secure a responsible and effective management of the OP RDI.

Priority Axis consists of three support areas:

- ✓ 5.1 Administration of the OP RDI
- ✓ 5.2 Information and Publicity of the OP RDI
- ✓ 5.3 Absorption Capacity of the OP RDI

Support Area 5.1 focuses on the preparation, management, implementation, evaluation, monitoring, control and audit of the OP RDI within the meaning of the General Regulation and national legal norms. Support Area 5.2 aims at providing timely, comprehensive and precise information on the OP RDI, respecting the requirement for adequate and efficient use of funds. The starting point for information and publicity is the General Regulation. Support Area 5.3 focuses on activities developing the absorption capacity, multidisciplinary expert information and consulting services, professional special trainings, securing and implementing the best solutions, networking etc.

3.5.1 PROGRESS MADE AND ITS ANALYSIS

3 continuous calls have been announced within PA 5:

- ✓ support area 5.1 Administration of the OP RDI. The call was announced in June 2008, along with the commencement of receiving project applications. The call was updated in

August 2011. The objective of support area 5.1 is to secure creating and updating the programme and other documents, ensuring the salaries of the MEYS employees responsible for the implementation of funds within OP RDI, payments to external staff for the preparation, evaluation, and monitoring of the OP RDI, the activities of the working groups of MA RDI and the Monitoring Committee of OP RDI, the OP RDI information system, the computing technology linked to OP RDI, external services, training of the staff of the implementation structure, technical support of the OP RDI implementation, OP RDI evaluation, etc. through individual projects of TA OP RDI. Twelve projects have been submitted and approved within the support area since 2008, namely: OP RDI Preparation and project evaluation, IS OP RDI Employees, IS OP RDI Employee training, OP RDI Project monitoring and evaluation, OP RDI Technical support, Provision of complementary activities in connection with the implementation of OP RDI I, TA Project for OP RDI Monitoring System, OP RDI Evaluation, Legal Services for the OP RDI, Monitoring and control of OP RDI buildings, TA Project for OP RDI Information Systems, OP RDI II Employees. The total allocation of the call is 74,179,102 EUR (1.9 billion CZK) (of which 63,052,234 EUR is co-financed by ERDF and 11,126,868 EUR is co-financed from the state budget).

- ✓ support area 5.2 Information and publicity of the programme. This Support Area aims at conducting an information campaign about the OP RDI programme targeting beneficiaries and target groups. The call was announced in June 2008, along with the commencement of receiving project applications. The call was updated in August 2011. The 5.2 Support Area aims at providing information campaign on the OP RDI focusing on beneficiaries of the OP RDI funds through individual projects of TA OP RDI aiming at promotion, publicity, information analysis and provision of OP RDI communication technology. Support and implementation of the OP RDI Communication Plan and creation of methodological approaches in OP RDI publicity form an integral part of activities within support area 5.2. A single TA OP RDI project, OP RDI Information and Publicity, which has been administered since 2009, was submitted and approved under the 5.2 support area. The total allocation of the call is 2,557,898 EUR (66 million CZK) (of which 2,174,214 EUR is co-financed by ERDF and 383,684 EUR is co-financed from the state budget).
- ✓ Support Area 5.3 Absorption Capacity of the OP RDI This Support Area aims at increasing the absorption capacity of entities for acquiring funds from OP RDI within the ERDF. The call was announced in June 2008, along with the commencement of receiving project applications. The call was updated in August 2011. The objective of support area 5.3 is to increase the absorption capacity of the OP RDI through individual TA OP RDI projects focused on consulting and information services for the MA and other entities, studies, methodology and analysis supporting the enhancement of the OP RDI absorption capacity, help in designing and planning projects, seminars, conferences and workshops, support for and interconnection of information systems. Activities focused on monitoring and evaluating the OP RDI absorption capacity form an integral part of projects in the 5.3 support area. A single TA OP RDI project, titled Support to Increasing OP RDI Absorption Capacity, which has been administered since 2009, was submitted and approved under the 5.3 support area. The total allocation of the call is 8,526,330 EUR (220.1 million CZK) (of which 7,247,382 EUR is co-financed by ERDF and 1,287,948 EUR is co-financed from the state budget).

Information about the material progress of the priority axis

The following tables provide information about the progress the priority axis has made. The quantified progress in PA 5 is valid as of 28 February, 2012.

Table 30 PA 5 Output Indicators

NI Code EU Code/Lisbon Indicator type	Indicator title	Unit of measurement	Source	Value	2007	2008	2009	2010	2011	Target Value 2015	Total
48.01.00 output	Number of supported technical assistance projects	number	IS MA	Achieved	0	0	1	1	1	N/A	1
				Default	0	0	0	1	1	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	15	15
48.05.00 output	Number of issued studies and reports (incl. evaluation)	number	IS MA	Achieved	1	1	8	16	18	N/A	18
				Default	1	1	1	8	16	N/A	1
				Planned	N/A	N/A	N/A	N/A	N/A	20	20
48.03.00 output	Number of committee meetings (monitoring, advisory and management)	number	IS MA	Achieved	0	2	4	5	6	N/A	6
				Default	0	0	2	4	5	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	16	16
48.11.00 output	Number of training sessions, seminars and workshops organized and other similar activities	number	IS MA	Achieved	0	5	22	45	107	N/A	107
				Default	0	0	5	22	45	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	50	50

Source: MSC2007 as of 28 February, 2012 Monitoring Reports and Project Applications of TA Projects

Information about the financial progress

Projects of a total of 38.6 million EUR (999 million CZK) of the total PA 5 allocation of EUR 85.3 million (2.2 billion CZK) have been cumulatively approved. In payment requests, the beneficiary received a total of 8 million EUR (207 million CZK), while certified funds submitted to the European Commission amounted to 7.4 million EUR (183 million CZK).

Table 31 Financial progress of Priority Axis 5

Support Area	Allocation 2007–2013	Projects with the Decision issued / Contract signed		Payments to beneficiaries		Certified funds submitted to the EC*	
	a) EUR	b) EUR	%b/a	c) EUR	%c/a	d) EUR	%d/a
5.1.	74,179,099	34,484,371	46%	7,711,356	10%	7,135,452	9.6%
5.2.	2,557,900	1,929,757	75%	279,677	11%	283,063	11.1%
5.3.	8,526,331	2,161,328	25%	8,376	0.1%	7,033	0.1%
Total	85,263,330	38,575,456	45.2%	7,999,409	9.4%	7,425,549	8.7%

Source: MSC2007 as of 4 January, 2012, total public sources, Monitoring Reports and Project Applications of TA Projects.
A rate of CZK 25.91 = EUR 1 was used.

* Rate used from IS Viola as of date of entering summary payment requests into accounts.

Note: All values in the table are cumulative.

Qualitative Analysis

In the framework of Priority Axis 5 of Operational Programme Research and Development for Innovations (OP RDI Technical Assistance), the continuous calls for proposals for all the support areas of this PA continued in 2011.

In June 2011, the OP Technical Assistance Working Group (OP RDI TA WG) approved the project titled Legal services for OP RDI with a budget of 113,121,000 CZK (4,365,920 EUR), in August 2011, the WG of TA OP RDI approved the project Monitoring and control of buildings with a budget of 102,240,000 CZK (3,945,967 EUR).

In December 2011, the WG of OP RDI TA approved projects IS OP RDI II Employees with a budget of 230,026,230 CZK (8,877,894 EUR) and the TA Project for OP RDI Information Systems with a budget of 5.91 million CZK (228,097 EUR), whereas there were no financial implications of these projects on the use of the allocated funds under PA 5 until end of 2011. In 2011, the project IS OP RDI Employees and the TA Project for OP RDI Monitoring System were terminated as of 31 December, 2011.

Furthermore, the following projects were implemented in 2011: Training of IS OP RDI Employees, OP RDI Technical support, OP RDI Evaluation and project monitoring, OP RDI Evaluation, Promotion of absorption capacity of the OP RDI, OP RDI Information and publicity and Provision of complementary activities in connection with the implementation of the OP RDI.

The total budget for approved projects for OP RDI TA as of 31 December, 2011 amounted under the PA 5 Technical assistance to 999,490,042 CZK (38,757,456 EUR), of which 893,490,042 CZK (34,484,371 EUR) falls under PA 5.1 Administration of OP RDI, 50 million CZK (1,929,757 EUR) falls under PA 5.2 Information and Publicity and 56,000,000 CZK (2,161,328 EUR) falls under PA 5.3 Absorption Capacity of the OP RDI.

More information on the projects is available in Chapter 5 Technical Assistance.

3.5.2 SERIOUS PROBLEMS AND MEASURES TAKEN TO OVERCOME THEM

During the execution of priority axis 5 in 2011, there were no serious problems for which specific measures would need to be taken.

4 MAJOR PROJECTS

The so-called major projects are being implemented in the framework of OP RDI, i.e. projects whose total cost exceeds 50 million EUR, as defined in Council Regulation No. 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund.

A total of 8 projects that meet the criteria specified for a major projects were submitted in 2009 (as of 16 November, 2009) in the framework of the call 1.1 European Centres of Excellence and 2.2 Regional R&D centres. Namely, the following projects were submitted: ELI, BIOCEV, CEITEC, FNUSA-ICRC and IT4Innovations under priority axis 1, and Sustainable energy, CVEVL and CERIT under priority axis 2.

The usual period within which the European Commission should issue a Decision for a major project submitted is 90 days. However, approval processes were put on hold at the EC level at least once for all major projects by sending the Interruption Letter - i.e. an instrument enabling the EC to request additional documents or explanation / clarification of certain facts in the project that were dealt with by the applicant in cooperation with the MA OP RDI, which resulted in delays in the approval process. Due to delays in projects against the original schedule at the level of the European Commission, the MA of OP RDI decided that as of 1 January, 2011, it will be possible to include expenses in excess of project preparation in the total eligible expenses prior to the Grant Award Decision in order to ease the run of certain implementation activities within major projects according to the original plans and to avoid delays and disproportions in projects. The European Commission approved six major projects by the end of 2011 - ELI, BIOCEV, CEITEC, the ICRC, IT4I and Sustainable Energy. Subsequently, the MA of OP RDI reopened negotiations with all the major projects to fix the project parameter setting due to the fact that delays in the approval processes resulted in a pressure at the EC level to shift some of the milestones of the project and in some cases changed the values of some indicators. Following the conclusion of negotiations and updating of technical annexes, the MA of OP RDI issued the Grant Award Decision for five major projects by the end of 2011. In case of the last major project - BIOCEV - the Grant Award Decision is expected to be issued in January 2012, at the OP RDI MA.

Table 32 Overview of decisions issued on major projects

Priority Axis 1 - European Centres of Excellence		
Project title	Issue of Decision by the EC	Issue of Decision by the MA
ELI – Extreme Light Infrastructure	20 April, 2011	2 August, 2011
BIOCEV – Biotechnology and Biomedicine Research Centre	31 October, 2011	not available
CEITEC – Central European Institute of Technology	6 June, 2011	19 May, 2011
IT4Innovations Centre of Excellence	23 June, 2011	30 June, 2011
ICRC – International Clinical Research Centre	17 June, 2011	19 May, 2011
Priority Axis 2 - Regional R&D centres		
Project title	Issue of Decision by the EC	Issue of Decision by the MA
Sustainable Energy	11 November, 2011	13 December, 2011

as of 4 January, 2012

Characteristics of individual major projects

ELI (Extreme Light Infrastructure)

Applicant: Institute of Physics of the Academy of Sciences of CR, public research institution

Location of project implementation: Dolní Břežany

Total eligible expenses of the project: 6,800,575,902 CZK (262,469,159 EUR)

Project ELI (Extreme Light Infrastructure) is a part of the European plan to build the next generation of large research facilities that have been identified and selected for the European Strategy Forum on Research Infrastructures (ESFRI). ELI is an international research facility that will use innovative laser technology to produce light pulses that will be most intensive in the world. ELI will become a research centre that will be a pioneer in many areas of research using highly intensive lasers. ELI represents a unique opportunity for the Czech Republic to host an important international research infrastructure. ELI's mission is both academic basic research and applied research with direct impact on the society.

IT4Innovations Centre of Excellence

Applicant: VŠB - Technical University Of Ostrava

Location of project implementation: Ostrava

Total eligible expenses of the project: 1,819,490,241 CZK (70,223,475 EUR)

The purpose of the IT4Innovations Centre of Excellence (hereinafter referred to also as IT4Innovations project) is to contribute to an increased competitiveness and living standards of the Czech Republic through a significant development of research and development potential in the field of information technology, computer mathematics and related applied sciences.

The overall project objective is to build the Czech Republic's leading national centre for excellence in information technology research. The project will involve the creation of a research environment, including related infrastructure focused on the development of both computational methods as such (IT as a subject of research), and on tools for their effective use (IT as a tool for further research or application usage).

CEITEC (Central European Institute of Technology)

Applicant: Masaryk University

Location of project implementation: Brno

Total eligible expenses of the project: 5.246 billion CZK (202,470,089 EUR)

The centre will implement excellent research and provide postgraduate and advanced post-doctoral training in the field of nano- and micro-technologies, structural biology, genomics and proteomics, with the result being the application in the field of advanced materials and medicine. The installed top technology will allow for synergic study of both animate and inanimate subjects of nature at all levels of complexity that are currently available, ranging from individual atoms to molecules, molecular clusters, cells to whole organisms.

The city of Brno, as the second most important city in the Czech Republic, offers an exceptional concentration and combination of scientific fields ranging from technical fields to human and veterinary medicine and pharmacy, which is rare in the European context. The project holders are Masaryk University (as the Applicant), Brno University of Technology, Mendel University of Agriculture and Forestry in Brno, University of Veterinary and Pharmaceutical Sciences Brno, Research Institute of Veterinary Medicine, public research institution, Institute of Scientific Instruments of the ASCR, public research institution, and the Institute of Physics of Materials of the ASCR, public research institution (as Partners).

Sustainable Energy

Applicant: Centrum výzkumu Řež s.r.o.

Location of project implementation: Řež, Plzeň

Total eligible expenses of the project: 2,450,696,000 CZK (94,584,948 EUR)

The main objective of the project is to build a bi-regional centre (NUTS 2 Southwest and Central Bohemia) of research and development of sustainable energy as an essential condition for strengthening the competitiveness of Czech economy.

Through the expansion and modernization of research infrastructure, a top-quality workplace focused on key segments of the energy sector will be developed becoming an important centre in Central Europe with close ties to the European Research Area.

The objective is to build a centre for theoretical and experimental research methods and materials, incl. subsequent practical applications in order to achieve a degree of safety and environmental impacts of energy facilities, especially those used to produce nuclear energy, that will enable a gradual replacement of traditional procedures based on the use of coal and oil in order to increase efficiency, reduce production cost, reduce CO₂ emissions and recycle the highest possible percentage of raw materials.

St. Anne's University Teaching Hospital, Brno – International Clinical Research Centre (FNUSA – ICRC)

Applicant: St. Anne's University Teaching Hospital in Brno

Location of project implementation: Brno

Total eligible expenses of the project: 2,365,000,000 CZK (91,277,499 EUR)

The ICRC project aims to build a leading international centre for applied medical research in the Czech Republic, which will – thanks to the unique logistics of international scientific cooperation based on a concept of the so-called dynamic research teams (flexible research teams working in a single centre, involving specific researchers for each individual research project) and thanks to an original system of flexible science labs – accelerate the development of new breakthrough therapies and diagnostic strategies, new technologies, including bio- and nano-technologies and new drugs by up to 50%, while complying with the highest international standards of ethics and research safety. At the same time, the ICRC will enable the implementation of research projects of scope and quality not attainable so far.

Major projects, for which decisions are expected to be issued in 2012:

Priority Axis 1 - European Centres of Excellence

- ✓ BIOCEV - Biotech & Biomed Research Centre

BIOCEV (Biotechnology and Biomedical Centre in Vestec)

Applicant: Institute of Molecular Genetics AS CR, public research institution

Location of project implementation: Vestec

Total eligible expenses of the project: 2,305,086,161 CZK (88,965,116 EUR)

The main objective of this project is to concentrate complementary teams of renowned experts, now working scattered with several partner institutes of the Academy of Sciences of the CR and the Charles University, add newly created research teams of talented young scientists and

international experts and create a biotechnology and biomedical research centre in Vestec (BIOCEV) with the ambition of the European Centre of Excellence. Concentration of teams bringing unique knowledge of basic research together with experts who will build on new scientific knowledge using practical applications in one excellently equipped infrastructure and comprehensively fill the severe gap in specialist background for the development of advanced biotechnology industry in the CR. The involvement of the BIOCEV centre in the networks of European consortia Euro-Biolmaging and INFRAFRONTIER under the ESFRI (European Strategy Forum on Research Infrastructures) and cooperation with leading European partners is an important factor for successful fulfilment of this mission.

The MA of OP RDI held individual consultations and meetings in the recent past to address specific topics with the promoters of major projects. The MA assisted in the settlement of any Interruption Letters at the time when major projects were reviewed and commented on by the European Commission. Several negotiation meetings for the purpose of adjusting the project parameters and updating the technical annex prior to the Grant Award Decision were held following the projects' approval at the European Commission level. Following the issuing of the Decision, intense negotiations with projects were held regarding the preparation as well as control of monitoring reports and payment requests, preparation of public tenders and many other issues related to project implementation.

Same as in the preceding years, all representatives of the above-mentioned projects were offered the possibility of cooperation with JASPERS (Joint Assistance to Support Projects in European Regions). JASPERS provides assistance in the preparation of major projects applying for financial support from the Cohesion Fund and the European Regional Development Fund. This is a joint initiative of the European Commission, the European Bank for Reconstruction and Development and the European Investment Bank for the new Member States of the European Union.

JASPERS European initiative does not provide funding, but provides free technical assistance by experts in the preparatory phase of major projects and thus promotes overall project preparation quality increasing its chances for approval by the European Commission and receiving co-funding from the Cohesion Fund or the ERDF.

All major projects accepted the offer of cooperation with JASPERS - especially in the phase of preparation of documents for the European Commission; several consultation meetings were organized for this purpose for each project. The JASPERS experts then assisted in tackling the EC comments presented in Interruption Letters. At the time of project implementation following approval by the European Commission, the ELI project expressed interest in continuing the use of expert services by JASPERS - JASPERS should promote ELI when dealing with the issue of ELI Delivery Consortium as well as issues in the field of state aid.

In the area of major projects, a proposal was made in autumn 2010 to organize meetings of the so-called Search Committees, i.e. Expert Committees consisting of domestic and foreign experts, who would be looking for, in the form of executive search, and recommend suitable candidates for top managerial positions in major projects. The preparation of these Search Committees is carried out by the MA OP RDI in cooperation with the MA OP EC, which will also pay the salaries of senior executives through a grant under a separate call set for this purpose. For individual major projects, the commissions were established in April 2011 and their preparatory activities launched in June 2011. The actual selection procedures for all 9 vacancies were then announced in October 2011 and by using professional networks of members of Search Committees, individual centres themselves and the MA OP RDI, the vacant positions were widely advertised across the professional community both in and outside the Czech Republic. The main elements of the concept of Search Committees is providing a high-level expertise, impartiality and transparency in the selection process and focusing on recruiting experienced professionals with broad international experience with a high potential for transfer

of foreign know-how and best practices in the field of Czech research and enhancing the prestige of the centres. The final list of recommended candidates for each position sought should be known after 2 rounds of selection process in February 2012.

5 TECHNICAL ASSISTANCE

Technical Assistance of OP RDI is implemented under Priority Axis 5 - Technical Assistance. 85,263,330 EUR has been allocated for this priority axis, (of which 72,473,830 EUR represents co-funding by the ERDF and 12,789,500 EUR co-funding from the state budget), which accounts for a 3.5% share of the total allocation of the OP RDI. Priority axis 5 is implemented through three Support Areas. Continuous calls for proposals were announced in June 2008 and updated in August 2011. Two projects of technical assistance were submitted and approved in 2008, namely the OP RDI preparation and project evaluation and the OP RDI IS Employees (support area 5.1). Seven projects of technical assistance were submitted and approved in 2009 - Technical support for OP RDI, Training of OP RDI IS employees, Provision of complementary activities in connection with the implementation of OP RDI, TA Project for the OP RDI Monitoring System, OP RDI Project monitoring and evaluation (all these projects fall within the 5.1 support area), OP RDI Information and Publicity (support area 5.2) and Promoting OP RDI absorption capacity (support area 5.3). The OP RDI Evaluation project was approved in 2010 (support area 5.1 Administration of OP RDI). In 2011, the working group of TA of OP RDI approved the projects Legal services for OP RDI and Monitoring and control of OP RDI buildings (5.1 support area). These projects fall within the support area 5.1 Administration of OP RDI. In December 2011, the subsequent projects were approved, i.e. IS OP RDI II Employees and TA Project for OP RDI information systems, the implementation of which began on 1 January 2012, their reflection in the financial progress is not included in this annual report in order to maintain data compatibility with the IS OP RDI (support area 5.1). Furthermore, the implementation of following projects has been extended - Technical support for OP RDI (until 29 February, 2012), Promoting the absorption capacity of OP RDI (until 31 December, 2012), Information and Publicity of OP RDI (31 December, 2012) OP RDI project evaluation and monitoring (until 30 June, 2013), Training of IS OP RDI Employees (until 31 October, 2012), TA Project for OP RDI Monitoring System (31 December, 2011).

Table 33 Technical assistance projects approved

	Project title	Overall project budget (EUR)	Expenditures realized in 2008 (EUR)	Expenditures realized in 2009 (EUR)	Expenditures realized in 2010 (EUR)	Expenditures realized in 2011 (EUR)
Approved	OP RDI preparation and project evaluation	507,525	147,790	81,037	0	0
	OP RDI Employees	6,614,212	287,361	1,250,057	1,796,138	2,343,266
	OP RDI Technical Support	4,615,808	174,503	965,345	821,543	825,585
	Training of IS OP RDI employees	1,247,338	0	9,701	37,116	82,811
	Provision of complementary activities in connection with the implementation of OP RDI I	1,885,860	238	196,441	303,768	70,123
	Information and Publicity of the OP RDI I	1,929,757	102,922	52,117	94,659	213,968
	Promoting the absorption capacity of the OP RDI I	2,161,328	601	2,183	4,219	7,051
	TA Project for the OP RDI Monitoring system	147,043	0	17,315	2,895	3,224

Evaluation and monitoring of OP RDI projects	9,224,940	0	486,244	1,242,355	557,479
Evaluation of the OP RDI	1,929,757	0	0	0	25,857
Legal services for OP RDI	4,365,920	0	0	0	0
Monitoring and control of buildings for the OP RDI	3,945,967	0	0	0	0
Total	38,575,455	713,415	3,060,440	4,302,693	4,129,364

The exchange rate of 25.91 CZK / EUR was used in the table. The selected exchange rate was recommended by the NCA to be used for conversion of amounts for annual reports on the implementation of the OP in 2011.

Employees paid from the OP RDI Technical Assistance

8 new employees were employed in the first half of 2011 due to an increased volume of activities associated with the administration of new projects, for the full year 2011, the number of new employees reached 14 in total.

As of 31 December 2011, the Managing Authority of the OP RDI employed a total of 100 employees, of which 73 were employed on a full-time basis, 25 part-time and 2 employees working on a 0.25 basis. At the same time, 65 employees left in 2011 (6 due to political changes, 7 maternity leave, 38 change in working position, 8 left during probation period, 4 moved to another position within the office, 2 moved abroad).

In filling the vacancies, emphasis is put on the qualifications and experience of the applicants, their motivation, specialisation and professional growth within the implementation system.

Table 34 Overview of changes in filling the vacancies

Unit	Managing Authority		Intermediating Body		Designated Audit Body			
	Number of started employments	Number of terminated employments	Number of started employments	Number of terminated employments	Number of started employments	Number of terminated employments		
Section head Division head	3	1	3	0	0	1	1	
		2	0		0		2	0
Department head	1	1	3	0	0	1	0	
		2	1		0		2	0
Officers	61	1	47	0	0	1	2	
		2	7		0		2	1
Total	65		61	0	0		4	4

Source: OP RDI MA Report on the provision of administrative capacity

The report on securing administrative capacity for 2011 has been drafted and will be sent to the MRD in January 2012.

Professional training of workers in the implementation structure in 2011

In the framework of the Employee training project, funds were used in several areas:

- ✓ Educational foreign trips implemented: a total of 11
- ✓ Purchase of professional literature worth 18,738 CZK - 17 publications
- ✓ Implementation of 152 training courses

- ✓ A contract with the company Europrofis expired on 31 December, 2011 (Europrofis focuses on education and human resource development, specializing in EU funds)

Funding for the acquisition and installation of computer systems and information technology for the management and monitoring of the OP

No funds from the TA OP RDI budget were spent on the acquisition of information systems in 2011.

The 2011 written outputs of MA of OP RDI carried out under technical assistance included the following:

- ✓ Expert opinion on the call 6.3 Operational Programme Research and Development for Innovations in support of pre-seed activities and related documents (the project of promoting OP RDI absorption capacity)
- ✓ Evaluation of the communication strategy and publicity of the OP RDI (OP RDI Evaluation project)

6 INFORMATION AND PUBLICITY

Activities in the area of securing OP RDI publicity for 2011 can be divided into the following categories:

- ✓ Administration of the MEYS website
- ✓ Information activities for major as well as common projects
- ✓ Seminars for applicants and beneficiaries
- ✓ Main communication activity for 2011
- ✓ Press Releases as a PR tool
- ✓ Purchase of promotional items bearing the elements of mandatory publicity and distribution of these
- ✓ Implementation of Visual Identity Manual of OP RDI and its control
- ✓ Evaluation of communication and publicity activities
- ✓ Participation in trade fairs

Administration of the MEYS website

Those interested in OP RDI, applicants, beneficiaries and evaluators can visit the MEYS website, the Structural Funds section, OP RDI subsection, where the news are posted (programme news), general information is presented (basic information about the programme and the ERDF), including basic documents (Handbook for Applicants and Beneficiaries, the wording of the Operational Programme Research and Development for Innovation, etc.), press releases, information for applicants and beneficiaries (overview of individual calls under the OP RDI, information for processing of applications, seminars, etc.), public tenders (public tenders announced within the framework of the programme and public competitions announced and held by other entities, respectively applicants and beneficiaries of OP RDI whose obligation arises from the Rules for selection of suppliers), information about the Monitoring Committee (basic documents relating to the MC of OP RDI, information from each meeting, etc.) and also new information on evaluations relating to the OP RDI and to the Search Committees.

The website includes also the List of beneficiaries within OP RDI⁷. The list of beneficiaries is regularly updated in line with the Grant Award Decisions issued containing all the requirements. The update is done usually once a month. Furthermore, the website provides information on the OP RDI evaluation process and there is a folder designed for evaluators themselves; also, there are useful links and contacts.

The total monthly average number of articles read⁸ in the OP RDI subsection for 2011 was 26,918.

A central email address opvyzkum@msmt.cz has been set up for sending queries. Over 400 emails were sent to this address in 2011 (i.e. about 1,090 queries). The frequently asked questions were then posted on the website in the FAQ section.

Information activities related to major projects

Series of information events were organized over the course of 2011 addressing the issue of major projects

In detail, the following activities were involved:

- ✓ Meetings between representatives of the MEYS and JASPERS

⁷ <http://www.msmt.cz/strukturalni-fondy/seznam-prijemcu-v-ramci-op-vavpi>

⁸ i.e. the number of visits to articles in the given section

- ✓ Individual meetings between representatives of major projects and JASPERS
- ✓ Joint meetings with representatives of major projects
- ✓ Individual meetings with representatives of major projects
- ✓ Seminars of beneficiaries attended by representatives of major projects

Activities implemented in co-operation with representatives of JASPERS focused on counselling in dealing with co-operation between the CEITEC and the ICRC projects, the result of which is the "cooperation agreement" signed. In case of the ICRC project, the JASPERS representatives consulted also the settlement of the EC comments particularly on public support.

Many individual meetings of representatives of major projects and representatives of the MEYS were held during the year, focusing on answering specific project-related questions of individual applicants

Also, a workshop was held with representatives of major projects on the issue of public support.

Seminars for applicants and beneficiaries

A total of 17 professional seminars were held in 2011, attended by 801 people in total. Of these, two seminars were also held in the regions, namely the seminar for applicants focused on PA 4, Call 2.4 - Modernisation of Existing Infrastructure for Instruction Combined with Research - which took place on 20 October, 2011 in Olomouc and the second seminar, this time under the PA 3, Call No. 4.3 Equipment of Specialized Research and Department Libraries which was held on 8 November, 2011 in Brno. Other seminars were held in Prague. Over the course of the year 2011, the workshops for applicants related to the priority axis 3, Calls 3.3 and 4.3, and to priority axis 4, Call 2.4. The structure of the programme of seminars for potential promoters of projects under Priority Axis 3 and 4 of the OP RDI was as follows:

- 1) Basic information about the call
- 2) Selection criteria of the call
- 3) Eligible expenses of the call
- 4) Monitoring indicators of the call
- 5) Supplier selection rules
- 6) Project application requirements
- 7) Submission of project application
- 8) Conclusion, queries

Seven seminars and one workshop were held in 2011 targeting the beneficiaries of the OP RDI.

A workshop with representatives of the OP RDI MA and beneficiaries of PA 1 and PA 2 was held on 12 December, 2011. The objective of this workshop was to discuss the problems that beneficiaries of the project encounter as part of project administration. Following the suggestions of beneficiaries, a settlement was published, which should lead to streamlining the project administration.

The seminars of March 24 and March 31, 2011 were focused on administration of approved projects, supplier selection and cuts in project cost.

The seminars held on 14 and 16 November, 2011 addressed the issue of transitional period of verification of methodologies used to report actual costs (full cost).

The three remaining seminars targeted the "new" beneficiaries introducing the following topics: project monitoring, requests for payment, changes in the project, selecting suppliers, public tenders experience, publicity rules, the most common errors in Monitoring Reports and Requests for Advance Payment, monitoring indicators.

The presentations on specific topics were held by experts from the Management Division and the Implementation Division of the OP RDI.

Questions asked by the attendees of a seminar were answered following each presentation. Individual consultations addressing the above-mentioned topics took place at the end of the seminar.

The participants were mostly satisfied not only with the organization, the course of the seminar, the materials provided, refreshments, but also with the presentation skills of speakers.

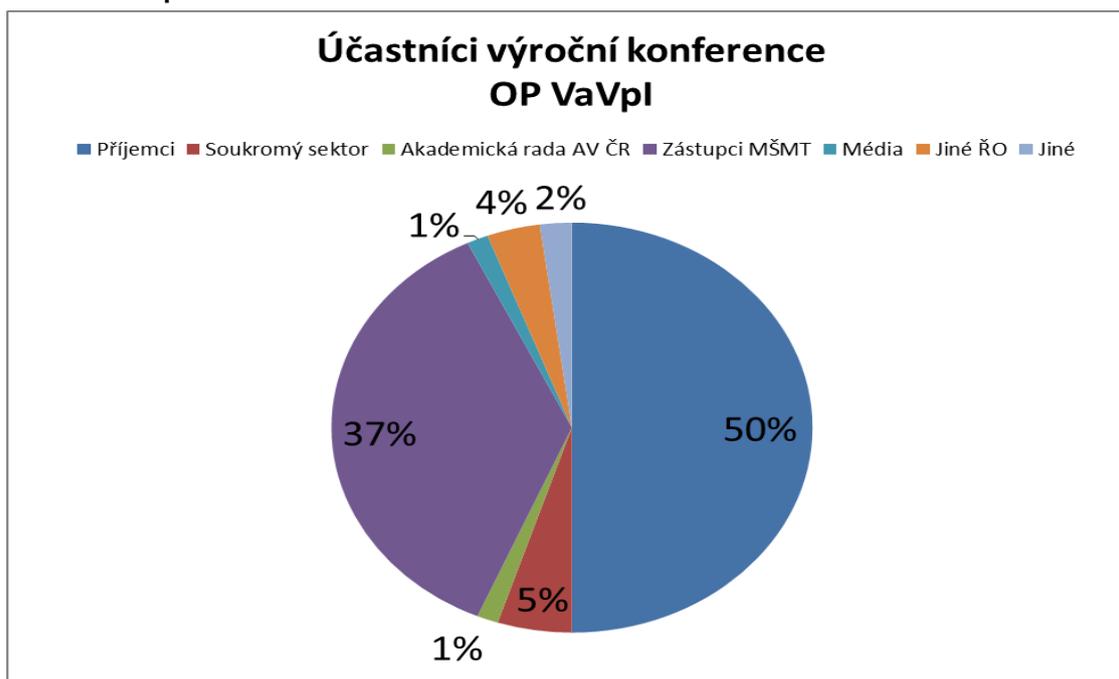
The questionnaires filled indicated that the applicants began to gradually use the opvyzkum@msmt.cz mailbox in a greater extent, on the contrary, the beneficiaries communicate directly with project managers, also, they indicated their practical advice on how to improve the structure of existing websites. Based on these findings, the MA of OP RDI decided to devote more time at seminars exclusively to queries, which helps to make the website well arranged.

Main communication activity for 2011

The main communication activities in 2011 were the following: annual conference and media campaign implemented through the broadcast of TV commercials on public television (see ACoP 2011).

- Annual Conference: the Annual Conference of Operational Programme Research and Development for Innovations (OP RDI) was held in the modern premises of the National Technical Library in the Dejvice district of Prague 6 on December 7. Executives of OP RDI management, headed by M. Zaorálek, Secretary for European Affairs, mentioned a significant increase in the pace of approval of grants from this programme and its prospects for future development. A presentation of four projects supported (one project for each priority axis) took place in the afternoon. Of the 140 attendees, half of the audience consisted of representatives of beneficiaries, then the representatives of other operational programmes were present as well as representatives of the Managing Authority of OP RDI and media representatives (see chart)

Chart 2 Composition of audience of Annual Conference



Source: OP RDI MA

- Short commercials informing about the OP RDI were broadcast 163 times on Czech public TV channels in the period from 7 April till 30 June, 2011. The broadcast of individual commercials took place over periods of approximately three weeks. The selected topics for OP RDI were as follows: “General description of OP RDI”, “Science and Life”, “Science Learning Centres and Visitor Centres”, and “Technology Transfer Centres – the business side of science”. The total cost of TV commercials broadcast reached 5,066,976 CZK (206.3 thousand EUR).

Press releases as a PR tool

In cooperation with the press department, the OP RDI MA would issue press releases over the course of the year concerning each important milestone in the implementation of the operational programme. 24 press releases were issued in total.

The most important milestones of the OP RDI, as far as publicity is concerned, was the progress in implementing the OP RDI in issuing Grant Award Decision to four centres of excellence and organizing the Search Committees (search for executives and directors of five major scientific projects of the OP RDI).

Promotional items

Activities in the publicity area include also securing production and distribution of promotional items aimed to raise awareness of the operational programme.

When purchasing these promotional items, the OP RDI MA respects the principles of efficiency and economy. For this purpose, the OP RDI MA purchases the most useful items such as pads, notebooks, pens, flash drives, etc., which are distributed at appropriate occasions such as professional seminars and conferences, tutorials, important meetings, etc. In 2011, the OP RDI MA bought pens, notebooks, business cards, paper folders, stickers, mugs and card holders, paper bags.

Visual Identity Manual

In the year monitored, the control of compliance with the Visual Identity Manual took place, which aims to unify the visual presentation of the operational programme and which should help improve spontaneous knowledge and the visual unification of layout templates as well as other used materials.

This manual is an essential tool of OP RDI corporate identity and is available for free download from the MEYS website at: <http://www.msmt.cz/strukturalni-fondy/manual-vizualni-identity-op-vavpi>

Evaluation of the communication strategy and publicity of the OP RDI

In the January - May 2011 period, the project *Evaluation of the Communication Strategy and Publicity of the OP RDI* was implemented, which aims to determine as to what extent the Communication Plan reflects the current needs of the OP RDI MA in relation to the specific objectives, information priorities, target groups and awareness and publicity tools; and what is the current progress of implementation of the OP RDI Communication Plan and the achieved outputs/outcomes. Based on these findings, the evaluator provided the Managing Authority with a feedback and recommendations leading to an increase in efficiency of the implementation of the communication strategy and publicity of the OP. The maximum proposed price of this contract in the tender documentation was 795,000.00 CZK exclusive of VAT (32.3 thousand EUR). The best evaluated bid was the one of HOPE–E.S., v.o.s., with the price of 556,500.00 CZK exclusive of VAT (22.7 thousand EUR).

Preliminary findings were included in the chapter assessing the results of information and publicity measures in the Annual Report on the implementation of OP RDI in 2010 and includes, as required by Article 2 (2) point. e). Commission Regulation (EC) No 1828/2006. Final results were presented to the OP RDI Managing Authority and the final report was sent to the European Commission via the SFC information system along with the Annual report. The results and recommendations arising from this evaluation are used by the staff responsible for publicity and communication.

Definition of OP RDI communication

Communication activities of the Managing Authority of the Operational Programme Research and Development for Innovations (OP RDI MA) in the 2007-2011 period followed the objectives defined in the Communication Plan for OP RDI (OP RDI CoP):

- ✓ Ensure awareness of the general and professional public about the results and fulfilment of the OP RDI and the role of the European Union;
- ✓ Secure sufficient awareness among potential beneficiaries of the options of receiving financial support from the OP RDI and create conditions for the implementation of a sufficient number of good-quality projects;

Given the above-mentioned objectives, the main conclusions and findings of the *Evaluation of communication strategy and publicity of the OP RDI* are as follows:

To what extent does the OP RDI CoP communication plan reflect the current needs of the OP RDI in the field of communication and publicity?

The basic range of tools is included in the CoP (a partial completion of these may be recommended by adding new modern trends, such as the use of social networks). In the following period, it is also appropriate to shift the emphasis from the initiation of the interest of potential applicants for support towards informing the public and other relevant target groups of the results of the programme and individual interventions using a comprehensive media

campaign. At the same time it is appropriate to further develop and strengthen communication support to beneficiaries and create conditions for successful completion of projects in progress. Direct information support to the beneficiaries in the project implementation phase is crucial for the success of the programme in order to minimize the risk of problems in the project implementation phase.

To what extent does the OP RDI CoP communication plan contribute to the fulfilment of these objectives?

In the context of communication activities of the OP RDI Managing Authority, it is possible to say that the awareness of the CoP target groups is sufficient. The following text contains the partial findings related to certain aspects of awareness of individual target groups, there is also room for an increased public awareness of OP RDI (reaching approximately 10%). Generally, it is possible to say that the CoP in its current form contributes to the achievement of its goals. However, there is a different level of success of individual communication and promotion activities aimed at the fulfilment of objectives. The evaluation of consultations and seminars by target groups is positive, a wider range of offer of seminars and workshops was recorded, however, the demand is still greater than the offer. In the case of consultations, the target groups appreciate a greater friendliness and expertise of employees of the OP RDI implementation body. Some OP RDI leading projects (e.g. the CEITEC project) received a positive media coverage, which significantly contributed to the promotion of the OP RDI, however, media coverage of institutional issues had a negative impact on the overall programme presentation (e.g. related to personnel changes at the MEYS). Changes in the programme documentation, changes and organization of the www.msmt.cz website received negative evaluation by target groups.

To what extent does the current version of the OP RDI CoP help its efficient and effective monitoring and evaluation?

The current version of OP RDI CoP does not contain sufficiently detailed guidance on monitoring and evaluating the process of communication and awareness. As part of the management and implementation of the OP RDI communications and publicity strategy, the author proposes to enhance the perception of the role of publicity within the Managing Authority of OP RDI, ensure consistent monitoring of CoP activities and implementation of the budget of the communication plan. To update ACoP effectively, continuous evaluation of communication activities on a yearly basis is necessary and annual update of the ACoP must be done accordingly. In order to increase validity and reliability of the indicator of success achieved in communication and promotional activities, the author proposes to reorganize and optimize the monitoring indicators.

Should the current version of the OP RDI CoP be revised in order to promote the fulfilment of the planned objectives, which fully reflect the needs of the OP RDI? If yes, how?

The current version of OP RDI CoP fulfils the essential features of the requirements for meeting the objectives. However, in the 2011 - 2015 period, it will be appropriate to focus also on the use of new communication trends that were not in use at the time of CoP preparation (e.g. social networks, etc.). In this period, it is also appropriate to shift the emphasis from the initiation of the interest of potential applicants for support towards informing the public and other relevant target groups of the results of the programme and individual interventions using a comprehensive media campaign. At the same time it is appropriate to further develop and strengthen communication support to beneficiaries and create conditions for successful completion of projects in progress. Direct information support to the beneficiaries in the project implementation phase is crucial for the success of the programme in order to minimize the risk of problems in the project implementation phase.

Summary of recommendations based on the *Evaluation of the OP RDI communication strategy and publicity*

- ✓ Establish and develop cooperation with external suppliers of services in the field of promotion and media communication (especially in the field of comprehensive media campaign, supplies of promotional items, website design and administration or support in organizing events);
- ✓ Strengthen communication in relation to the general public target group primarily through the use of communication potential of specific projects and their social value added;
- ✓ improve strategic communications planning, including focus on qualitative aspects of target groups' knowledge and awareness of the OP RDI;
- ✓ optimize the system of CoP monitoring indicators, including quantification of the values of impact indicators to provide a more structured picture of the progress in meeting communication objectives;
- ✓ Maintain and further develop personnel capacity and expert preparedness relevant for planning and management of OP RDI communication activities within the Managing Authority so that the OP RDI communication activities can use all the current trends of dynamic marketing communications;

OP RDI presentation at trade fairs

In 2011, the OP RDI was presented at the Gaudeamus trade fair in Brno along with the OP EC. Compared with the Educa trade fair, the Gaudeamus fair was evaluated as more effective for the purposes of OP RDI presentation the reason being greater chances of reaching the target audience, increased attendance and interest in the issue of structural funds,

Information materials on OP RDI were distributed also at the European information networks fair, which was organized by the European Commission Representation in the CR in Pardubice, České Budějovice, Brno and Plzeň in autumn 2011. The fair targeted general public.

OP RDI communication officers attended between 7 and 9 September 2011 the international conference Publicity Platform: Keeping EU Funds Attractive, organized by the NCA, MRD. One of the projects implemented within OP RDI was presented in brochures distributed to attendees of this conference.

7 EXCHANGE OF EXPERIENCE AND BEST PRACTICES

This chapter is devoted to project parameter specification phase in the evaluation of project applications. This chapter briefly introduces the entire evaluation system for OP RDI submitted projects, the reason being the system's sophistication, high quality and uniqueness in the Czech Republic's context. This highly sophisticated and robust system, which received positive evaluation by the EC, was chosen in order to eliminate any bias and ensure a high standard of projects with regard to their specific activities and the subsequent sustainability.

Evaluation Procedure

Following the reception of Project Application by the MA, the Project Manager will carry out control of formal requirements and eligibility check, which includes checking the acceptability of both the applicant and the project. The result of this check is either a referral of the Project Application for the follow-up expert evaluation process, or rejection of the Project Application.

Project Applications in the OP RDI are subject to multi-level evaluation, whereas the expert evaluation of Project Applications within the individual levels is carried out in multiple degrees.

Expert evaluation for priority axis 1, 2 and partly for PA 3 is carried out by international experts, expert evaluation is performed by Czech experts for Priority Axis 4. Following the formal and substantive expert evaluation, the projects that received positive evaluation advance to the negotiation phase.

The phase of specification of project performance parameters (the so-called "negotiation"), under which expert evaluators communicate with the applicant via the MA regarding specific conditions of project implementation. The project parameter specification phase is always required for projects submitted under Priority Axis 1, 2 and partly for PA 3. Projects under priority axis 4 are usually evaluated without implementing this phase, only in exceptional cases based on expert opinion of the evaluators and with the consent of the MA, the parameter specification phase follows.

The project parameter specification phase consists of the thematic meetings of representatives of the Managing Authority, or evaluators with promoters of Project Applications in the presence of an assistant, who will be obliged to attend all meetings and together with evaluators and project promoters will aim to negotiate the proposed project changes and provide necessary recommendations for the project, which will become part of the Decision.

In the area of major projects, meetings of the so-called Search Committees were held, i.e. Expert Committees consisting of domestic and foreign experts, who were looking for, in the form of executive search, and recommended suitable candidates for top managerial positions in major projects. This is - in the Czech scientific and research environment - a relatively unique and pioneering achievement which proves to be very successful. It is clear now that, through this highly professional selection process, the centres will recruit experts with broad international experience for the key positions who will bring foreign know-how into the centres and will help improve world reputation of these research institutions. The main elements of the concept of Search Committees is providing a high-level expertise, impartiality and transparency in the selection process and focusing on recruiting experienced professionals with broad international experience with a high potential for transfer of foreign know-how and best practices in the field of Czech research and enhancing the prestige of the centres.

LIST OF ABBREVIATIONS

AS CR	Academy of Sciences of the CR
B7	Benefit7 Information System
CBA	Cost Benefit Analysis
CERA	Czech Education and Research Agency
TTC	Technology Transfer Centre
CSO	Czech Statistical Office
DG Comp	Directorate General for Competition
DG Regio	Directorate General for Regional Policy
EIS	European Innovation Scoreboard
EC	European Commission
EP OP RDI Innovations	Evaluation Plan of the Operational Programme Research and Development for Innovations
ERA	European Research Area
ERDF	European Regional Development Fund
EC	European Community
ESF	European Social Fund
ESFRI	European Strategy Forum on Research Infrastructures
EU	European Union
Cultural and Social Needs Fund	Cultural and Social Needs Fund
IS MA	Managing Authority Information System
IS A/B	Information System of the applicant / beneficiary
JASPERS	Joint Assistance to Support Projects in European Regions
CoP	Communication Plan
M7 +	Information System Monit7 +
MRD	Ministry for Regional Development
SME	Small and Medium Enterprises
MEYS	Ministry of Education, Youth and Sports
MC	Monitoring Committee
NCA	National Coordination Authority
NRP	National Reform Programme
NSRF	National Strategic Reference Framework
OP EI	Operational Programme Enterprise and Innovation
OP RDI	Operational Programme Research and Development for Innovations
OP EC	Operational Programme Education for Competitiveness
Designated Audit Body	Designated Audit Body
PCA	Paying and Certifying Authority
PA	Priority Axis
WGE	Working Group for Evaluations
RIR	Information Register of R&D Results
Grant Award Decision	Grant Award Decision

RVVI	Research, Development and Innovations Council
MCS	Management and Control System
MA	Managing Authority
SC	Search Committee
SEA	Assessing the impact of implementation of OP RDI on the environment and public health
TA	Technical Assistance
SC-MA	Selection Committee - Managing Authority
R&D	Research and development
RDI	Research, development and innovations
RP	Research projects

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