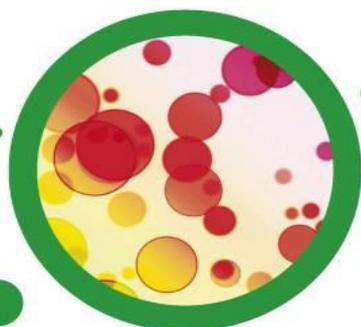


Annual Report on the Implementation of the Operational Programme Research and Development for Innovations for 2012



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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 increased competitiveness and the creation of high-skill jobs so that the regions of CR become important places concentrating such activities 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. The responsibilities of the OP RDI MA within the MEYS have been assigned to EU Operational Programme Management Section (now Operational Programme Research and Development for Innovation 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 of which EUR 2,070,680,884 represents the contribution of the European Regional Development Fund (ERDF), i.e. 85% of the total allocation, and EUR 365,414,276 represents co-financing from the State budget of the CR, i.e. 15% of the total allocation.

In 2012 there was a major shift in financial and material progress of approved projects. A number of projects approved in the previous years progressed with its implementation and, consequently, significant material and financial performances may thus be observed under the OP RDI for the last year. Thanks to a helpful approach in utilizing advance payments, the beneficiaries have sufficient funds for the successful implementation of their projects. Thus, the volume of funds paid last year doubled compared to 2011, reaching almost EUR 1 billion (CZK 25.1 billion). Despite that, the increase in the volume of certified funds, which is a significant benchmark to meet the n+3 / n+2 rule, was insufficient. Meeting the n+3 rule in 2012 could be achieved only thanks to deducting advance payments and part of payment allocation of “major projects”. This problem has several causes (e.g. delayed approval of OP RDI, difficult public procurement administration, delays in projects, etc.). The MA continued to implement certain measures in this area in relation to the beneficiaries, thus trying to speed up drawing. For 2013, the MA predicts the n+3 / n+2 rule to be met.

In 2012, a review of the Operational Programme was approved by the European Commission. At the same time, another review of the OP was under preparation, which covers, among other things, reallocation and adjustment of monitoring indicators (increased target values, adding new indicators). Furthermore, key documents for functioning of the Operational Programme were updated. In particular, they were documents for applicants and beneficiaries, the Guide for Applicants and Guide for Beneficiaries, including their annexes. Continuous preparation and updates also took place for other documents relating to issues such as communication and evaluation.

The biggest material and financial progress was made under Priority Axis 1 (European Centres of Excellence) and Priority Axis 2 (Regional R&D centres) with 100% of the allocation already committed. Under Priority Axis 1, a Grant Award Decision has been issued for the last major project – BIOCEV (Biotechnology and Biomedicine Centre of the Academy of Sciences). Under Priority Axis 2, four projects from the pool have been issued the Decision. Under Priority Axis 1, the beneficiaries have been paid EUR 229 million (CZK 5.7 billion), with EUR 24.6 million (CZK 618 million) already certified. Under Priority Axis 2, the funds paid to beneficiaries reached EUR 405 million (CZK 10.2 billion), with EUR 140 million (CZK 3.5 billion) already certified.

Under Priority Axis 3, a number of calls and the projects implemented thereunder are still in its infancy, and therefore progress in this Axis so far lags behind the others. In 2012, Call 6.3 Support for pre-seed activities was announced. Under the Call, 29 project applications totalling EUR 50.3 million (CZK 1.267 billion) containing 160 individual activities were received. In October and November 2012, 8 projects were issued a Decision, and another project is

likely to begin implementation in January 2013. The call aims to support projects, which will ultimately help to ensure setting the processes for technology transfer and simultaneously prepare R&D results achieved by research organizations for commercialization. In 2013, follow-up Call 7.3 will be announced. In 2012, all 9 projects under the Call 3.3 Technology Transfer Centres and 5 projects under the closed Call 4.3 Equipment of Specialized Research and Department Libraries were also issued Grant Award Decisions. For 2013, the Managing Authority plans to announce two more calls under this Priority Axis to improve and increase the efficiency of the R&D policy (No. 5.3) falling within the Support Area 3.2 and the above Call to support pre-seed activities (No. 7.3).

Significant progress has also been achieved in the support for the infrastructure of universities under Priority Axis 4. Following project evaluations and starting negotiations with twelve successful projects in 2012, Call 2.4 Upgrading existing infrastructure for education related to research was terminated. In the first quarter of 2013, these projects will be issued Decisions.

In the Priority Axis 5, 12 projects were under implementation. Another two follow-up projects were approved during 2012.

In 2012, the beneficiaries were paid out a total of EUR 939.6 million (CZK 23.6 billion), i.e. approximately 39% of the OP allocation; of this amount, EUR 252 million (CZK 6.3 billion) have been certified, representing 10.4% of the OP allocation.

Cumulatively under all Priority Axes of the OP RDI, 293 project applications were received, reaching a total financial volume of more than EUR 4.1 billion (CZK 100 billion) of public funds, representing approximately 163% of the total allocation for the OP RDI for the programming period 2007–2013. The results obtained thus reflect the efforts of the OP RDI MA to build sufficient absorption capacity to create favourable conditions for low-risk implementation. An overlap of submitted applications was registered for all the announced calls with the exception of Priority Axis 5 (Technical Assistance), where continuous calls for the whole allocation of the programming period 2007–2013 are announced.

In the following period, further significant shift both in the drawing and material implementation of projects can be expected. Smooth management of public contracts on the part of the beneficiaries and their auditing by the Managing Authority will be crucial. It will also be necessary to keep the set schedule, especially for major projects under Priority Axis 1. To ensure trouble-free implementations, human resources within the OP RDI MA must be stabilized and strengthened. Involvement in the preparation of the operational programme for the next programming period (OP RDE) poses yet another challenge for the OP RDI MA in 2013.

As of 27 March 2012, the European Commission suspended certification; it was resumed on 23 July 2012. In case of major projects, three main issues had to be addressed. The first issue concerned changes in the SUSEN (Sustainable Energy) project, whose scientific activity focus changed due to developments in the field. In response to the overall delay in the BIOCEV project schedule, it proposed to launch research programmes under the project early and on alternative premises in Prague, which was approved by the OP RDI MA and EC. Perhaps the most important step is to negotiate the possibility of phasing the ELI (Extreme Light Infrastructure) project. Currently, namely due to a number of delays, it no longer seems quite likely to achieve all the project objectives by its planned completion at the end of 2015. 2012 saw the resumption of sessions of the Search Committees, i.e. expert committees consisting of local and foreign experts who used executive search to recommend suitable candidates for top management positions in major projects. The selection was carried out in two stages; in February, the first stage was completed while the second stage was launched in May and completed in December 2012.

In the area of publicity, the MA successfully continued to inform applicants and beneficiaries through expert seminars. In addition, a public tender for a new web portal was under preparation, the contractor for which should be chosen at the beginning of 2013. In the second half

of 2013, the new OP RDI website should thus be in operation. Also, there were individual meetings with the representatives of major projects. Potential applicants under Call 6.3 Support for pre-seed activities were also addressed through a roadshow, consisting of three professionally hosted debates in Prague, Ostrava and Olomouc. The main communication activity was the Annual Conference of the OP RDI, which took place on 12 December 2012 at the Pyramid hotel in Prague.

There was a shift in the creation and modification of all levels of the monitoring system, which covers the entire scope of implementation. In 2012, other calls under PA 3 were successfully launched. The application for specific pre-seed activity calls was adapted. The OP RDI management and implementation reports were continuously supplemented. At the central level, the MA staff participated in the working meetings on the IS for the new programming period and on managerial information system launched over the MSC2007 system.

As regards evaluations, measures from the performed evaluation project "Evaluation of the system, administrative and external influences on the implementation of the OP RDI" were being implemented. Furthermore, a public contract "Interim Evaluation of the Operational Programme Research and Development for Innovations" was announced and evaluated during 2012, whose main objective is to continuously evaluate the implementation of OP objectives and individual priorities. Pilot testing of the implementation of the "Interim evaluation of the projects supported under the Priority Axes 1 and 2" was completed, which aimed to assess the actual state of implemented projects to improve their implementation and support optimum management of the supported projects.

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), as well as with the annual report structure 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 send it to the European Commission by 30 June 2012.

The data in this report are presented as of 4 January 2013 (28 February 2013 for material progress). If any piece of data provided is of another date, it will be so explicitly indicated.

Tabulka 1 OP RDI, Regional dimension (excluding TA projects)

Region	Submitted project applications		Funds covered by Decision / Contract (amendment)		Payments to beneficiaries	
	number	thousand EUR	number	thousand EUR	number	thousand EUR
Středočeský	38	984,608	12	578,264	37	122,663
Jihočeský	18	144,562	6	41,113	31	21,224
Plzeňský	20	275,415	11	171,313	54	64,337
Karlovarský	0	0	0	0	0	0
Ústecký	15	134,335	3	35,394	15	10,237
Liberecký	13	182,958	7	110,484	35	64,555
Královéhradecký	11	133,612	5	40,879	15	7,816
Pardubický	9	85,985	3	25,877	10	13,916
Vysočina	5	61,472	1	9,479	5	7,371
Jihomoravský	83	1,348,029	38	755,949	193	395,821
Olomoucký	23	357,924	6	128,575	39	90,151
Zlínský	12	191,189	4	58,314	19	18,844
Moravskoslezský	30	397,624	15	229,802	69	116,346
Total	277	4,297,712	111	2,185,443	522	933,281

Source: MSC2007 as of 4 January 2013; Exchange rate of EUR/CZK 25.14 has been used.

Tabulka 2 Real progress of the OP RDI

Support Area	Allocation for 2007–2013		Submitted project applications				Funds covered by Decision / Contract (amendment)				Payments to beneficiaries			Posting single payment			Certified funds submitted to the EC		
	mil. CZK	mil. EUR	number	mil. CZK	%	mil. EUR	number	mil. CZK	%	mil. EUR	mil. CZK	%	mil. EUR	mil. Kč	%	mil. EUR	mil. CZK	%	mil. EUR
	a		b	c	c/a		d	e	e/a		f	f/a		g	g/a		h	h/a	
1.1	20,271.58	806.35	15	23,852.20	118%	948.78	8	20,181.00	100%	802.74	5,765.39	28%	229.33	819.79	4%	32.61	618.64	3%	24.61
2.1	20,271.58	806.35	103	50,343.53	248%	2,002.53	40	20,401.41	101%	811.51	10,182.14	50%	405.02	4,115.12	20%	163.69	3,522.96	17%	140.13
3.1	1,843.53	73.33	47	1,902.36	103%	75.67	18	625.31	34%	24.87	180.80	10%	7.19	0.00	0%	0.00	0.00	0%	0.00
3.2	4,464.54	177.59	51	7,493.03	168%	298.05	17	3,773.30	85%	150.09	1,668.22	37%	66.36	514.77	12%	20.48	311.54	7%	12.39
4.1	12,248.69	487.22	61	14,922.38	122%	593.57	29	9,960.49	81%	396.20	5,465.59	45%	217.41	2,418.54	20%	96.20	1,641.13	13%	65.28
5.1	1,864.86	74.18	14	1,381.93	74%	54.97	13	1,268.81	68%	50.47	346.38	19%	13.78	345.11	19%	13.73	244.77	13%	9.74
5.2	64.31	2.56	1	50.00	78%	1.99	1	50.00	78%	1.99	12.50	19%	0.50	12.50	19%	0.50	12.50	19%	0.50
5.3	214.35	8.53	1	56.00	26%	2.23	1	56.00	26%	2.23	0.45	0%	0.02	0.45	0%	0.02	0.34	0%	0.01
Total	61,243.43	2,436.10	293	100,001.44	163%	3,977.78	127	56,316.32	92%	2,240.11	23,621.46	39%	939.60	8,226.27	13%	327.22	6,351.89	10%	252.66

Source: MSC2007 as of 4 January 2013; Exchange rate of EUR/CZK 25.14 has been used.

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

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 accelerating the convergence of the least–developed Member States and regions by improving conditions for growth and employment through the increase and improvement of the quality of investment in physical and human capital, the development of innovation and 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	2012

1 IDENTIFICATION OF THE OPERATIONAL PROGRAMME

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 the implementation of the Reform of the Research, Development and Innovation System in the CR:

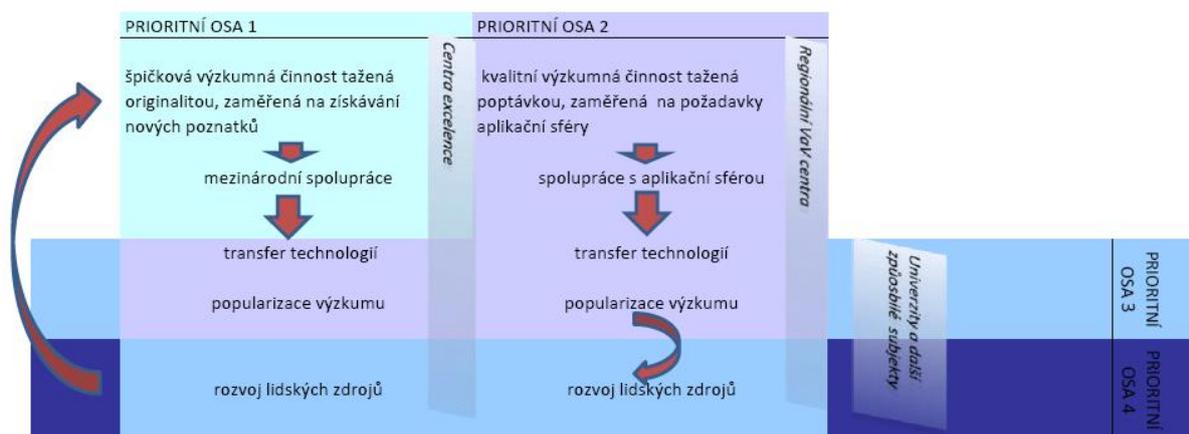
- ✓ The excellence of the R&D performed is one of the main criteria in selecting projects for financing from the OP RDI.
- ✓ The emphasis of the OP RDI on beneficiaries' collaboration with the application sphere contributes towards achieving the objective of increased coherence of R&D with innovations and strengthening the applied R&D in regions.
- ✓ The emphasis of the OP RDI on obtaining foreign grants and contracts contributes to greater focus of the 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 on Cohesion 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.

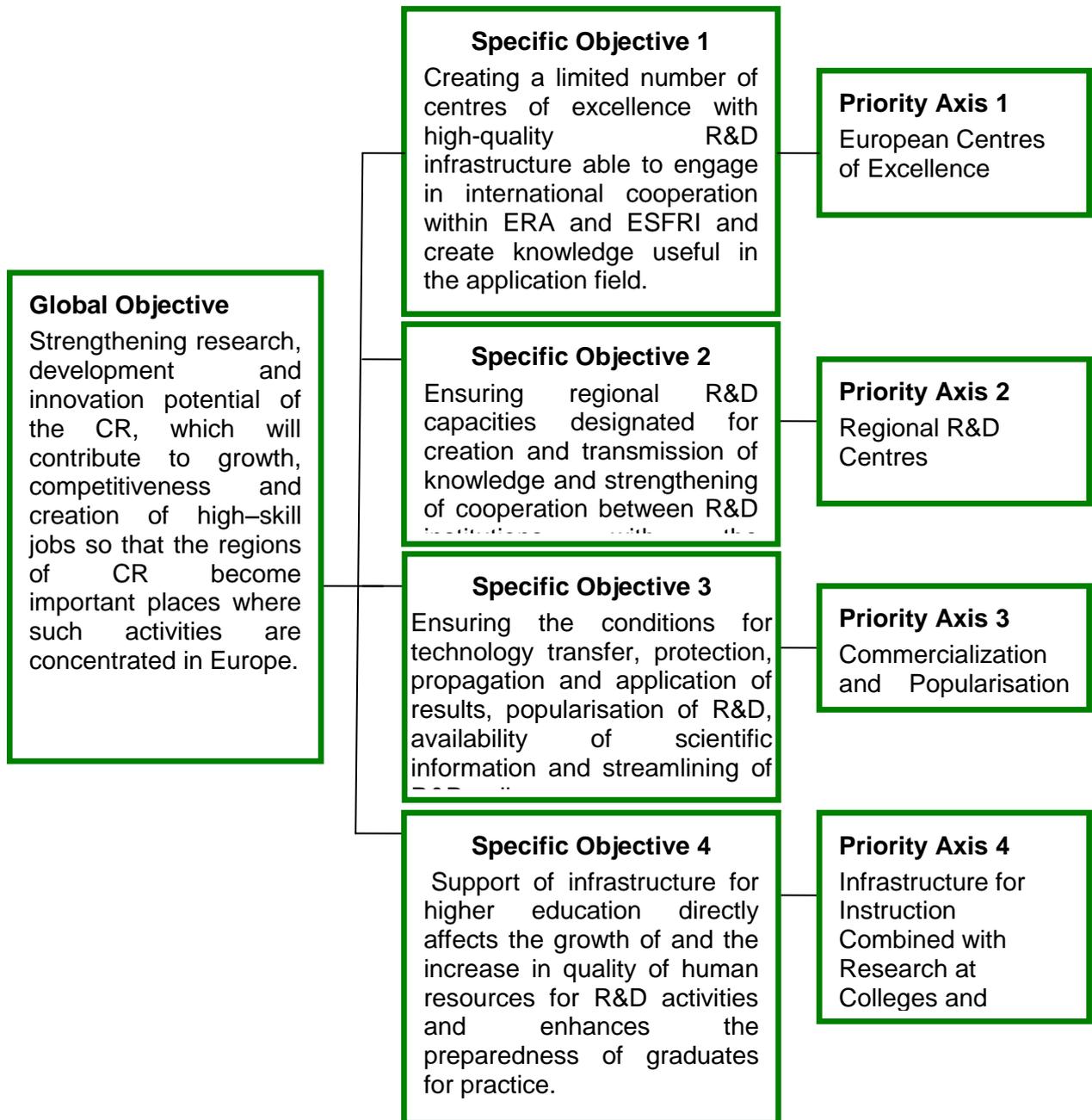
The strategic framework of the OP RDI is based on analysing the current situation in research and development (R&D), current trends, SWOT analysis and analysis of the relationship between research, technology transfer and competitiveness. It can be described as a two-tier strategy, supported by three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

Figure 1 Selected OP RDI Strategy



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

Figure 2 OP RDI Objectives and Priority Axes



The financial allocation for 2012 was EUR 322,067,985 (ERDF). The total financial allocation of each Priority Axis for the whole programming period is shown in the following table.

Table 3 Financial allocations for individual Priority Axes for the entire programming period (in EUR)

Priority axis title	Community contribution (ERDF)	National resources	Total resources
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 Commercialization and Popularization	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, 2011

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 R&D centres

PA 2 is implemented through Support Area – 2.1 Regional R&D Centres. The global objective of Support Area 2.1 aims to establish and develop 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 export 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 – R&D Commercialization and Popularization

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 the use of intellectual property, including the establishment and development of technology transfer centres within research institutions.

In the period 2007–2013, EUR 73.2 million 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. EUR 177.7 million 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. The main objective of the priority is to improve material conditions for the preparation of university students, particularly as regards their preparedness for research and development, and to train their basic creative skills needed for future employment in R&D.

In the period 2007–2013, 20% of the total allocation for OP RDI, i.e. a total of 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. a total of 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 Awareness and Publicity of the OP RDI
- ✓ 5.3 Absorption Capacity of the OP RDI

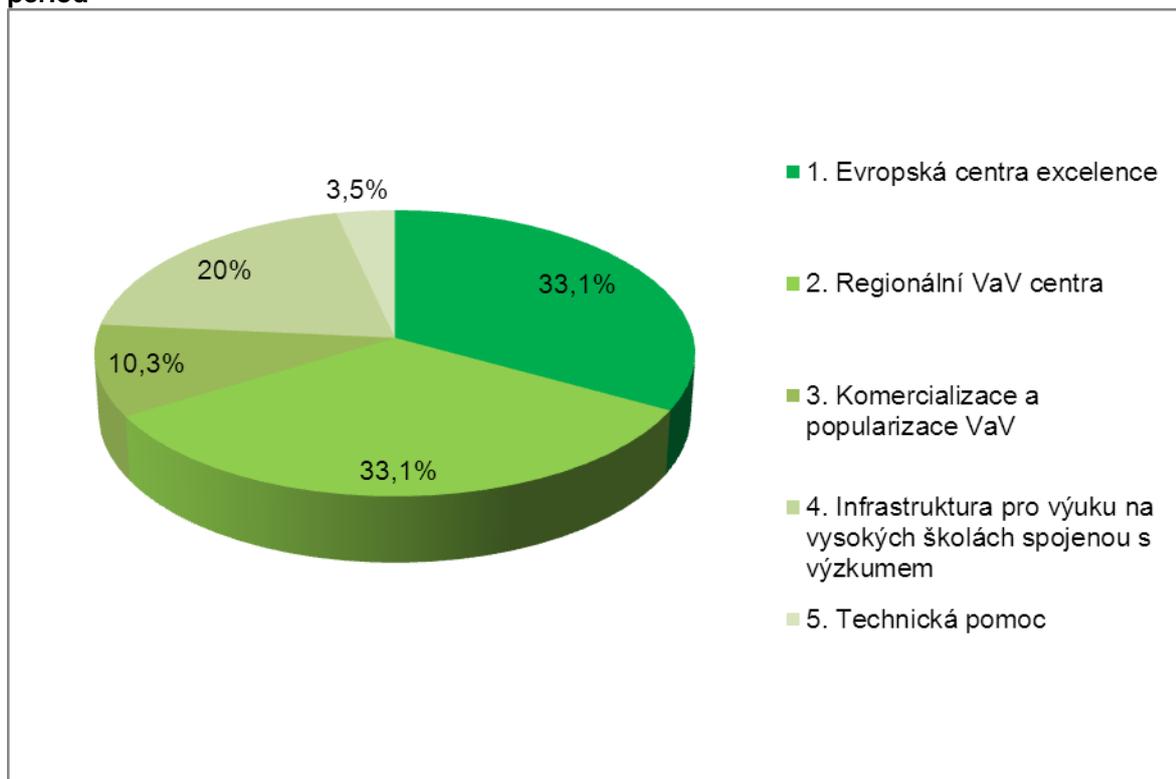
Support Area 5.1 Administration of OP RDI focuses on the preparation, management, implementation, evaluation, monitoring, control and audit of the OP RDI within the meaning of the General Regulation and national legislation. The allocation amount stands at 87% of the total allocation for Priority Axis 5 of the OP RDI, i.e. at 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 March 2012

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. These include, for example, the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions entitled "Implementation of the Community Programme": More Research and Innovation – Investing in Growth and Employment: The Joint Strategy, Communication from the Commission for the Spring European Council in 2006, "Time to move up a gear: The new partnership for growth and jobs", Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions entitled "Transferring 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 entitled "Improving knowledge transfer between research institutions and industry across Europe: towards open innovations", Green Paper entitled "The European Research Area: New Perspectives", etc.

OP RDI's link to the Community Strategic Guidelines can be primarily seen within General Principle 1.2., "Improving knowledge and innovation for growth", in particular in point 1.2.1., "Increase

and improve the focus of investment into research and technological development”, as well as in point 1.2.2., “Facilitate innovation and promote entrepreneurship”. This general principle is implemented through investments in technology infrastructure for R&D, both in building centres of excellence, and in building regional research infrastructure crucial for increasing competitiveness. In addition, it is also implemented through support for commercialisation of R&D results, strengthening international cooperation of 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 field to absorb new knowledge and findings.

In terms of national strategic documents, OP RDI builds on the National Development Plan 2007–2013, the National Strategic Reference Framework 2007–2013, 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.

In the case of the National Development Plan, the OP RDI contributes to implementing the measures under the Priority Axis “Strengthening the competitiveness of Czech economy” by promoting innovation and knowledge economy, strengthening research capacities, technological development, 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 “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 the implementation of OP RDI

The actual implementation is supported and codified by several documents. First of all, this includes the OP RDI, containing information on the chosen strategy and the implementation system of the OP RDI. On 20 February 2012, the European Commission approved modifications to the programming document of the OP RDI. These changes were mainly technical in nature and related to updating the OP RDI implementation structure, clarification of certain terms, updating the list of major projects, specifying the beneficiaries in the priority axis 3, modifying the agreement on synergies with the Operational Programme Enterprise

and Innovations (OPEI), and modifying and extending indicators of OP RDI. The key document for applicants is the Guide for Applicants, which introduces the focus of the Operational Programme, its individual Priority Axes and the specifics of projects under individual Priority Axes, the general conditions of preparation and project implementation and the preparation of project applications. For ease of reference, three distinct variants of the Guide for Applicants – Guide for Applicants for priority axes 1 and 2, Guide for Applicants for priority axis 3 and the Guide for Applicants for Priority Axis 4 were created. The Guides for Applicants, including annexes, were modified several times, especially in relation to announcing calls under each priority axis.

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

Key documents also exist in the area of publicity and evaluation. The European Commission approved a Communication Plan (CP), representing a framework communication strategy of the OP RDI. The CP OP RDI defines the objectives of information and publicity of the OP R & DI. 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 accuracy of communication plan is continually increased on the basis of annual communication plans processed with more detail.

A similar document was created and approved for the programme evaluation. The OP RDI Evaluation Plan (OP RDI EP) serves as 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. Last year, the OP RDI EP was updated and the planned individual activities were elaborated in the OP RDI Annual Evaluation Plan for 2013.

During 2012, 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 4 Summary of changes in implementation documents in 2012

Document	Date modified
OP RDI Operating Manual	Version 8.0 effective from 1 August 2012
Guide for applicants of OP RDI	PA 1.2 Version 2.2, effective from 24 September 2009 (not updated in 2012 as a whole)
	PA3 Version 4.0, effective from 1 February 2012
	PA3 Version 4.1, effective from 20 March 2012
	PA 4 Version 2.0, effective from 1 September 2011 (not updated in 2012 as a whole)
Guide for beneficiaries of OP RDI	Version 4.0, effective from 1 June 2011 (not updated in 2012 as a whole)

Source: OP RDI MA

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 responsibilities of the MA OP

R&DI have been assigned to EU Operational Programme Management Section (now Operational Programme Research and Development for Innovation Management Section, hereinafter as “OP RDI Management Section”), headed by the General Director.

All activities associated with implementation are provided for 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 OP RDI Management Section). At the beginning of 2011, a change in the implementation structure consisting in severance of the autonomous OP RDI Implementation Department from the OP RDI Management Division.

The OP RDI Management Division is divided 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* provides for methodical check of the programme implementation at the level of the Implementation Department, setting of calls, resolving professional agendas in connection with implementation and verification of sustainability of the programmes and projects.

Department of OP RDI Implementation is divided into the following departments:

- ✓ *Department of PA 1, 2 Project Administration* provides, in respect to the projects in the PA 1 and PA 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.
- ✓ *Department for Financing PA 1 and PA 2* provides in particular for the control of the financial aspects of the PA1 and PA 2 projects, support for beneficiaries in the acc

ounting issues, checking applications for payment in financial terms, monitoring project funding in relation to the approved budget, authorization of changes in the project budget and final evaluation of the project in financial terms.

- ✓ *Department for Financing PA 3 and PA 4* provides in particular for the control of the financial aspects of the PA3 and PA 4 projects, support for beneficiaries in the accounting issues, checking applications for payment in financial terms, monitoring project funding in relation to the approved budget, authorization of changes in the project budget and final evaluation of the project in financial terms. This department was formed by dividing the original joint Project Funding Department, which was responsible for financing projects across all priority axes.
- ✓ *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 technical assistance projects and their inspections are carried out by the Independent Department for TP Project Control, which was established 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 Higher Education and Research) and Group I (Group for Economic Affairs) 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 15 – Department of Main Accounting and Summary Reporting. Division 16 – Budget Administrator 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 (Division K2) 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.).

Based on Czech Government Resolution No. 760 dated 11 July 2007, the Ministry of Finance, Audit Authority Department – Central Harmonisation Unit acts as the audit authority. The activities of the ministry as the authorised audit authority associated with audit for the OP RDI are ensured by the Department M1 – MEYS Internal Audit Department.

By the decision of the Minister of Finance, issued based on Czech Government Resolution No. 198 of 22 February 2006, the Department of the National Fund of the Ministry of Finance acts as the PCA for SF/CF. This authority does not delegate any part of its responsibilities to any 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 by the Ministry for Regional Development based on the Government Decision of 22 February 2006 (Resolution No. 198).

During 2012, 41 employees were recruited due to increase in the volume of activities associated with administration of new projects and agendas. As of 31 December 2012, the Managing Authority of the OP RDI had a total of 144 employees, including 106 full-time employees, 3 employees at 0.75 FTE, 33 employees at 0.5 FTE and 2 employees at 0.25 FTE. At the same time in 2012, a total of 34 employees left (the reasons for their departure included mainly job transition or employer change, or termination during the trial period); this figure disregards maternity leaves or employee transfers between the authority's department

s. 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 by 10 also in 2013.

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 level of the EU-27 remained stable at approximately 2%. The intensity of R&D in the Czech Republic in 2010 was around 1.6% of GDP, an average value in comparison with other EU-27 countries. However, it is the second largest share of R&D investment among the new Member States.

Total R&D expenditure 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, 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, a total of 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 the government sector, 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, catching up on investments in research and development is a long-term process. 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 economic development. Of the total R&D expenditures, about 62% are currently spent by business entities, 18% by the higher education sector and 20% by the government sector.

In the last decade, the higher education sector managed to eliminate the difference in the proportion of investment in R&D and make up for the delay it had in comparison to the government sector due the higher education institutions being perceived as universities with purely educational function. Currently, universities and faculties have been actively adopting their third role and modernizing their curricula. The higher education sector is the only sector which saw a year-on-year increase in the number of researchers. If the increasing intensity of R&D in the higher education sector now interconnects 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 series of lectures, tutorials and seminars at various higher education institutions, served as leaders of a large number of theses or as doctoral advisers for doctoral students directly at the workplaces of AS CR.

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

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 a 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 a 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 actual schools, 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 countries. 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 and legal protection. The CR has a very good position in the number of innovative small and medium-sized enterprises.

Most funds in R&D is invested by the manufacturing industry. In this respect, leading positions in the CR are held mainly by the industry of manufacture of vehicles, and the manufacture of optical and electronic precision devices.

The development of foreign trade, where the proportion of high-tech sector in total export is continuously increasing, can be seen as very positive. In terms 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 coming 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.

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

³ Innovation Union Scoreboard 2010

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 hamper the development of international cooperation. In global competition in the production of R&D results, it is necessary for smaller countries, 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 are solved by the OP RDI across its priority axes. It allocates significant investment funds to eliminate substandard material conditions that can hamper 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 the AS CR are provided with support of both material and non-material nature, which helps the centres to 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 of 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 Žížalová, Technology Centre ASCR

2 OVERVIEW OF OP RDI IMPLEMENTATION

Progress made and its analysis

Table 5 Overview of the most important events for 2012

Date	Event
18 January 2012	Announcement of Call 6.3 Support for pre-seed activities
20 January 2012	Termination of Call 4.3 Equipment of Specialized Research and Department Libraries
31 January 2012	Termination of Call 2.4 Modernization of the Existing Infrastructure for Instruction Combined with Research
31 January 2012	The Grant Award Decision to the last major project – BIOCEV
16 April 2012	Termination of Call 6.3 Support for pre-seed activities
5 – 6 June 2012	10th meeting of the MC OP RDI.
4 December 2012	11th meeting of the MC OP RDI.
12 December 2012	Annual Conference of the OP RDI
20 December 2012	Approval of changes to the programme document of the EC

Source: OP RDI MA

2.1.1 INFORMATION ON THE MATERIAL PROGRESS IN THE OP RDI

In 2012, the implementation of OP RDI continued. A large shift occurred mainly in the approved projects where, as of 4 January 2012, 128 individual projects (of which 6 major projects) were approved, thereby achieving a commitment of 92% of the total OP RDI allocation.

Under Priority Axis 1, the Decision for the last major project was issued. Under Priority Axis 2, Decisions for further 4 projects from the pool were issued, thereby covering the remainder of the allocation. For both these Axes, there is an ongoing implementation of the approved projects and, where the beneficiaries accounted for the expended funds, advance payments were paid out and monitoring reports were administered. As a result, this also allowed a shift in the volume of certified funds submitted to the EC. This volume, however, has not reached the appropriate level to meet the n+3 / n+2 rule (to comply with this rule, the MA deducted the advance payments and the respective part of the major project allocation). Also the next period will require increased efforts for the volume of certified funds to increase further.

Significant substantive progress has been made in Priority Axis 3, which saw a Decision issued for all the 9 projects under the Call 3.3 – Technology Transfer Centre. Furthermore, the call 4.3 – Equipment of Specialized Research and Department Libraries, where 10 of the 14 submitted applications successfully passed the assessment (by the end of 2012, 5 Decisions were issued under this Call). In both completed calls (2.3 – Information R&D infrastructure and 1.3 – Centres of R&D popularization, promotion and publicity), the implementation of all approved projects has begun, advance payments have been paid and monitoring reports administered in cases where beneficiaries have billed their first funds expended. Under priority axis 3, Call 6.3 Support for pre-seed activities was announced in January 2012, in which 29 project applications were received, of which 9 successfully passed all phases of evaluation. In 2013, the call will be followed up by call 7.3, with the announcement of call 5.3 being planned, which aims to set up an efficient system for the evaluation of special-purpose support programmes.

In Priority Axis 4, call 1.4, the implementation of all approved projects has begun, advanced payments have been made and monitoring reports administered where beneficiaries already charged the first funds. Further, a follow-up call 2.4 was terminated for the remaining part of the PA 4 allocation, which is focused primarily on the modernization and equipment of premises used for the research at universities outside of Prague. 24 project applications with a total requested funding were submitted, and a total of 12 projects were recommended by the Selection Committee for funding. In 2012, negotiations and preparation for issuing Decisions for these projects under call 2.4 were under way. All Decisions are expected to be issued in early 2013.

In 2012, unfortunately, turnover of implementation infrastructure staff remained high, requiring to take other steps to stabilize and strengthen administrative capacity in the future. One of the major conditions includes contract extensions for existing staff until the end of the programming period. Contracts of most employees now expire at the end of 2013.

The tables below show the ongoing fulfilment of the monitoring indicators referred to in the OP. In addition to contextual indicators, the values of impact indicators and, thanks to the advanced stages of projects in all priority axes, also result and outcome indicators, are being met.

Table 6 Context indicators 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	2012	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	RIR	Achieved	25,355	22,529	26,762	26,770	26,770	26,770	N/A	26,770
				Default	0	25,355	22,529	26,762	26,770	26,770	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	8,000	8,000
11.04.00 Lisbon context	Total R&D expenses to GDP ratio	%	CSO	Achieved	1.48	1.41	1.47	1.55	1.84	1.84	N/A	1.84
				Default	1.42	1.48	1.41	1.47	1.55	1.84	N/A	1.42
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	2.2	2.2
14.01.00 context	The total number employed in R&D per 1,000 employees in the national economy	per thousand (‰)	CSO	Achieved	9.99	10.15	10.33	10.7	11.43	11.43	N/A	11.43
				Default	9.1	9.99	10.15	10.33	10.7	10.43	N/A	9.1
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	10.8	10.8
14.01.02 context	The total number employed in R&D per 1,000 employees in the national economy – women	per thousand (‰)	CSO	Achieved	7.4	7.34	7.5	7.64	8.01	8.01	N/A	8.01
				Default	5.1	7.4	7.34	7.5	7.64	8.01	N/A	5.1
				Planned	N/A	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	0.44	N/A	0.44
				Default	0.26	0.39	0.4	0.41	0.41	0.44	N/A	0.26
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	0.36	0.36

Source: Research and Development Indicators for 2011/2012, CSO 2011/2012

Table 7 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	2012	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	2,632.5	N/A	2,632.50
				Default	0	0	0	N/A	77	649	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	2,000	2,000
14.05.10 impact	Increase in the number of Ph.D. students in Convergence regions	number	MEYS Registries	Achieved	1,000	1,000	911	871	1,240	1,240	N/A	1,240
				Default	1,000	1,000	1,000	911	871	1,240	N/A	1,000
				Planned	N/A	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	1,480.76	N/A	1,480.76
				Default	0	0	0	N/A	33.24	444.57	N/A	0
				Planned	N/A	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	503.27	N/A	503.27
				Default	0	0	0	N/A	11.01	73.89	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	840	840

Source: MSC2007 as of 28 February 2013

Table 7 Output indicators at the level of OP RDI Priority Axes8

NI code EU Code/Lisbon Indicator type	Indicator title	Unit of measurement	Source	Value	2007	2008	2009	2010	2011	2012	Target Value 2015	Total
1. European Centres of Excellence												
11.07.00 output	Number of Centres of Excellence	number	IS MA	Achieved	0	0	0	0	0	N/A	N/A	0
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	0	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	0	N/A	N/A	0
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	0	5	5
11.08.00 output	Centres equipped with unique R&D infrastructure of national importance	number	IS MA	Achieved	0	0	0	0	0	N/A	N/A	0
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	0	3	3
11.05.11 output	Reconstructed, expanded and newly built capacities	m ²	IS MA	Achieved	0	0	0	0	0	2,005	N/A	2,005
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	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	0	0	N/A	N/A	0
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	0	20	20
11.11.00 output	Number of functioning regional R&D centres	number	IS MA	Achieved	0	0	0	0	0	N/A	N/A	0
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	0	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	0	N/A	N/A	0
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	0	20	20
11.05.11 output	Reconstructed, expanded and newly built capacities	m ²	IS MA	Achieved	0	0	0	N/A	627	4,040	N/A	4,040
				Default	0	0	0	0	N/A	627	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	60,000	60,000
3. R&D Commercialization and Popularization												
13.20.00	Number of supported projects	number	IS MA	Achieved	0	0	0	0	0	0	N/A	0

output	and mechanisms for commercialisation			Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	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	0	0	N/A	0
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	2	2
13.25.00 output	Number of supported information infrastructure projects for R&D	number	IS MA	Achieved	0	0	0	0	0	0	N/A	0
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	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	0	0	0	N/A	0
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	20	20
11.05.11 output	Reconstructed and built capacities	m ²	IS MA	Achieved	0	0	0	0	0	5,045.70	N/A	5,045.70
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	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	1	N/A	1
				Default	0	0	0	1	1	1	N/A	0
				Planned	N/A	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	21	N/A	21
				Default	1	1	1	8	16	18	N/A	1
				Planned	N/A	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	8	N/A	8
				Default	0	0	2	4	5	6	N/A	0
				Planned	N/A	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	142	N/A	142
				Default	0	0	5	22	45	107	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	50	50

Source: MSC2007 as of 28 February 2013

Table 9 Result indicators at the level of OP RDI Priority Axes

NI code EU Code/Lisbon Indicator type	Indicator title	Unit of measurement	Source	Value	2007	2008	2009	2010	2011	2012	Target Value 2015	Total
1. European Centres of Excellence												
11.08.10 result	Number of researchers using the built infrastructure	Number	IS A/B	Achieved	0	0	0	N/A	N/A	N/A	N/A	0
				Default	0	0	0	0	N/A	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	2,500	2,500
11.08.20 result	Number of students of Master's and Ph.D. programmes using the built infrastructure	Number	IS A/B	Achieved	0	0	0	N/A	N/A	N/A	N/A	0
				Default	0	0	0	0	N/A	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	500	500
11.07.10 result	The number of projects involving the cooperation between the application sector and Centres of Excellence	Number	IS A/B	Achieved	0	0	0	N/A	N/A	9	N/A	9
				Default	0	0	0	0	N/A	N/A	N/A	0
				Planned	N/A	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	0	N/A	0
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	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	544.91	N/A	544.91
				Default	0	0	0	0	N/A	18.54	N/A	0
				Planned	N/A	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	219.45	N/A	219.45
				Default	0	0	0	0	0	0.7	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	340	340
2. Regional R&D Centres												
11.07.20 result	The number of projects involving the cooperation between the application sector and regional R&D centres	Number	IS A/B	Achieved	0	0	0	N/A	37	151	N/A	151
				Default	0	0	0	0	N/A	37	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	100	100
11.08.15 result	The number of students of all programmes who use the built infrastructure / are involved in the activities of the centre	Number	IS A/B	Achieved	0	0	0	5	79	495	N/A	495
				Default	0	0	0	0	5	79	N/A	0
				Planned	N/A	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	935.85	N/A	935.85
				Default	0	0	0	0	33.24	426.03	N/A	0
				Planned	N/A	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	283.82	N/A	283.82
				Default	0	0	0	0	11.01	73.19	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	500	500
3. R&D Commercialization and Popularization												
11.14.00 output	The number of supported projects of specialized scientific and technical libraries	Number	IS A/B	Achieved	0	0	0	0	N/A	N/A	N/A	0
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	4	4
11.14.01 result	The number of partners / co-operating organizations of professional scientific and professional libraries involved	Number	IS A/B	Achieved	0	0	0	0	N/A	N/A	N/A	0
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	20	20
13.20.10 result	Number of entities using services to support commercialization	Number	IS A/B	Achieved	0	0	0	0	0	0	N/A	0
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	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	N/A	0
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	30,000	30,000
13.24.00 result	The number of entities using the services of information infrastructure for R&D	Number	IS A/B	Achieved	0	0	0	0	N/A	10	N/A	10
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	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	2,199	N/A	2,199
				Default	0	0	0	0	N/A	0	N/A	0
				Planned	N/A	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	number	IS A/B	Achieved	0	0	0	N/A	0	447	N/A	447
				Default	0	0	0	0	N/A	0	N/A	0

	Ph.D. programmes			Planned	N/A	N/A	N/A	N/A	N/A	N/A	5,000	5,000
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Source: MSC2007 as of 28 February 2013

2.1.2 OVERVIEW OF ANNOUNCED CALLS

In 2012, there was only 1 call under Priority Axis 3 - Call 6.3 Support for pre-seed activities. As of 4 January 2013, a total of 29 grant applications had been received in this call totalling EUR 45,434,871 (CZK 1,142,232,661). Thus, there was a significant excess of applications over the call allocation and the MA could see that there is a sufficient absorption capacity even for the forthcoming Call 3.7.

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 10 Overview of announced and ongoing calls in 2012

Serial number of call	Submission of project applications – Starting date of receiving project applications	Submission of project applications – Closing date of call	Call Type	Number of Priority Axis / Support Area / Sub-Area	Call allocation	Submitted project applications		Projects with a Decision issued / Contract signed	
					in EUR	number	in EUR	number	in EUR
13	1 March 2012	16 April 2012	round	5.3.1	15,115,354	29	45,434,871	0	0
Total	—	—	—	—	15,115,354	29	45,434,871	0	0

Source: MSC2007, IS MA as of 4 January 2013, exchange rate of EUR/CZK 25.14.

Note: 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 via SFC2007. The table does not include advance payments from the EC, whose amounts can be found in the table showing the fulfilment of n+3/n+2 rule.

Table 11 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 EU contribution (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	24,743,444.29	24,743,444.29	3.07%

Priority Axis 2 – Regional R&D Centres	806,347,498	Public	140,461,069.77	140,461,069.77	17.42%
Priority Axis 3 – R&D Commercialization and Popularization	250,917,802	Public	12,376,639.91	12,376,639.91	4.93%
Priority Axis 4 – Infrastructure for University Education related to Research	487,219,032	Public	65,033,700.53	65,033,700.53	13.35%
Priority Axis 5 – Technical Assistance	85,263,330	Public	10,340,626.42	10,340,626.42	12.13%
Grand total	2,436,095,160	Public	252,955,480.92	56,426,077	10.51%

Source: MSC2007 as of 4 January 2013, cumulative data.

* Rate used from IS Viola as of the date of posting single payment requests.

OP RDI Financial Plan

The OP RDI financial plan is based on the financial allocation plan of the CR for the Convergence objective for 2007–2013. For the OP RDI, within the total financial plan, 8% of the 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 12 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 Commercialization and Popularization	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	62,330,924	73,330,499	3.0
3.2 Publicity and awareness of R&D results	ERDF	150,949,207	177,587,303	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 with Research at Colleges and Universities	ERDF	414,136,177	487,219,032	20.0
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 Awareness 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, 2012

OP RDI MA consistently monitors progress in the implementation of individual projects to meet the n+3/n+2 rule. In this context predictions of future drawing are regularly updated and optimization

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 the allocation in 2007, the budget commitment of this allocation was divided in the subsequent six 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 (MP) in 2008 to reduce the related annual commitment. Similarly in 2012, the MA deducted EUR 416,559,307, with EUR 510,573,377 to be deducted in 2013.

Table 13 Fulfilment of the n+3/n+2 rule (in EUR)

Financial plan – year	Total allocation of EU funds for 2007 – 2013 – annual	n+3/n+2 limits	Pre-financing payments from the EC	Requests for interim/final payment submitted to the EC	Pre-financing payments from the EC + requests for payment from the CR	Pre-financing payments from the EC + requests for payment	Difference between limits and payments
		– single *	– annual	– annual	– annual	– single	– single
		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	167,049,993	167,049,993	401,373,438	–236,064,316
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	215,012,159	401,373,438	401,373,438	–2,070,680,886

Source: IS MA as of 13 March 2013, figures in EUR, share of ERDF.

* The n+3 rule applies for 2008–2010, n+2 rule for 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 the fulfilment of the n+3/n+2 rule, 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 paying advanced payments leads to an excessive burden on the SR chapter. A lag in usage results in turn in a delay of the planned refund of pre-financed funds to the SR from the PCA 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 drawing 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 create adequate stimulus for the beneficiary to fully use the provided advanced payments, which will result in an 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.
- ✓ By the end of 2012, the volume of submitted projects exceeded the allocation for the whole programming period by about 3/4.⁵
- ✓ For the most part, smaller number of projects in large financial volumes are and will be implemented, which significantly simplifies the drawing 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 14 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 13 March 2013

⁵ Allocation converted using the exchange rate of December 2012: EUR/CZK 25.226

Cross-financing

Under the OP RDI, no cross-financing of projects has taken place in 2012.

2.1.4 INFORMATION ON THE BREAKDOWN OF THE USE OF FUNDS

Information on the fund utilization breakdown is contained in electronic form put into SFC 2007. The correctness of the division under the fund utilization breakdown into categories was randomly verified and reflects 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, this means mainly 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 R&D, 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 within the meaning of Act No. 111/1998 Coll., on universities⁶, which 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 (73 NACE rev. 1.1, 72 NACE rev.2) and 8030 Higher and university education (8030 NACE 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, Plzeň and Liberec regions. 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 defined types of territory 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 which is undergoing a relatively successful economic conversion.

Short description of specification of several projects (particularly in the Liberec region) that received the Grant Award Decision in the period until 31 December 2012 is provided in Annex 1 to this Report. The current list of beneficiaries of the OP RDI is available at <http://www.msmt.cz/strukturalni-fondy/seznam-prijemcu-v-ramci-op-vavpi>.

2.1.6 RETURNED OR RE-USED AID

In 2012, 86 suspected irregularities were considered, 78 of which were marked as justified by the OP RDI MA. Overall, the OP RDI MA records 195 cases of suspected irregularities. For the discrepancies recorded in 2012, the Office for Protection of Competition decided in two cases that there was no misconduct, and the Office found no grounds for the initiation of administrative proceedings. In nine cases, the Tax Office confirmed the suspicion of breach

⁶Act No. 111/1998 Coll., on higher education institutions and on the amendment and supplement to some other acts (Higher Education Act), as amended.

of budgetary discipline. For any return of funds, the beneficiary will be governed by the conditions set out 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 the approval of all necessary documents for implementation, the OP RDI MA created very good conditions for the full and effective use of public resources. Cumulatively in all priority axes of the OP RDI, 293 project applications were received in the total financial volume of more than EUR 4.1 billion (CZK 100 billion) of public funds, representing approximately 163% of the total allocation of the OP RDI for the programming period 2007–2013. Of these, a Decision has been issued for 128 individual projects (of which 6 major projects), achieving a commitment of 92% of the total OP RDI allocation.

The most substantial material and financial progress has been made under the Priority Axis 1 (European Centres of Excellence) and Priority Axis 2 (Regional R&D centres) with 100% of the allocation already committed. Under Priority Axis 1, a Grant Award Decision has been issued to the last major project – BIOCEV. Under Priority Axis 2, four projects from the pool have been issued the Decision. Under both priority axes, however, problems have occurred with the adhering to the schedule for some projects, and it will be necessary for the MA to continue with the defined measures (particularly the stricter supervision of the implementation of projects and possible sanctions against implementation teams). Also in 2013, the OP RDI MA plans to introduce further measures to accelerate the payment of funds (accelerated administration of payments), which applies to all priority axes and projects using ex-ante funding.

Priority axis 3 managed to close or launch almost all planned calls. Projects under two calls (4.3 and 6.3) were successfully evaluated. In closed calls (1.3, 2.3, 3.3), implementation of projects that had been issued Decisions was launched, thus increasing the performance in the number of paid, billed and certified funds also under this Priority Axis. For 2013, the OP RDI MA prepared the announcement of call 7.3, which is a continuation of call 6.3 Support for pre-seed activities, and call 5.3 Effective system of evaluation for special-purpose support programme.

The Priority Axis 4 succeeded in launching the implementation of all projects that had been issued Decision under call 1.4, as well as evaluating projects from the announced call 2.4 where a Decision is expected to be issued in early 2013.

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 2012 there was a higher turnover and departure of some of the more experienced workers who have been and are gradually being replaced by newcomers. In the next period, these newcomers will have to be trained in the processes and issues of the OP RDI. It will be necessary to strengthen the control over public contracts and experts in the field of public aid.

In 2012, documents necessary for the successful implementation and execution of OP RDI were being updated. The revision of the Operational Programme RDI was approved, and another revision related to possible reallocation and adjustment of monitoring indicators (adding new MIs to capture progress in the newly announced calls and increase in the target values) was

under preparation.

The findings of the EC audit led to the suspension of certification from 27 April 2012 to 23 July 2012. In OP RDI conditions, ex-ante financing mode is predominant for payments. Even in the course of 2012, the MA had to deal with disproportionate drawing of funds provided to beneficiaries under pre-financing compared to funds billed by the beneficiaries. 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 against implementation teams, 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 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. The strategic goal “Open, Flexible and Cohesive Society”, the priority “Education” will also be gradually fulfilled, where the OP RDI complements interventions implemented via the OP EC (financed from ESF). Projects supported from 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 Areas 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 reached so far do not achieve the required amount with respect to the initial stage of implementation of the 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, and as a result of the whole OP RDI on sustainable development, can also be expected. A link to these priorities is expressed, among other things, by the compliance of the project with the Priorities being a qualification criteria for Priority Axes 1 and 2 of the OP RDI.

The 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, synergies will be created and strengthened 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 with regard to the relation of the OP RDI and meeting the Lisbon Strategy that the OP RDI may be used as an example to target 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. For other priority themes – 03, 04, 07, 12, whose monitoring is among the commitments of the OP RDI, later performance in more advanced stages of the project implementation and project approval under PA 3 is expected (financial statements, see Table 15 and Annex 6).

Table 15 Real progress of the OP RDI

Support Area	Allocation for 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	802,744,687.15	99.6%	229,331,384	28.5%	24,607,826	3%
2.1.	806,347,498	811,511,771.56	100.6%	405,017,391	50.2%	140,057,164	17.4%
3.1.	73,330,499	24,873,273.87	33.9%	7,191,654	9.7%	0	0%
3.2.	177,587,303	150,091,471.68	84.5%	66,357,233	37.4%	12,392,308	7%
4.1.	487,219,032	396,200,956.72	81.3%	217,406,132	44.6%	65,277,596	13.4%
5.1.	74,179,099	50,469,618.85	68%	13,777,885	18.6%	9,736,467	13.1%
5.2.	2,557,900	1,988,862.37	77.8%	497,250	19.5%	497,250	19.5%
5.3.	8,526,331	2,227,525.86	26.1%	17,895	0.2%	13,694	0.2%
Total OP	2,436,095,160	2,233,151,196.96	92%	939,596,824	38.6%	252,582,305	10.4%

Source: MSC2007 as of 4 January 2013; Exchange rate of EUR/CZK 25.14 has been used.

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

Table 16 Contribution of OP interventions to the Lisbon objectives

Priority issue	Allocation In EUR 2007–13	Drawn in 2012 in % compared with allocation in 2007–13
01 Activities in the area of research and technological development in research centres	318,840,696	0
02 Infrastructure for research and technological development and training centres for specific technology	1,310,093,166	0
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	0
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 (TEN–ICT)	84,032,217	0
85 Preparation, implementation, monitoring and control	50,248,522	0
86 Evaluation and studies, information and communication	22,225,308	0
Total	2,070,680,884	0

Source: MSC2007 as of 4 January 2013

In a 2012 public contract, drawing mistakenly indicated for projects already in P4 (these were predictions); OP RDI has no project in P6 so far, because the "Drawn" column is so far zero.

Information on compliance with Community legislation

In 2012, no cases of serious non-compliance with the legislation of the European Union (the "EU") during the implementation of the OPs were found, even on the part of the Managing Authority or the beneficiaries of the OP RDI. This is also confirmed by the MRD – NCA summary statement for all operational programmes co-financed in the CR from EU structural funds, with no cases of non-compliance with EU legislation being found in these programmes in 2012.

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,
public contracts,
environmental protection,
promoting equal opportunities.

Competition rules

Funds for implementing 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 set-up 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. In 2012, OP RDI MA organized several seminars on state aid.

The issue of state aid, especially in relation to major projects and projects in Priority Axis 3, is addressed by the OP RDI. The issue of state aid for major projects was first opened by DG Comp (Directorate General of EC for Competition) in its Interruption letter in mid-November 2010. Subsequently questions from the Interruption letter were extended with additional questions in late 2010 / early 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, an obligation arises under 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 in accordance with additional rules of the OP RDI. Public procurement is controlled by the Managing Authority.

Based on audits carried out and the experience from 2004–2006, the Ministry for Local Development (NCA) in collaboration with the PCA and the managing authorities created 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 Government Resolution No 48 of 12 January 2009. 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, an update of these Regulations was issued with regard to the extensive amendment to the Act on Public Procurement, which took effect in 2012, as well as with regard to other relevant legislative changes (regulation of financial limits for contracts, etc.). In connection with this amendment, the OP RDI MA found a number of problems that beneficiaries now have with regard to announcing specific tenders (e.g. for the purchase of unique infrastructure).

Environmental protection

Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of 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.

OP RDI MA 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 referred to in the qualitative analysis of the annual report, i.e. in Chapter 2.1.7.

Serious problems encountered and measures taken to overcome them

Major projects

The MA is required to carry out strict monitoring and regular evaluations of the fulfilment of some projects' time schedules (e.g. ELI, BIOCEV, SUSEN), since they are behind the schedule. The MA is trying to solve these problems individually, among other things by means of uncompromising monitoring of projects' time schedules. In order to implement measures concerning co-ordination and supervision of the project, the material concerning risks of the ELI project will be submitted to the government of the CR. The comments from relevant authorities to this document have been settled and the document is now ready to be signed by the Minister of Education. The submission of the document to the government is expected in April/May 2013. The ELI project to address the possibility of funding after 2015 (ie phasing) for this project, then a potential negative impact on public finances after 2015. There will need to make strategic decisions.

Fulfilment of n+3/n+2 rule

Due to a later approval of the OP RDI, delays in the implementation of some projects and other delays, the OP RDI MA is faced with problems in meeting the n+3 /n +2 rule. The programme has met the n +3 rule for 2012 based on the deduction of advance payments and the allocation of major projects in 2008 and 2009. For continued problem-free drawing of funds under the OP RDI, it is necessary for the beneficiaries to properly manage their projects and adhere to the timetable established in the financial plan. As a result, the MA continuously takes actions to accelerate the drawing.

Public Procurement Act

As a result of the amendment to the Public Procurement Act No. 137/2006 Coll., which is valid from 1 January 2012, beneficiaries will have to observe new rules for the selection of contractors, e.g. the obligation to cancel a tender procedure in case only one contractor applies. There is a significant risk from the view of the OP RDI time schedule because a number of contracts concern areas in which there is a limited number of contractors, and receiving only one application is thus likely.

Full cost methodology

In 2012, OP RDI continued to address the issues of Full Cost methodologies. Based on the initiative of one of the unsuccessful candidates, the advertised public tender "*Development of Guidelines for the assessment of internal methodologies for reporting actual indirect costs of research and development projects and the performance of audits for the OP RDI*" became subject to OPC investigation, which ultimately, in its decision of 6 January 2012, annulled the assessment and demonstration of qualifications of candidates, which took place in autumn 2010, as well as all subsequent steps of the contracting authority. Under the OP RDI MA, a new evaluation committee was established, which chose the best tender bid in August 2012. The next decision was, however, again contested by unsuccessful bidders and forwarded to the OPC. Currently a transitional period still applies whose establishment was approved by the Monitoring Committee under the distant vote procedure in October 2011. Within this transition period the beneficiaries have the option to verify compliance of full cost methodologies with Annex 10 based on an opinion issued to the beneficiary by tendered external auditors, and therefore the possibility to declare indirect costs even if the winning bidder in the tender No. 60044648 has not yet been selected whose task is to prepare a Directive and subsequently evaluate the compliance / non-compliance of full cost methodologies of grant beneficiaries with Annex 10. This transitional period will end upon publishing the EU Directive evaluating internal methodologies of reporting actual indirect costs in research and development projects, which will be prepared by the winning bidder of a tender and approved by the OP RDI MA.

Office for the Protection of Competition (OPC)

Due to non-compliance with the prescribed time limits the OPC has to produce its comments on the unsuccessful bidders' objections, the MA is forced to make decisions in these situations individually, which may in some cases result in legal disputes with beneficiaries, who may argue that the MA has no support in the OPC's Decision, or that the MA imposes a different sanction than the OPC. The MA has actively voiced its disapproval to this situation at different meetings and presentations attended by the EC. However, the MA has solved this problem by hiring a law firm which is to deal with problematic cases.

Administrative Capacity

The Managing Authority (MA), Division of the OP RDI Implementation (44), has agreed to increase the number of employees so that the project controls according to Article 13 of Implementation Regulation are not at risk. The amendment to the Budgetary Rules Act (Act No. 218/2000 Coll.) and the subsequent update of the Methodology of Financial Flows and Control issued by the Ministry of Finance strengthened significantly the powers of the MA and diminished the role of the OPC. In this context, legal services have been outsourced, helping to ensure the monitoring of complex tenders. Adequate monitoring of public support should also be ensured, given the increasing number of projects being implemented and the gradual implementation of research activities – under Division 44, there are 4 positions reserved for this purpose. The extension of work contracts concluded until the end of 2013 is a current issue, too. Documents were prepared for the MEYS management meeting (MM) in order for the possibility to extend work contract with OP RDI employees until 31 December 2015 to be approved. Amendments to contracts specifying extension until end of 2015 should be signed as from April/May 2013.

Audits and irregularities

In 2012, 86 suspected irregularities were reviewed, 78 of which were marked as justified by the OP RDI

MA. Overall, the OP RDI MA records 195 cases of suspected irregularities. For the discrepancies recorded in 2012, the Office for Protection of Competition decided in two cases that there was no misconduct, and the Office found no grounds for the initiation of administrative proceedings. In nine cases, the Tax Office confirmed the suspicion of breach of budgetary discipline.

During 2012, several audits were conducted. 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 16 January 2012, an on-site inspection was carried out by the Payment and Certification Authority. The inspection focused primarily on the use of funds of the European Regional Development Fund within the OP RDI. In July 2012, the OP RDI MA received the *Protocol on on-site inspection result*. The Paying and Certifying Authority identified four findings that were immediately removed after the notification of the inspection group.

In 2012, three system audits and 29 audits of operations were conducted under the competence of the Authorised Audit Body. The following audits were conducted:

Audits conducted and external inspections of the OP RDI

During 2012, three audits of the OP RDI were conducted.

- Audit No. 7/2011, conducted by the internal audit department of the MEYS;
- Audit No. 03/2012–AO conducted by the Audit Authority – the Ministry of Finance;
- Audit No. VaVpl/PAS/S/01/2012, conducted by authorised audit body – MEYS.

Corrective measures are implemented either once or continuously, as per the nature of findings to remedy the deficiencies and eliminate the risks being indicated by the auditors in their reports.

In 2012, an audit mission DG Regio No. 2011/CZ/REGIO/J4/870/9 was conducted; however, no report was issued upon its completion, even as of the time of preparation of this Annual Report. Therefore, this part does not contain findings from this mission. For a similar reason, the findings of Supreme Audit Office audit No. 12/21 "Funds of the European Union and the state budget intended for the implementation of the Operational Programme Research and Development for Innovation", which, at the time of preparation of this report, was not concluded by issuing an audit conclusion, are not provided.

For all three systems audits, action plans to remedy the identified deficiencies were prepared. Corrective actions were taken with regard to the system audit findings, which the OP RDI MA accepted, and to the follow-up recommendations. These actions have either been fulfilled or being fulfilled continuously. In the case of audit No. VaVpl/PAS/S/01/2012, the OP RDI MA did not agree with the results for some findings, either because the criteria used were evaluated by the MA as not completely objective, or because of inconclusive evidence which served as the basis for auditors to raise their criticism. This non–standard procedure of the Authorized Audit Body was pointed out by the MA to the Audit Authority.

Examples of findings and actions taken from the system audits and PCA inspection

Auditor	Findings	Actions
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IA MEYS	Non-compliance with methodical guideline on the selection of new employees. Hiring certain employees without SP was not properly justified.	Employees will be recruited to full-time jobs without SP only in exceptional cases, with the justification being placed enclosed in the hiring file.
IA MEYS	Deficiencies in the job descriptions. E.g. identical work for various positions.	Head of the Department in Section IV/1 will update the job descriptions of OP employees, which will be preceded by modification and updating of the MEYS organizational rules.
AO MoF	Failure to comply with the minimum requirements referred to in the advertisement – salary conditions not included	New advertisements are already in accordance with the NCA guidance.
AO MoF	Failure to comply with the minimum requirements for publication of the advertisement, i.e. to be published for at least two weeks – applies a single employee	Each newly published advertisement is already published in accordance with the NCA requirements.
MEYS AAB	Lack of working capacity in department no. 443 during 2012.	The OP RDI MA is negotiating the renewal of contracts valid until 31 December 2013. In addition, it negotiates an incentive pay system at Group IV level.
MEYS AAB	Insufficient interim and ex-post on-site inspections.	The inspection will be carried out continuously.
MEYS AAB	Delays in processing and discussing the results of on-site inspections in accordance with Article 13(2b), (3) of the Implementing Regulation.	The OP RDI MA reinforced the capacity of the department to ensure timely preparation within less than three months of the end.
PCA – MoF	Information on inspections are entered late in the IS Monit 7+ .	The MA IS does not currently allow ordering supervisory inspections; the OP RDI MA has taken the necessary steps to remedy this.
PCA – MoF	The inspection plans are not entered into the MA IS Monit 7+.	The MA IS does not allow entering the prepared inspection plans. OP RDI OM (activity F.1.3) was modified to exclude the obligation to enter the prepared plans into the MA IS.

Note: The above findings apply to inspected or audited periods, mostly not being related to the year 2012,

although these findings were made in 2012.

Conducted audits of operations under the OP RDI

In 2012, the Authorized Audit Body performed 29 audits of operations supported under OP RDI. The operation audits aimed to verify that:

- ✓ the operation meets the selection criteria for an operational programme, it is being implemented in compliance with the issued Decision on approval and meets all the 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 rules and national rules;
- ✓ public contribution was paid out to the beneficiary in accordance with Article 80 of Regulation (EC) No. 1083/2006.

Of the 29 operation audits performed, 15 of them were suspected for irregularities by the Authorised Audit Body. The suspicions concerned an amount totalling CZK 20,685,000. In the 29 audits, the Authorized Audit Body made 166 findings, whose severity was classified as high in four cases, medium in 15 cases, low in 85 cases and small in the remaining 62 cases. The following table shows the areas in which Authorized Audit Body has made most findings.

Characteristic areas subject to the findings from operation audits

Nature of finding	Number of operation audits in which the finding was made
Deficiencies in the settings or functionality of the internal control system of the beneficiary	22
Lack of audit trail, records and document archiving	22
Deficiencies in public procurement	20
Personal expenses incl. their recording and reporting	11
Deficiencies in accounting, analytics and costs records for the project, incl. insufficient identification of documents	9

Deficiencies in the setting of the beneficiary's internal control system usually consist in the beneficiaries under RDI not exactly applying the principles set by the Financial Control Act for the activities of the chief accountant and budget administrator. Shortcomings in the functioning of the internal control system of the beneficiary usually consist in the beneficiary missing various errors in the documents. Although lack of audit trail and errors in recording or archiving of documents relate to the same issue, they have different material nature, from the impossibility to find original documents to deficiencies in internal regulations governing this area. Weaknesses in procurement consisted, for example, in their division, non-transparent procedures of contracting authorities, etc. Deficiencies in personal expenses consisted e.g. in the impossibility to verify the reported activities or claiming expenses for work related to other

operational programmes. The deficiencies in accounting consisted e.g. in lack of identification of accounting documents.

Table 17 Summary of suspended and renewed certifications in 2012

Date of suspension of certification	Order of certification ¹	Reason	Date of resumption of certification
27 March 2012	7	<p>The separation of functions of OP management and control systems is not adequately provided for, inconsistently with Article 58(b) of the General Regulation (Council Regulation No 1083/2006), as the organisational independence of AAB is not ensured.</p> <p>Lack of methodology and supervision by the Audit Authority towards AAB. Non-compliance with Articles 58 and 62 of the General Regulation, inadequate system audit methodology that does not fully cover all of the key requirements for the management and control systems.</p> <p>Significant deficiencies in the system for the settlement of irregularities and the recovery of amounts unduly paid. Non-compliance with Articles 58(h), 71(b) and 98 of the General Regulation.</p> <p>Insufficient control by managing authorities and intermediate bodies, particularly in the area of public procurement, non-compliance with Article 58(c) and 60(b) of the General Regulation and Article 13(2), (4) of the Implementing Regulation.</p> <p>Non-transparent recruitment of employees co-financed from Technical assistance in the bodies implementing structural funds.</p>	23 July 2012

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

Statistics for project rejection

The table below lists the reasons for rejecting projects within the whole administrative process before issuing a Decision. There is a prevailing number of unapproved projects within the substantive evaluation of projects, while only a small percentage of projects failed to fulfil the eligibility criteria and formal requirements. This is an evidence of the higher level of readiness of project applications in terms of formal preparation; conversely, 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 qualitatively better), or there was a lack of funds in the given call and some applications therefore ended up as reserves and waiting for any reserve funding left in the given call, or were not approved for funding. The quality of applications submitted was rated as relatively high for the majority of calls. Although a higher number of applications submitted represents a greater degree of administrative burden on the MA, there are not many adequate measures that can be taken by the MA, as the total number of applications submitted cannot be affected. 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 18 Statistics of reasons for excluding 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.	47	2	4%	17	36%	0	0%	0	0%
3.2.	51	3	6%	21	41%	0	0%	0	0%
4.1.	61	1	2%	5	8%	2	3%	1	2%
5.1.	14	0	0%	0	0%	1	7%	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	293	12	4%	100	34%	8	3%	2	1%

Source: IS MA as of 4 January 2013

Potential 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, approved by the Monitoring Committee in June 2011 and finally approved by the European Commission on 20 February 2012. For more details refer to chapter 1.2. Further revision of the OP is being prepared, planned to be submitted during 2013.

Potential Substantial Change

In 2012, 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.

Complementarity with other instruments

The OP RDI and another two thematic operational programmes materially complement each other. These are the OP EC and OP EI. These three operational programmes react together 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 above programmes are primarily distinguished by the sources of support (OP EC – ESF and OP RDI – ERDF) and borders set out by the EC rules for state aid in R&D (OP RDI – supports “R&D organisations meeting the definition of the Community Framework for State Aid for Research and 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 R&D and innovation activities, etc. For OP EC, this mainly includes projects within the activities of 2.3. Human Resources in R&D 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.

Measures for monitoring and interim evaluation

In 2012, there was a development in the system of OP RDI monitoring on the part of the MA. Monitoring of the implementation of OP RDI is conducted at three levels:

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

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

In terms of setting up and reporting monitoring indicators and project monitoring, the consultation to project financial managers is provided and participation of monitoring analyst in the monitoring visits is ensured, where 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. Also, methodologies for monitoring indicators have been updated and the methodology for the completion of projects is being fine tuned.

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, PCA, 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.

In 2012, there were two ordinary meetings of the OP RDI. The 10th meeting of the OP RDI took place on 5 and 6 June 2012 in Brno. On Tuesday, 5 June 2012, a tour was organised to see two projects in Brno supported under Call 1.2 - Regional R&D centres, Priority Axis 2, OP RDI:

Project CETOCOEN⁷ (beneficiary: Masaryk University)

⁷ <http://www.cetocoen.cz/>



*Application and development laboratories of advanced microtechnologies and nanotechnologies*⁸ (beneficiary: The Institute of Scientific Instruments of the AS CR, public research institution)



On Wednesday, 6 June 2012, the monitoring committee meeting took place, which discussed/approved, among other things, the following:

- ✓ Annual Report
- ✓ Implementation report
- ✓ PA 2 – change in Call 1.2
- ✓ Information on the progress and changes in the implementation of major projects
- ✓ Search Committees – information on the current status
- ✓ PA 3 – Call 6.3
- ✓ Information on technology transfers in the framework of the OP RDI and the current situation in this area in CR + Analysis of PA 3 of the OP RDI focused on a possible repetition of Call to Technology transfer centre
- ✓ Final report to the project “Evaluation of system, administrative and external influences on the OP RDI implementation”
- ✓ Development of the preparation of the programming period 2014 - 2020

⁸ <http://alisi.isibrno.cz/>

The eleventh meeting of the OP RDI MC took place on 4 December 2012 in Prague. The following items were discussed/approved:

- ✓ Implementation report
- ✓ The possibility to extend calls
- ✓ Call 7.3 – Support for pre-seed activities
- ✓ Information about Call 5.3
- ✓ Annual Evaluation Plan
- ✓ Information on progress in meeting targets following the evaluation of implementation
- ✓ Annual Communication Plan
- ✓ Information on the progress and changes in the implementation of major projects
- ✓ Analysis of problems in implementing the OP RDI under the new Public Procurement Act
- ✓ The state of preparation of the programming period 2014–2020 + information on the preparation of "smart specialization"
- ✓ Available RDI allocation within each PA, including a proposal for further use of the remaining funds

In 2012, distant voting took place three times. The voting, started on 3 January 2012, concerned the approval of the selection criteria and the text of the Call under the programme Cooperation – Clusters within the Operational Programme Enterprise and Innovations (OP EI). The vote, which took place from 13 March 2012, related to the draft text of the call and selection criteria for the extension of the second call under the Cooperation – Technological Platforms programme – OP EI. The last distance voting started on 25 October 2012. Among the issues discussed were changes in the basic documents of the Monitoring Committee of the OP RDI.

Monitoring system

The OP RDI monitoring system is part of the Central monitoring system (MSC2007), which is used by the Managing Authority for the effective monitoring of project implementation progress within the OP RDI and as a tool for managing the programme. This system also serves other entities within 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 by the applicants/beneficiaries to create project applications, monitoring reports and requests for payment. Forms for project applications were created according to the specifics of Priority Axes and a total of eight calls were incorporated into the IS. Also incorporated into B7 were forms 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+. In particular, the "Evaluation" module was developed in relation to the specifics of the OP RDI in order to enter formal evaluations, evaluations of acceptability and material evaluations. In connection to B7 modules for receiving, administering and approving monitoring reports and requests for payment are also being developed. Based on 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 reports used to administer

the programme has been prepared for monitoring. The required information is automatically transmitted from Monit7+ to MSC2007.

As an additional application, the OP RDI uses the ESOP system, which is used 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.

Implemented evaluations and studies

In 2012, measures from the performed evaluation project "**Evaluation of the system, administrative and external influences on the implementation of the OP RDI**" (Evaluation of Implementation) were implemented.

The aim of the evaluation was to evaluate system, administrative and external influences on the OP RDI implementation, to identify possible problematic factors decreasing the fluency and efficiency of the programme implementation, and to propose tools to eliminate identified problematic (both internal and external) influences.

The evaluation in accordance with the above objective was focused primarily on assessment of the setting of the OP RDI implementation structure, identification of factors influencing the measurement and reporting of factual progress, analysis of relationships between the individual OP RDI projects (assessment of intensity of cooperation/competition), analysis of user demand for contractual research, evaluation of the impact of the implemented Reform of the System of the Research, Development and Innovation in the Czech Republic on the implementation of the OP RDI, evaluation of the availability of quality human resources for the management and administration of the OP RDI projects.

The evaluation was carried out in April 2011 – March 2012 by a consortium composed of RegioPartner, s.r.o. and AQE advisors.

The main recommendations of this evaluation include, without limitation, the following:

- ✓ To stabilize and enhance the personnel capacity within the MA, provide a clear definition of the competencies of individual divisions,
- ✓ To carry out the optimisation of selected processes and deadlines, evaluate the possibility of simplification of the procedural rules and the reduction of the administrative demands,
- ✓ To strengthen the system of beneficiaries' feedback, to intensify the communication with beneficiaries, to create a platform to share experience,
- ✓ To perform a complex analysis of the sustainability of the OP RDI projects
- ✓ To intensify the cooperation between the MA, or the MEYS, and TA CR in the area of contractual research, its legislative anchoring and its support, to set clear and comprehensible rules for the contract research,
- ✓ To incorporate the financing of at least parts of the infrastructure operation created within the OP RDI projects and also the support of cooperation between the business and research spheres into the draft OP for 2014+,
- ✓ While working on the programme for 2014+, focus on the interconnection of the defined objectives and activities with the indicator system.

The MA has accepted the above recommendations, and has agreed with most of them. Currently, they are being implemented. Responsible persons and fulfilment deadlines have been assigned to the individual recommendations.

The essential steps of the MA implemented in connection with the results of the above mentioned

evaluation include the following:

- ✓ optimization of the educational system including the development of the internal education, increasing the efficiency of the MA knowledge database,
- ✓ partial restructuring of the organizational structure (OP RDI now forms a separate section within the MEYS), which contributed both to improved communication between the Divisions, and the acceleration of the administration of some processes,
- ✓ the optimization of project change approval,
- ✓ the optimization of the rules on public procurement,
- ✓ setting of methodological procedures to control public aid,
- ✓ preparing an ad hoc analysis of sustainability of R&D centres supported from the OP RDI sources including the analysis of absorption capacity of selected risk indicators,
- ✓ specifications of definitions in contract research,
- ✓ the implementation of workshops on simplification of administration, professional seminars, presentation of the most common errors in project implementation,
- ✓ improving the clarity of the set of methodical documents on the MA website.

Furthermore, a public contract **"The Interim Evaluation of the Operational Programme Research and Development for Innovations"** was announced and evaluated during 2012. This evaluation project will be implemented by DHV CR, spol. s r.o. between 2013 and 2016.

In the period of 2013 – 2016, the evaluation has the following continuous objectives:

- ✓ to evaluate, in qualitative and quantitative terms, the extent to which the objectives of the OP RDI and of the individual priority axes are met;
- ✓ to identify positive and negative factors affecting the implementation and to formulate the actions leading to the elimination of potential problems and barriers;
- ✓ to provide the Managing Authority with feedback and recommendations regarding OP RDI implementation;
- ✓ to formulate the conclusions and recommendations also for the preparation and the actual implementation of programmes in the subsequent programming period.

The outcomes of this evaluation will consist of an initial report, continuous evaluation reports within which aspects of implementation of all the OP RDI Priority Axes should be evaluated in semi-annual intervals, and a final report summarizing both factual and formal aspects of the evaluation process.

Each interim report will always include at least one detailed analysis of a selected topic, which will provide a comprehensive evaluation of key aspects of the OP RDI.

Expected focus of detailed analyses:

- ✓ Evaluation of OP RDI progress and identification of needs relevant to the preparation of the 2014+ programming period,
- ✓ Assessment of methodology for identification of monitoring indicators and their target values for actions with a similar focus supported in the 2014+ programming period,
- ✓ Evaluation of utilization and management of technical assistance;
- ✓ A detailed evaluation of outputs, results and the previous effects of projects supported under PA 3 and 4,
- ✓ Sustainability of OP RDI projects, including definition of sustainability of projects financed under OP RDI,

- ✓ Evaluation of changes achieved within supported entities, including evaluation of departments of established R&D centres and their parent organizations,
- ✓ Evaluation of the regional dimension of implemented OP RDI projects.
- ✓ Expected impact of OP RDI

In the monitored period, considerable attention was also paid to the completion of systematic procedures for the implementation of "**Interim Evaluation of the projects supported under Priority Axes 1 and 2**", and their pilot testing, due to the fact that it is a specific evaluation approach so far not used in the Czech Rep. to such an extent. Evaluation of 48 projects supported in the Priority Axes 1 and 2 is planned for the period 2012-2015, with some overlap of activities (summary report, focus groups - see below) in 2016.

The aim of this evaluation is to assess the actual state of implemented projects in order to improve their implementation, to support optimum management of supported projects (research centres) from PA 1 and 2 in such a way that the probability that they achieve the defined goals will increase as much as possible, while providing the beneficiaries with information on the benefits of evaluations as a tool for instruction and decision-making.

For the purpose of evaluation of OP RDI projects, the model of interim evaluation with a significantly represented peer review method was chosen. The selected method of evaluation combines the information about the fulfilment of performance parameters of the operational programme (provided to expert evaluators by the Managing Authority) with many years of experience, which the expert evaluators have in the area of evaluation of R&D projects. Such a connectivity allows concentrating the expertise and experience of the evaluators on those aspects of the projects supported under Priority Axes 1 and 2, which are crucial for assessing the degree of fulfilment of the objectives.

This unique evaluation project consists of the beneficiaries' self-assessment phase (preparation of self-evaluating report with predefined structure), the subsequent evaluation missions of the Czech and foreign experts at the locations of implementation of the projects and, last but not least, joint discussions regarding the recommendations formulated by the evaluators within the evaluation report.

In administrative terms, this evaluation project uses personnel from the OP RDI MA evaluation section, in terms of professional capacity, as mentioned above, it uses Czech and foreign evaluators, who are assigned to evaluate individual projects based on their professional focus which corresponds to the thematic focus of the project under evaluation. Evaluators are selected in a transparent manner using a pre-defined scoring system.

Each project that received financial support within the Priority Axes 1 and 2 should go through a described evaluation process before the end of 2015. In addition, there are plans to create a number of focus groups covering topics with particular relevance for the OP implementation. At the end of the evaluation process, a synthesis of essential findings will be carried out within a summary report, which should serve as an overview of the situation at the level of the monitored Priority Axes.

Pilot testing took place in 2012 on three selected projects under PA 2, which were suitable for the implementation of this evaluation project with regard to a sufficiently advanced stage of implementation. The pilot testing phase has brought knowledge, which subsequently led to slight modifications of the methodology. The essential aspect seemed to be the need to specify the requirements for the Final Evaluation Report so that the individual reports from the evaluation of specific projects would allow for mutual comparison, and their information value would increase even more.

The 2012 activities also included the announcement of **a tender for a Pre-Seed Advisor**. The tender winner, PricewaterhouseCoopers, s.r.o., is expected to carry out a process analysis of documentation and the procedures established under Call 6.3 "Support for pre-seed activities", and to perform a continuous and comprehensive evaluation of projects supported

within the calls announced for this type of activities towards the end of the first phase of their implementation (the so called 'Proof of Concept' phase). In addition, the contractor will be requested to provide information activities and training in relation to MA employees and beneficiaries regarding the theme of the call – i.e. technology transfer (TT).

The purpose of this contract is to support the effective management and the impact of projects supported within calls 6.3 and 7.3 focused on support of the pre-seed activities.

In 2012, the OP RDI Managing Authority ordered, as one of the measures resulting from the conducted Evaluation of implementation, the preparation of an **Analysis of sustainability of R&D centres supported from OP RDI**. The starting point for risk assessment in relation to the sustainability of individual centres was the evaluation of their existing success in acquiring special-purpose and institutional support and funds from other sources (international grants, contractual research etc.) as well as, in particular, the structure and ratio of individual funding sources. Based on the data obtained, the R&D centres will be classified by risk level.

During 2012, the Managing Authority also monitored the application of recommendations from the **Evaluation of communication strategy and publicity of the OP RDI**. The objective of this evaluation was to assess the effectiveness, efficiency and appropriateness of the set Communication Plan for the needs of the OP RDI. Evaluation was carried out by HOPE-ES, vos, a division EU servis.cz from 14 January 2011 to 15 April 2011. The measures adopted on the basis of this evaluation include:

- ✓ strengthening of communication with the beneficiaries in the form of the implementation of professional seminars and workshops or by publishing the OP RDI Newsletter,
- ✓ improving the efficiency of the knowledge database of the MA (internal database of inquiries, which serves as a prevention of inconsistencies in the MA's answers to the inquiries of the beneficiaries and applicants),
- ✓ announcement of a public tender for the creation of OP RDI web portal

The conclusions of the evaluation of communication strategy and publicity largely correspond to those of the implementation evaluation – the structure of the OP RDI website, development of internal capacities and the organisation of workshops are in line with the conclusions of both evaluation activities.

In the last quarter of 2012 specifications for a public contract to prepare **ex-ante evaluation of the OP RDE** were defined. The purpose of this evaluation project is to carry out an ex-ante evaluation of the programming document which is under preparation by the MEYS for the 2014–2020 programming period (OP Research, Development and Education), in compliance with the requirements stipulated by the General Regulation for the CSF Funds.

The purpose of the ex-ante evaluation is to ensure appropriate setting of operational programme so that it becomes an effective tool to solve defined needs and meet the objectives of the assigned area, which is part of the evaluated programme.

The ex-ante evaluation aims to improve the quality of the concept of the programme being prepared and assess its effectiveness and the expected impact/effects.

At the end of 2012 began preparation of tender documentation for the **SEA OP RDE** and research and innovation strategies in line with the concept of smart specialization as an ex ante conditionality OP RDE.

In addition, the OP RDI MA hosted in 2012 a meeting of the OP RDI Working Group for evaluations (WGE). Within the WGE, all the important activities in this area were discussed – the process of preparation and implementation of the evaluation activities and important evaluation projects and also the use and dissemination of the outcomes of the evaluations
commission

ed by the National Coordination Authority (NCA).

In the second half of 2012, the evaluation capacity of the OP RDI was enhanced by one officer for evaluation so as to ensure all activities related mainly to the growing agenda within the Interim Evaluation of the OP RDI and Interim Evaluation of the supported projects under the Priority Axes 1 and 2. As part of the development of evaluation capacities, the key employees of MA took part in a seminar "Evaluation of research and innovation policies" organized by the Manchester Institute of Innovation Research. The seminar dealt with both the theoretical aspects of evaluation of these specific areas and the demonstration of practical approaches and the presentation of tools usable for this type of evaluations. In pursuance of the training lessons, the participants of the course also dealt with some case studies.

The representatives of the OP RDI MA continued to cooperate closely with the NSRF Evaluation Unit. In addition to mutual participation in work group meetings, they worked on comments on proposals of new evaluation methods and on updating the NSRF Evaluation plan.

As part of bilateral cooperation, the staff of the OP RDI MA also gave the MRD – NCA documents to prepare Strategic Report 2012 (STRATEval), which summarizes the state of implementation and the current results of the NSRF implementation in the Czech Republic.

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/evaluate>.

3 IMPLEMENTATION IN ACCORDANCE WITH PRIORITY AXES⁹

Priority Axis 1 – European Centres of Excellence

Priority Axis 1, European Centres of Excellence (PA 1) reflects the extensive dispersal of the R&D 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 for R&D, resulting in an insufficient production of internationally recognized and relevant outcomes. A small country such as the CR, 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 facilities, technology, and staff to enable them to maintain and further develop their position within the European Research Area.

PA 1 is implemented 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 R&D infrastructures, enhancement of integration and concentration of R&D in the respective area in CR, enhancement of R&D orientation on the needs of the application sphere, provision of high-quality education to students (in particular in Ph.D. programmes) and young researches (up to the age of 35), accelerating the transfer of the results of top research into practice, and on increasing attractiveness of the area in terms of investments (foreign as well as domestic) and technological entrepreneurship in the respective field.

3.1.1 PROGRESS MADE AND ITS ANALYSIS

Under PA 1, no call has been announced or terminated. The Decisions granted under the PA 1 are based on the call announced as early as on 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 economic development of the CR. The total allocation for this call was EUR 673.534,072 (CZK 17 billion). Applications could be submitted from 4 August 2009 to 16 November 2009.

All projects which were issued a Decision (a total of 8) have already started implementation.

⁹ 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 8 projects under implementation (ELI, BIOCEV, CEITEC, ICRC, IT4I, CzechGlobe, Centre of Excellence Telč, NTIS), there is a gradual fulfilment of monitoring indicators, specifically the result indicator – Number of newly created jobs in R&D and output – Renovated, extended and newly built capacities. In 2012, BIOCEV was issued the Decision, and the implementation of other projects supported under this priority axis also continued. Since the greater part of this priority axis are the “major projects”, further detailed information on these projects are provided in Chapter 4.

Table 19 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	2012	Target Value 2015	Total
11.07.00 output	Number of Centres of Excellence	number	IS MA	Achieved	0	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	0	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	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	0	5	5
11.08.00 output	Centres equipped with unique R&D infrastructure of national importance	number	IS MA	Achieved	0	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	0	3	3
11.05.11 output	Reconstructed, expanded and newly built capacities	m ²	IS MA	Achieved	0	0	0	0	0	2,005	N/A	2,005
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	60,000	60,000

Source: MSC2007 as of 28 February 2013

Table 20 Indicators of PA 1 results

NI code EU Code/Lisbon Indicator type	Indicator title	Unit of measurement	Source	Value	2007	2008	2009	2010	2011	2012	Target Value 2015	Total
11.08.10 result	Number of researchers using the built infrastructure	number	IS A/B	Achieved	0	0	0	N/A	N/A	N/A	N/A	0
				Default	0	0	0	0	N/A	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	2,500	2,500
11.08.20 result	Number of students of Master's and Ph.D. programmes using the built infrastructure	number	IS A/B	Achieved	0	0	0	N/A	N/A	N/A	N/A	0
				Default	0	0	0	0	N/A	N/A	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	500	500
11.07.10 result	The number of projects involving the cooperation between the application sector and Centres of Excellence	number	IS A/B	Achieved	0	0	0	N/A	N/A	9	N/A	9
				Default	0	0	0	0	N/A	N/A	N/A	0
				Planned	N/A	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	0	N/A	0
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	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	544.91	N/A	544.91
				Default	0	0	0	0	N/A	18.54	N/A	0
				Planned	N/A	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	219.45	N/A	219.45
				Default	0	0	0	0	0	0.7	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	340	340

Source: MSC2007 as of 28 February 2013

Information on the financial progress of the Priority Axis

Under the call, a total of 15 grant applications (of which 5 were major projects) were received with a total requested allocation of almost EUR 1.1 billion. Overall, the allocation for PA 1 is at 99% of its limit, the issued Decisions amount to EUR 802.7 million (CZK 20.2 billion). As of 4 January 2013, the beneficiaries were paid into their accounts a total of EUR 229,331,384 (CZK 5.8 billion). Compared to 2011, the volume of the funds paid out more than doubled. The certified funds under this priority axis from the beginning of the programming period totalled EUR 24,743,444 (CZK 622,100,000 CZK); again, there was a significant progress compared to 2011.

Table 21 Achieved financial progress under 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	802,744,687	99%	229,331,384	28%	24,743,444	3%
Total	806,347,498	802,744,687	99%	229,331,384	28%	24,743,444	3%

Source: MSC2007 as of 4 January; 2013 Exchange rate of EUR/CZK 25.14 has been used.

* Rate used from IS Viola as of the date of posting single payment requests.

Qualitative Analysis

The last major project, BIOCEV, was approved by the EC on 30 October 2011. The Decision for the project was issued on 31 January 2012. This completed the entire allocation for this priority axis.

The volume of funds approved in this Priority Axis accounts for one third of the entire allocation of the OP RDI, the largest part of this Priority Axis being major projects that were approved by the EC and the MA only after almost two years after the completion of the invitation to submit applications. For this reason, many projects are now already significantly delayed compared to the expected schedule. In addition, some projects fail to meet the established schedules and there are major delays even after they are approved. Therefore, it will be necessary to devote special attention to these projects so that they can fulfil their objectives within this programming period and contribute to the success of the entire programme and the fulfilment of the n+2/n+3 rule (particularly in relation to the year 2014). 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 finishes.

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 ENCOUNTERED AND MEASURES TAKEN TO OVERCOME THEM

When approving major projects in the PA 1, the issue of public support was extensively examined and this issue also contributed to the approval of major projects being considerably delayed. Furthermore, some projects have difficulties in meeting schedules of implementation. These partly include delays in the administration of public tenders. The OP RDI MA makes special effort to address these issues. For the ELI project, a possible solution is to shift the schedule, or “phase” it, to the next programming period. More information on this issue is provided in Chapter 4.

Priority Axis 2 – Regional R&D 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 at the graduate but also the Ph.D. 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 implemented through a single Support Area – 2.1 Regional R&D Centres. Globally, the Support Area aims to establish and develop 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 to export 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 into practice, particularly into SMEs, improving the transfer of new results from the application sphere into 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.

3.1.3 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 to export 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 a total volume of CZK 17 billion (CZK 656.1 million). During 2012, four decision were issued to projects from the pool, totalling EUR 61.7 million (CZK 1.6 billion), thereby slightly exceeding the allocation for this priority axis. However, to cover the remaining part of the allocation, the projected savings in future approved project tenders will suffice.

Information about the material progress of the priority axis

Priority Axis 2 showed relatively strong performance of the values of the monitoring indicators. Specifically, there was a significant progress in the indicator "Renovated, expanded and newly built capacities", where a value of 4040 square meters was reached. Also fulfilled were the values of result indicators concerning the "Number of new jobs created in R&D", reaching the value of 283.2 (more than half of the target value for 2015). For two monitoring indicators, the values set out in the OP for 2015 have been already reached, specifically for the MI "Students utilizing the constructed infrastructure" (495) and the "Number of cooperation projects with application sphere" (151). 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 22 PA 2 output indicators

NI code EU Code/Lisbon Indicator type	Indicator title	Unit of measurement	Source	Value	2007	2008	2009	2010	2011	2012	Target Value 2015	Total
11.10.00 output	Number of equipped regional R&D centres	number	IS MA	Achieved	0	0	0	0	0	N/A	N/A	0
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	0	20	20
11.11.00 output	Number of functioning regional R&D centres	number	IS MA	Achieved	0	0	0	0	0	N/A	N/A	0
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	0	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	0	N/A	N/A	0
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	0	20	20
11.05.11 output	Reconstructed, expanded and newly built capacities	m ²	IS MA	Achieved	0	0	0	N/A	627	4,040	N/A	4,040
				Default	0	0	0	0	N/A	627	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	60,000	60,000

Source: MSC2007 as of 28 February 2013

Table 23PA 2 result indicators

NI code EU Code/Lisbon Indicator type	Indicator title	Unit of measure ment	Sourc e	Value	2007	2008	2009	2010	2011	2012	Target Value 2015	Total
11.07.20 result	The number of projects involving the cooperation between the application sector and regional R&D centres	number	IS A/B	Achieved	0	0	0	N/A	37	151	N/A	151
				Default	0	0	0	0	N/A	37	N/A	0
				Planned	N/A	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 constructed infrastructure / are involved in the activities of the R&D centre	number	IS A/B	Achieved	0	0	0	5	79	495	N/A	495
				Default	0	0	0	0	5	79	N/A	0
				Planned	N/A	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	935.85	N/A	935.85
				Default	0	0	0	0	33.24	426.03	N/A	0
				Planned	N/A	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	283.82	N/A	283.82
				Default	0	0	0	0	11.01	73.19	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	500	500

Source: MSC2007 as of 28 February 2013

Information on the financial progress of the Priority Axis

As of the end of 2012, decisions for 40 projects were issued, cumulatively totalling EUR 811.5 million (CZK 20.4 billion), thereby slightly exceeding the allocation for this priority axis; however, to cover the rest of the allocation, project savings are expected to be used. In the first quarter of 2012, Decision were issued for 4 projects from the pool, totalling EUR 61.7 million (CZK 1.6 billion). Funds reimbursed under this priority axis reached a total of EUR 412.2 million (CZK 10.4 billion), i.e. for more than half of the allocation priority axis. Even here, certified funds have the largest proportion compared to other priority axes, having seen more than a threefold increase to a total of EUR 140.5 million (CZK 3.5 billion), or nearly a fifth of the total allocation.

Table 24 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	811,511,772	101%	412,197,185	51%	140,538,628	17%
Total	806,347,498	811,511,772	101%	412,197,185	51%	140,538,628	17%

Source: MSC2007 as of 4 January; 2013 Exchange rate of EUR/CZK 25.14 has been used.

* Rate used from IS Viola as of the date of posting single payment requests.

Qualitative Analysis

In this Priority Axis, projects in two calls have been announced and evaluated. In 2012, activities leading to maximum drawing of the financial allocation and achieving the stipulated substantive progress. In that year, Decision for the 4 remaining projects from the pool were issued.

Judging by the results of evaluation of the approved projects under the Call 1.2 and Call 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 serious problems in the implementation phase of these projects, which the MA tries to prevent by thoroughly evaluating these projects and performing ongoing consultations, the n+3 / n+2 rule should also not be jeopardized. However, among the risks which the projects will face in the future is the delay in the implementation of some projects, state aid and project sustainability after the OP RDI funding is finished.

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).

3.1.4 SERIOUS PROBLEMS ENCOUNTERED AND MEASURES TAKEN TO OVERCOME THEM

The delays in implementation can be seen in some projects, in particular due to delays in the implementation of public procurement. The majority of them are caused by the recent amendment to Act No. 137/2006 Coll. (Public Procurement Act), which complicates and prolongs purchases especially for the unique equipment, or by the appeals of the bidders in case of construction contracts, and the subsequent delays in resolving the appeal by the OPC. For projects with important milestones being shifted repeatedly, or where a possible risk to the implementation deadline was identified, the MA entered into negotiations with the beneficiaries and initiated corrective action – preparation of risk analysis, taking steps to accelerate the procurement of important technologies, submission of substantial changes to the project, allowing for their delay and any necessary changes induced thereby. In rare and isolated cases, a project implementation may take longer; however, it seems that will not be common

n and in most cases, implementation will be completed in due course.

Priority Axis 3 – R&D Commercialization and Popularization

This priority axis aims to support several horizontal cross-cutting themes that are essential for the successful implementation of activities and for maximizing the results and impact of PA 1 and 2. Firstly, it aims to create the conditions for successful commercialization of R&D in research organizations and to improve the system of protection of and access to intellectual property and the preparation of founding new technology-based companies. Secondly, the Priority focuses on improving 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, acquiring practical experience, preferably abroad, necessary to successfully commercialize R&D results, improved 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 R&D, improvement of the information system and availability of information on R&D results, improvement of the evaluation system using experience from abroad, and making the public support of R&D 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 the CR by introducing new elements of evaluation and strategic management of R&D policy.

Due to the follow-up role of this priority axis vis-à-vis the PA 1 and PA 2, the activities were launched gradually and with a delay; as a result, 2012 was the most active year in terms of issuing Grant Award Decisions.

3.1.5 PROGRESS MADE AND ITS ANALYSIS

- ✓ In 2012, the Grant Award Decision was issued to all nine projects under call 3.3 Technology Transfer Centres, which were recommended for funding. The receipt of applications for this call was already completed in 2011. This call under Support Area 3.1 Commercialisation of Results of Research Institutions and Protection of Their Intellectual Property Rights was intended to support the setting up of procedures to transfer of technologies and subsequently to develop the actual technology transfer bet

ween research organizations and application sphere.

- ✓ In 2012, call 4.3 Equipment of Specialized Research and Department Libraries was finished. Receiving applications ended on 20 January 2012 and 10 out of 14 submitted project applications successfully passed the evaluation and were recommended for funding. In 2012, five Grant Award Decisions was issued and the Decisions continue to be issued for other projects.
- ✓ Call 6.3 Support for pre-seed activities under Support Area 3.1 Commercialisation of Results of Research Institutions and Protection of Their Intellectual Property Rights was also announced in January in this priority axis. Under the Call 6.3, 29 project applications totalling EUR 50,3 million (CZK 1.267 billion) containing 160 individual activities were received. With regard to formal requirements and acceptability, 27 projects passed successfully, but only 9 projects containing the final 41 individual activities were successfully evaluated in terms of material quality. During the process of evaluation by external evaluators, the number of projects and the number of individual activities was reduced, as some projects and individual activities did not meet the selection criteria. Selection Committee – Panel of Expert Evaluators held on 8 June 2012 recommended for funding projects with the required grant amount of EUR 12 million (CZK 303 billion). The Selection Committee – Managing Authority confirmed this recommendation 6.13, and the recommended projects advanced to the document preparation phase before issuing the Decision. Eight of the approved projects initiated the phase of project implementation, namely the Proof of Concept phase, in October and November 2012, and one project implementation will start in January 2013. The aim of this call was to support projects that will ensure the setting up of processes for technology transfer and the subsequent development of technology transfer between research organizations and application sphere, while preparing research and development results achieved by research organizations for commercialization.
- ✓ In the same area, call 7.3 Support for pre-seed activities with an allocation of EUR 23.8 million (CZK 600 million) was prepared and on 4 December 2012, it was approved by the Monitoring Committee of the OP RDI. The date of announcement was set for 7 January 2013. Call 7.3 was prepared in response to twofold excess in applicant demand in call 6.3 over the planned allocation of CZK 380 million. This call is equivalent to call 6.3; however, several professional discussions on further concept of supporting commercialization at research institutions reflected in its setting. It is aimed to support the commercialization of individual cases, but unlike call 6.3, is not limited to this intervention, and has a broader impact.
- ✓ Call 5.3, which is in the final stage of preparation, will be launched in 2013. It aims to set up an efficient system of evaluation of special-purpose support programmes and has an allocation of about EUR 2 million (CZK 50 million).

Information about the material progress of the priority axis

Given the early stage of the approved projects and the expected fulfilment of values only towards the end of project implementation, this priority axis has not yet achieved significant fulfilment of monitoring indicators. The only indicator value to be fulfilled was The number of entities using the services of information infrastructure for R&D, with contracts being concluded with 10 entities. The following Tables 23 and 24 below show the list of monitoring indicators with target values set for the end of 2015.

Table 25 Indicators of PA 3 outputs

NI code EU Code/Lisbon Indicator type	Indicator title	Unit of measure ment	Sourc e	Value	2007	2008	2009	2010	2011	2012	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	0	N/A	0
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	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 the popularisation of R&D	number	IS MA	Achieved	0	0	0	0	0	0	N/A	0
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	2	2
13.25.00 output	Number of supported information infrastructure projects for R&D	number	IS MA	Achieved	0	0	0	0	0	0	N/A	0
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	2	2

Source: MSC2007 as of 28 February 2013

Table 26 Indicators of the of PA 3 results

NI code EU Code/Lisbon Indicator type	Indicator title	Unit of measure ment	Sourc e	Value	2007	2008	2009	2010	2011	2012	Target Value 2015	Total
11.14.00 output	The number of supported projects of specialized scientific and technical libraries	Number	IS A/B	Achieved	0	0	0	0	N/A	N/A	N/A	0
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	4	4
11.14.01 result	The number of partners / co-operating organizations of professional scientific and professional libraries involved	Number	IS A/B	Achieved	0	0	0	0	N/A	N/A	N/A	0
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	20	20
13.20.10 result	Number of entities using services to support commercialization	Number	IS A/B	Achieved	0	0	0	0	0	0	N/A	0
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	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	N/A	0
				Default	0	0	0	0	0	0	N/A	0

				Planned	N/A	N/A	N/A	N/A	N/A	N/A	30,000	30,000
13.24.00 result	The number of entities using the services of information infrastructure for R&D	Number	IS A/B	Achieved	0	0	0	0	N/A	10	N/A	10
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	65	65

Source: MSC2007 as of 28 February 2013

Information on the financial progress of the Priority Axis

In Support Area 3.1, 9 Decisions under call 3.3 Technology Transfer Centre were issued in 2012, with grants totalling EUR 13.6 million (CZK 343 million), and 9 Decisions under call 6.3 Support for pre-seed activities with grants totalling EUR 11.2 million (CZK 282 million). All of these projects allow for a six-month monitoring period; projects are only at the beginning of their implementation, and material and financial progress will take time to be seen. Beneficiaries in Support Area 3.1 have already been paid EUR 7.2 million (CZK 180.8 million).

The first year of project implementation under call 1.3 Popularization, promotion and publicity of science and technology under Support Area 3.2, which supports reconstruction and construction of science learning and visitor centres, was completed. There are 9 projects with a total grant of EUR 102.6 million (CZK 2.58 billion). Overall, 3 supported projects under call 2.3 Information infrastructure for R&D totalling EUR 31.8 million (CZK 800 million) continued its implementation. Due to their scheduled completion next year, they show financial progress, including the fulfilment of some monitoring indicators (see above). Under call 4.3 Equipment of Specialized Research and Department Libraries, assessment took place, and at the end of 2012 the first 5 of the total 10 planned Decisions were issued. Under this area of support, beneficiaries were paid EUR 69.6 million (CZK 1.75 billion) and there were also the first certifications of expenditure totalling EUR 12.3 million (CZK 311 million) and representing 7% of the total allocation for the Support Area.

Table 27 Achieved financial progress under Priority Axis 3

Support Area	Allocation	Projects with the Decision issued / Contract signed		Payments to beneficiaries		Certified funds submitted to the EC*	
	2007–2013	b) EUR	%b/a	c) EUR	%c/a	d) EUR	%d/a
	a) EUR	b) EUR	%b/a	c) EUR	%c/a	d) EUR	%d/a
3.1.	73,330,499	24,873,274	34%	7,191,654	10%	0	0%
3.2.	177,587,303	150,091,472	85%	69,572,579	39%	12,376,640	7%
Total	250,917,802	174,964,746	69.7%	76,764,233	30.6%	12,376,640	5%

Source: MSC2007 as of 4 January; 2013 Exchange rate of EUR/CZK 25.14 has been used.

*allocation change – to be updated in the information system

** Rate used from IS Viola as of the date of posting single payment requests.

Qualitative Analysis

Due to their focus, intervention under Priority Axis 3 are a complementary tool for targeted activities under priority axes 1 and 2. Their aim is technology transfer – calls 3.3, 6.3 and 7.3 – and also popularization of science, research and innovation (call 1.3). Last but not least, the aim are available sources of information (calls 2.3 and 4.3). All these interventions together should help ensure the successful development of R&D in the Czech Republic. In terms of the extent of its activities, Priority Axis 3 is the most complicated of all priority axes under the OP RDI. Each call fulfils its specific purpose; therefore, MA has a reinforced team of guarantors, who are in charge of each area. With regard to the later start of the OP caused, among other things, by the approval being delayed by one year, interventions under PA 3 will also show later. Thus, at this point, the issue being dealt with in most cases is the start of individual projects and any related initial problems in implementation (procurement, recognition of eligible expenditure, reporting of monitoring expenditure, etc.).

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).

3.1.6 SERIOUS PROBLEMS ENCOUNTERED AND MEASURES TAKEN TO OVERCOME THEM

Given the large

number of submitted project applications under calls 6.3 (29 projects comprising 160 individual activities, i.e. 160 subprojects) and 4.3 (a total of 14 projects, each project being submitted by a consortium consisting of applicant and one or more partners / cooperating organizations) and their concurrent administration, the demands on project and financial managers under PA 3 were very high. The evaluation of call 6.3 showed to be a particularly major problem due to short time being provided at the final stage of document preparation before issuing the Decision. Given a large number of individual activities (IA) included in projects under call was 6.3, Consensus meetings (meetings of external evaluators) were extremely time consuming and the selection of projects was successful only thanks to the great work effort of the MEYS staff and external evaluators. This experience has led to reducing IAs in project applications submitted under call 7.3 to a maximum of 10, and modifying the original schedule for this call.

Moreover, this experience taught the MA, that currently there is insufficient capacity to administer other calls, and when further calls are announced, this situation needs to be addressed.

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 their equipment for teaching and research activities. The often unsatisfactory condition of these infrastructures does not permit the multi-purpose functioning in line with the modern research and educational trends, and in some cases, it even fails to comply with the hygienic and security standards. Universities usually do not have sufficient technical equipment to perform research and often lack modern teaching 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-based 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 employment 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 R&D workers, and by strengthening the “third role” of colleges and universities.

3.1.7 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 EUR 396.2 million

(CZK 9.9 billion), which represents 86% of the total allocation under Priority Axis 4. Under the PA 4,

On 1 July 2011, round call 2.4 “Modernisation of the Existing Infrastructure for Instruction Combined with Research” was announced with a total allocation of EUR 42,454,651 (CZK 1.1 billion). The application receipt period was set at 1 October 2011 – 31 January 2012. 24 project

applications were submitted with total requested funding of EUR 73.7 million (CZK 1.85 billion). All these applications underwent a formal evaluation and evaluation of acceptability. A total of 12 projects were recommended by the Selection Committee for funding. In 2012, negotiations and preparation for issuing Decisions for these projects under call 2.4 were under way. All Decisions are expected to be issued in early 2013.

Information about the material progress of the priority axis

The following tables provide information about the material progress the priority axis has made. There has been little progress to date in meeting the values with regard to the setting of output and result indicators under Priority Axis 4, where the values will be met only towards the end of the project implementation (along with the building completion). Over 5 thousand m² of area were renovated / newly built, benefiting the nearly 2,200 students (including 447 Ph.D. students).

Table 28 PA 4 Output Indicators

NI code EU Code/Lisbon Indicator type	Indicator title	Unit of measurement	Source	Value	2007	2008	2009	2010	2011	2012	Target Value 2015	Total
11.05.10 output	Number of supported projects – R&D infrastructure	number	IS MA	Achieved	0	0	0	0	0	0	N/A	0
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	20	20
11.05.11 output	Reconstructed, expanded and newly built capacities	m ²	IS MA	Achieved	0	0	0	0	0	5,045.70	N/A	5,045.70
				Default	0	0	0	0	0	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	70,000	70,000

Source: MSC2007 as of 28 February 2013

Table 29 PA 4 Result Indicators

NI code EU Code/Lisbon Indicator type	Indicator title	Unit of measure ment	Sourc e	Value	2007	2008	2009	2010	2011	2012	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	N/A	0	2,199	N/A	2,199
				Default	0	0	0	0	N/A	0	N/A	0
				Planned	N/A	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 Ph.D. programmes	number	IS A/B	Achieved	0	0	0	N/A	0	447	N/A	447
				Default	0	0	0	0	N/A	0	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	5,000	5,000

Source: MSC2007 as of 28 February 2013

Information about the financial progress

29 Decisions were issued under PA 4 as of 4 January 2013, representing 81% of the total allocation of this priority axis (EUR 396 million, i.e. CZK 9.9 billion). The paid out funds already amount to almost half of the allocation (EUR 217 million, i.e. approximately CZK 5.4 billion) and certified funds stand at EUR 65 million (CZK 1.6 billion).

Table 30 Financial progress under 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	396,200,957	81%	217,845,309	45%	65,035,589	13%
Total	487,219,032	396,200,957	81%	217,845,309	45%	65,035,589	13%

Source: MSC2007 as of 4 January 2013. Exchange rate of EUR/CZK 25.14 has been used (as a result of rate conversion, the volume of projects with the Decision issued dropped compared to the previous public contract).

* Rate used from IS Viola as of the date of posting single payment requests.

Qualitative Analysis

In 2012, OP RDI MA completed the evaluation and preparation of issuing the Grant Award Decision for projects under call 2.4. Submitting proposals under this call ended on 31 January 2012. The call focused on the modernization of universities related to capacities for R&D development. A total of EUR 43.7 million (CZK 935 million) were allocated for the call. 24 projects worth a total of EUR 73.7 million (CZK 1.8 billion) were submitted under this call.

At the same time, there was a successful payment of funds to beneficiaries and subsequent certification of funds for projects submitted and approved under call 4.1. In 2011, the volume of funds paid under PA 4 increased almost twofold, and the volume of certified funds also increased severalfold.

The objective of this priority axis is to stabilize and develop 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 investment 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 can only include entities within the meaning 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 city of Prague no

later than
as of 1

January 2009 for call 1.4 and no later than as of 1 July 2011 for call 2.4, and have an accredited Ph.D. 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 and NSRF will be identical to the situation described in Chapter 2.1 (Qualitative Analysis).

3.1.8 SERIOUS PROBLEMS ENCOUNTERED AND MEASURES TAKEN TO OVERCOME THEM

During 2012, some requests were dealt with to decrease the target values of monitoring indicators (number of students benefiting from the construction of infrastructure). The reasons most frequently cited in these applications were mainly external influence, i.e. education system reform, potentially a reduction in university funding (money tied to student numbers), as well as miscalculation of the target state during negotiations, negative demographic trends, etc. The OP RDI MA approaches these applications individually and always tries to take into account the situation of each university and to assess the relevance of the reasons in cooperation with relevant experts from the MEYS (Gr. III).

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, thus providing the MA of the OP RDI with sufficient technical assistance to ensure responsible and effective management of the OP RDI.

Priority Axis consists of three Support Areas:

- ✓ 5.1 Administration of the OP RDI
- ✓ 5.2 Awareness 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 legislation. 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. Information and publicity is based on the General Regulation. Support Area 5.3 focuses on activities developing the absorption capacity, cross-sectional professional information and consultancy services, professional special trainings, ensuring and implementing the best solutions, networking etc.

3.1.9 PROGRESS MADE AND ITS ANALYSIS

3 continuous calls have been announced within PA 5:

- ✓ Support Area 5.1 Administration of the OP RDI. The continuous call was announced in June 2008, along with the start of project application submissions. 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. As part of the Support Area, the following 14 projects have been submitted and approved since 2008: 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, IS OP RDI II Employees. In 2012, two new projects were approved – Technical support for OP RDI II. and Provision of additional activities for OP RDI II. The total allocation of the call is EUR 73,766,006 (CZK 1.8 billion).

- ✓ 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 Support Area 5.2 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 Support Area 5.2. The total allocation under the call is EUR 2,543,638 (CZK 64 million).
- ✓ 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 Support Area 5.3. A single TA OP RDI project, Support to Increasing OP RDI Absorption Capacity, which has been administered since 2009, was submitted and approved under the Support Area 5.3. The total allocation under the call is EUR 8,478,870 (CZK 213 million).

Information about the material progress of the priority axis

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

Table 31 PA 5 Output Indicators

NI code EU Code/Lisbon Indicator type	Indicator title	Unit of measurement	Source	Value	2007	2008	2009	2010	2011	2012	Target Value 2015	Total
48.01.00 output	Number of supported technical assistance projects	number	IS MA	Achieved	0	0	1	1	1	1	N/A	1
				Default	0	0	0	1	1	1	N/A	0
				Planned	N/A	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	21	N/A	21
				Default	1	1	1	8	16	18	N/A	1
				Planned	N/A	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	8	N/A	8
				Default	0	0	2	4	5	6	N/A	0
				Planned	N/A	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	142	N/A	142
				Default	0	0	5	22	45	107	N/A	0
				Planned	N/A	N/A	N/A	N/A	N/A	N/A	50	50

Source: MSC2007 as of 28 February 2013

Information about the financial progress

Projects totalling EUR 54.7 million (CZK 1,374 billion) of the total PA 5 allocation of EUR 85.3 million (CZK 2.1 billion) have been cumulatively approved. In requests for payment, the beneficiaries received a total of EUR 14,3 million (CZK 360 million), while certified funds submitted to the European Commission amounted to EUR 10.3 million (CZK 260 million).

Table 32 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	50,469,619	68%	13,777,885	19%	9,820,459	13%
5.2.	2,557,900	1,988,862	78%	526,369	21%	506,297	20%
5.3.	8,526,331	2,227,526	26%	17,895	0%	13,870	0%
Total	85,263,330	54,686,007	64.1%	14,322,149	16.8%	10,340,626	12.1%

Source: MSC2007 as of 4 January, 2013, total public sources, Monitoring Reports and Project Applications of TA Projects. Exchange rate of EUR/CZK 25.14 has been used.

* Rate used from IS Viola as of the date of posting single payment requests.

Note: All values in the table are cumulative.

Qualitative Analysis

In February 2012, the project Technical provision for OP RDI II was approved, the project Provision of complementary activities in connection with the implementation of OP RDI II was approved in September 2012 (area of intervention 5.1).

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

3.1.10 SERIOUS PROBLEMS ENCOUNTERED AND MEASURES TAKEN TO OVERCOME THEM

During the execution of priority axis 5 in 2012, there were no serious problems for which specific measures would need to be taken. Minor problems are occurred under OP RDI MA in connection with delays in some public contracts.

4 MAJOR PROJECTS

The so-called major projects are being implemented in the framework of OP RDI, i.e. projects whose total cost exceeds EUR 50 million, 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 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 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 OP RDI MA issued the Grant Award Decision to five major projects by the end of 2012.

Table 33 Overview of decisions issued to 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	31 January 2012
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 2013

Characteristics of individual major projects

ELI (Extreme Light Infrastructure)

Applicant: Institute of Physics ASCR, v. v. i.

Place of implementation: Dolní Břežany

Total eligible expenditure of the project: CZK 6,800,575,902 (EUR 270,508,190)

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 will be 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: Applicant: VŠB – Technical University of Ostrava

Place of implementation: Ostrava

Total eligible expenditure of the project: CZK 1,819,490,241 (EUR 72,374,313)

The purpose of the IT4Innovations Centre of Excellence (hereinafter 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

Place of implementation: Brno

Total eligible expenditure of the project: CZK 5,246,000,000 (EUR 208,671,439)

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, leading to the field of advanced materials and medicine. The installed cutting-edge 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 bearers 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: Research Centre Rez Ltd.

Place of implementation: Řež, Plzeň

Total eligible expenditure of the project: CZK 2,450,696,000 (EUR 97 481,941)

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 facility 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, which will enable a gradual replacement of traditional procedures based on the use of coal and oil in order to increase efficiency, reduce production costs, 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

Place of implementation: Brno

Total eligible expenditure of the project: CZK 2,365,000,000 (EUR 94,073,190)

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 so far impossible to attain.

BIOCEV (Biotechnology and Biomedical Centre in Vestec)

Applicant: Institute of Molecular Genetics of the ASCR, v. v. i.

Place of implementation: Vestec

Total eligible expenditure of the project: CZK 2,305,086,161 (EUR 91 689,982)

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 the European consortia Euro-Biolmaging and INFRAFRONTIER under the ESFRI (European Strategy Forum on Research Infrastructures) and the cooperation with leading European partners is an

important factor for successful fulfilment of this mission.

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 use executive search to look for and recommend suitable candidates for top managerial positions in major projects. The preparation of these Search Committees is carried out by the OP RDI MA in cooperation with the OP EC MA, which will also pay the salaries of senior executives through a grant under a separate call set for this purpose. The commissions for the individual major projects were established in April 2011, and their preparatory activities started in June 2011. The actual selection process for all 9 vacant positions were then announced in October 2011, and, using professional networks of the Search Committee members, the actual centres as well as the OP RDI MA, widely advertised throughout the professional community in Czech Republic as well as abroad. 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. In some cases it was necessary to repeat the selection process, but all of these processes eventually produced recommended candidates. Currently, all leading position in all major projects (with the exception ICRC) have been filled (For more information on Search Committees, see Chapter 7).

In the past year, in connection with major projects, three main issues were dealt with. First, these were changes in the SUSEN project, as there have been some changes in the focus of scientific activities of the project in relation to developments in the field, which ultimately impacted the construction part of the project (non-construction of one building). After a detailed communication with the European Commission, it was concluded that these changes do not require a change in Commission Decision.

In response to the overall delay in the BIOCEV project schedule, it was proposed to launch research programmes under the project early and on alternative premises in Prague, which was approved by the OP RDI MA and EC. This will allow the project to achieve the scientific objectives despite launching the public tender for the construction part of the project as late as year-end 2012.

Perhaps the most important step is to negotiate the possibility of phasing the ELI project. Currently, due to a number of delays, it already seems quite unlikely to achieve all the project objectives before its planned completion at year end 2015. In cooperation with the MA, the beneficiary and the European Commission negotiate the possibility of so-called "phasing" of the project, i.e. its division into individual phases and the implementation of the second phase in the next programming period. This activity is currently at the stage of concrete proposal by the beneficiary.

All representatives of the above projects were offered the possibility to cooperate 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.

5 TECHNICAL ASSISTANCE

Technical Assistance of OP RDI is implemented under Priority Axis 5 – Technical Assistance. This priority axis has been allocated EUR 85,263,330, representing 3.5% of the total allocation for the OP RDI. Priority axis is implemented under 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 IS OP RDI 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 Support Area 5.1), 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).

In 2011, the working group of WG TA OP RDI approved the projects Legal services for OP RDI and Monitoring and control of OP RDI buildings (Support Area 5.1). In the third quarter of 2012, these projects were withdrawn by the beneficiary without drawing any funds from their budgets, and the funds were returned back into the Support Area 5.1. During December 2011 follow-up projects were approved, namely IS OP RDI II Employees and Project TA for Information Systems of OP RDI, whose implementation began on 1 January 2012.

In February 2012, the project Technical provision for OP RDI II was approved, the project Provision of complementary activities in connection with the implementation of OP RDI II was approved in September 2012 (area of intervention 5.1).

Furthermore, the implementation of the following projects was extended – Technical support for OP RDI (until 31 March 2012), Support for the absorption capacity of OP RDI (until 31 December, 2013), Information and Publicity of OP RDI (31 December, 2013) OP RDI project evaluation and monitoring (until 31 October 2015), Training of IS OP RDI Employees (until 31 October 2013).

Table 34 Technical assistance projects approved

	Project title	Total project budget (EUR)	Expenditures in 2008 (EUR)	Expenditures in 2009 (EUR)	Expenditures in 2010 (EUR)	Expenditures in 2011 (EUR)	Expenditures in 2012 (EUR)
Approved	OP RDI preparation and project evaluation	523,070	152,317	83,519	0	0	0
	OP RDI Employees	6,816,795	296,162	1,288,344	1,851,151	2,415,037	0
	OP RDI Technical Support	4,757,183	179,848	994,912	846,706	850,871	385,298
	Training of IS OP RDI employees	1,285,542	0	9,998	38,253	85,347	130,025
	Provision of complementary activities connected with the implementation of OP RDI I	1,943,621	245	202,458	313,072	72,271	578,766
	Information and Publicity of the OP RDI I	1,988,863	106,074	53,713	97,558	220,522	77,790
	Promoting the absorption capacity of the OP RDI I	2,227,526	619	2,250	4,348	7,267	5,294

TA Project for the OP RDI Monitoring system	151,547	0	17,845	2,984	3,323	0
Evaluation and monitoring of OP RDI projects	9,507,486	0	501,137	1,280,406	574,554	656,039
Evaluation of the OP RDI	1,988,863	0	0	0	26,649	65,911
Legal services for OP RDI	4,499,641	0	0	0	0	0
Monitoring and control of buildings for the OP RDI	4,066,826	0	0	0	0	0
Project TP for Information Systems of OP RDI	235,084	0	0	0	0	19,093
Technical Support of OP RDI	6,649,566	0	0	0	0	791,100
IS OP RDI II Employees	9,149,810	0	0	0	0	3,200,171
Provision of complementary activities connected with the implementation of OP RDI II	3,394,227	0	0	0	0	54,169
Total	59,185,650	735,265	3,154,176	4,434,478	4,255,841	5,963,656

The exchange rate of EUR/CZK 25.14 has been used in the table. The selected exchange rate was recommended by the NCA to be used for the conversion of amounts for annual reports on the implementation of the OP in 2012.

Employees paid from the OP RDI Technical Assistance

For the full year of 2012, there was a total of 30.60 new FTEs. Of these, returns from maternity or parental leave were 3.58 FTEs. There were 2.14 employees who were transferred to another position within the same implementation entity. As of 1 August 2012, there was a change in the organizational structure, with a separate section of the OP RDI (IV/1) being created. As of 31 December 2012, the Managing Authority of the OP RDI employed a total of 109.24 FTEs, who implemented the operating programme at 100% of their workload. The number of FTEs in other Units involved in the activities of the OP RDI MA was 12.56.

The number of FTEs terminated in 2012 was 14.95. Of these, maternity or parental leaves accounted for 3.18 FTEs, dismissal due to redundancy accounted for 0.67 FTEs and dismissals due to poor job performance accounted for 0.58 FTEs. Transfer to another employer accounted for 10.52 FTEs. This fluctuation is caused by excessive workload, low pay and termination of the fixed-term employment (e.g. substitution for maternity/parental leave)

There were 23 public tenders that took place in 2012, according to standard procedure and the methodical guideline issued by the National Coordination Authority, and 54 new employees were recruited. In filling the positions, emphasis is put on the qualifications and experience of the applicants, their motivation, specialisation and professional growth within the implementation system.

Table 35 Overview of changes in filling positions

2012		
Job title	initiated PPs	completed PPs
Head of Section / Head of Department	2	3
Head of Department	1	2
Officers	51	28

Source:
OP RDI MA Report

on the provision of administrative capacities

The report on securing administrative capacities for 2013 has been drafted and will be sent to the MRD in January 2013.

Professional training of implementation structure staff in 2012

Under the Employee training project, funds were drawn in several areas:

- ✓ Foreign trips of an educational nature: 24 trips made
- ✓ Purchase of professional literature and periodicals: 8 kinds of periodicals and publications totalling EUR 1,395 EUR (CZK 35,076)
- ✓ Employee language training: 435 language lessons (English, French, German and Spanish)
- ✓ Vocational training courses: 23 individual courses
- ✓ On 26 November 2012, the Framework Agreement on training for the employees of the OP and OP RDI implementation structure was signed with SOFO Group a.s.
- ✓ On 7 March 2012, a Framework Agreement for the provision of language training for the employees of the OP and OP RDI implementation structure was signed with GLOSSA, s.r.o.

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

In 2012, 25 laptops were purchased for the OP RDI for a total of EUR 31,305 (CZK 787,010), followed by 53 mobile phones for a total of EUR 2,214 (CZK 56,922) and video conferencing equipment for a total of EUR 5,451 (CZK 137,052). In addition, specific modifications were made in the Electronic system for the collection and evaluation of draft projects seeking support from the OP RDI for EUR 19,093 (CZK 480, 000).

6 AWARENESS AND PUBLICITY

Activities in the area of securing OP RDI publicity for 2012 can be divided into the following categories:

- ✓ Administration of the MEYS website
- ✓ Information activities for large as well as common projects
- ✓ Seminars for applicants and beneficiaries
- ✓ Main communication activity for 2012
- ✓ Press Releases as a PR tool
- ✓ Purchase of promotional items bearing the elements of mandatory publicity and their distribution
- ✓ 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 (Guide 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, or 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.

Newly published were frequently asked questions and answers for the beneficiaries.

The website also includes a List of beneficiaries under OP RDI¹⁰. The List of beneficiaries is regularly updated in line with Grant Award Decisions issued, containing all the required elements. Furthermore, the website provides information on the OP RDI evaluation process, and there is also a folder intended for the actual evaluators; also, there are useful links and contacts. The contacts to all OP RDI staff has also been republished.

The total monthly average number of articles read¹¹ under the OP RDI subsection for 2012 was 23,418.

A central email address opvyzkum@msmt.cz has been set up for sending questions. Over 450 emails were sent to this address in 2012. The frequently asked questions were then posted on the website under the FAQ section.

Information activities related to major projects

Series of information events were organized during 2012 addressing the issue of major projects.

In more detail, this involved the following activities:

- ✓ Individual meetings with the representatives of major projects of ELI and BIOCEV on a regular basis

¹⁰ <http://www.msmt.cz/strukturalni-fondy/seznam-prijemcu-v-ramci-op-vavpi>

¹¹ i.e. the number of visits to articles in each section

- ✓ Seminars for beneficiaries attended by the representatives of major projects
- ✓ Negotiations at the EC about the problems in the ELI, BIOCEV and SUSEN projects

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

Seminars for applicants and beneficiaries

In 2012, the OP RDI MA organized four seminars for applicants and 8 seminars for beneficiaries, which were attended by more than 300 representatives of applicants and beneficiaries.

Seminars for applicants related to the announced call 2.4 – Modernization of the Existing Infrastructure for Instruction Combined with Research (5 January 2012) and Call 6.3 Support for pre-seed activities (9 February 2012, 12 March 2012, 26 March 2012). The programme of seminars for potential project submitters under Priority Axes 3 and 4 of the OP RDI had the following structure: current information on the announced call, submission of project applications (Benefit7, ESOP, focus on the most common errors in checking formal requirements and acceptability, etc.), eligible costs, monitoring indicators. During seminars, there was also time for Q&A. The seminars for applicants under the call to support pre-seed activities also included a lecture dealing with intellectual property rights and commercialization of R&D.

The OP RDI MA representatives were also invited to the seminar “Funding science and research from the EU funds” on 21 March 2012, organized by Eurocentrum Hradec Králové. The guarantor of this Call had a presentation there on the currently announced Call 6. 3. Two projects from this region supported by the OP RDI were presented – Research and Breeding Institute of Pomology Holovousy Ltd. and Digital Planetarium.

Seven seminars and one workshop were held in 2012 targeting the beneficiaries of the OP RDI. The workshop with the representatives of the OP RDI MA and the beneficiaries of PA 3 and PA 4 was held on 17 January 2012. The aim 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 topic of the seminars held on 26 July and 4 September 2012 was public aid and intellectual property. To this seminar, the OP RDI MA invited of external experts in the field of public aid in R&D and intellectual property.

The main topic of the seminars, which took place on 10 October 2012 in Prague and 30 October 2012 in Brno, were monitoring indicators.

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.

- ✓ 26 June 2012 – seminar for beneficiaries under Call 3.3
- ✓ 23 October 2012 – seminar for beneficiaries under Call 6.3
- ✓ 1 November 2012 – seminar for beneficiaries under Call 4.3

Roadshow to Call 6.3 for the support of pre-seed activities

As part of increasing awareness of the Call for the support of pre-seed activities among potential applicants, three moderated expert discussions took place in Prague (27 March 2012), Ostrava (28 March 2012) and Olomouc (6 April 2012). The first of them took place in the MEYS

Great Hall of Mirrors, the second in one of the buildings of VŠB – TUO under the auspices of the IT4I project, and the third one in the newly approved building of the BIOMEDREG project. All three discussions were synergically interconnected with the Ministry of Industry and Trade thanks to the participation of Petr Kolář of Czechinvest. There were also representatives from Deloitte Advisory and the Confederation of Industry of the Czech Republic. MEYS was represented by Michal Zaorálek, the Deputy for European Affairs, Jan Kříž, the Director of the Management Division of the OP RDI, and Jan Polecha, the PA 3 guarantor. All three discussions were moderated by an expert consultant from the MEYS, Mr Luboš Král. There were 120 participants altogether, exclusively representatives of potential applicants.



Main communication activity for 2012

Annual Conference of the OP RDI

Attended by the Petr Fiala, Minister of Education, Youth and Sports, Ms Miroslava Kopicová, Vice-President of the Council for Research, Development and Innovation, Daniel Braun, Deputy Minister for Regional Development, leading representatives of academic field and other important guests, the OP RDI Annual Conference took place in the Pyramida hotel in Prague on 12 December 2012. The conference welcomed 180 attendees.

The presentation of the OP RDI in the Czech House during the Summer Olympic Games in London

The Czech House is located at Business Design Centre, 52 Upper Street, Islington, London, and was open to visitors from 27 July 2012 to 12 August 2012. Every day, it was visited by

thousands of participants of the OG (altogether ca. 78,700¹²) both foreign, and from the Czech Republic. In two exhibition spaces of the Czech House, 12 projects of OP RDI PA 1 and PA 2 were presented by means of large-scale information posters. This activity focused on increasing the awareness of the biggest projects under OP RDI among the Czech and foreign general public.



Presentation of selected projects under PA1 and PA2 within the Science and Technology Week at the Clam–Gallas Palace (together with seminars on individual projects) entitled Quo Vadis Scientia?

¹² <http://www.ceskydum2012.cz/aktuality/cesky-dum-v-cislech-2>

It was a presentation of OP RDI projects as part of the Science and Technology Week (for example BIOCEV, CEITEC, ELI, ICRC, IT4Innovations, SUSEN – Sustainable Energy, CzechGlobe, NUDZ – 11 in total). Each project was presented in the form of a lecture, given by representatives of individual projects. The attendees were mainly high school students. Furthermore, each project was presented by 1 poster (size 80x100 cm) displayed in the exhibition space of Clam–Gallas Palace.



*Press
PR tool*

releases as a

In cooperation with the press department, the OP RDI MA was issuing press releases over the course of the year concerning important milestones in the implementation of the operational programme. 17 press releases were issued in total.

The most important milestones of the OP R&DI in terms of publicity was the ceremonial launching of projects, laying the foundation stone, support for pre-seed activities, organizational changes in Section IV and drawing from OP RDI.

PR articles

For 2012, there were two PR articles published in international journals Panorama – autumn 2012 (CEPLANT project) and Pan European Networks: Science & Technology – December 2012 (major projects).

OP RDI Newsletter

The Management section of the OP RDI in cooperation with the Department of External Relations and Communications of the Ministry of Education, Youth and Sports has since 2012 also been publishing a newsletter about the OP RDI, the aim of which is to provide information about the OP RDI and about current events to the grant beneficiaries as well as professionals.

The first issue was published on 7 September 2012, the second on 7 November 2012.

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, it shall procure the most useful objects such as notepads, diaries, pens, flash drives, etc., which shall be distributed at appropriate occasions such as seminars and conferences, consultations, important meetings, etc. In 2012, e.g. the thermo mugs, umbrellas (ordinary, golf), conference boards, metal letter openers, plastic card containers, lanyards, textile bags, weather stations, poster stands, pens (representative and labor), USB flash drives and agendas were purchased based on the general agreement for the supply of promotional items and printed material.

Visual Identity Manual

In the monitored year, the control of compliance with the Visual Identity Manual took place, which aimed 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>.

OP RDI presentation at trade fairs

In 2012, 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 in 2011 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,

7 EXCHANGE OF EXPERIENCE AND PROVEN PRACTICES

In mid-2011, OP RDI in synergistic cooperation with OP EC launched an international tender for the recruitment of nine top managers, who should head the five largest scientific research centres supported under Priority Axis 1 of the OP RDI – major projects of the European centres of excellence, namely BIOCEV, CEITEC, ELI, ICRC and IT4I.

Due to the size, complexity and cost of these projects, it is essential that these centres of excellence be also managed by excellent managers. To this end, a concept was created to set up expert selection committees made up of foreign and domestic experts – the Search Committees (the "SC"), whose task was to identify and recommend the most suitable candidates to fill senior management positions of the research centres. Since in the following years, all these centres have the ambition to be among the top-ranking research institutions in Europe, if not globally, the SCs focused their head-hunting efforts not only on the domestic market, but especially abroad.

The main elements of the concept of Search Committees included 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 five research centres. In essence, it was a relatively unique and pioneering endeavour in the Czech scientific community. Although the acquisition of experts from abroad to fill positions in these emerging Czech centres, which are mostly still unfinished, turned out to be a challenging process with many pitfalls, it eventually helped to successfully fill the vast majority of vacancies with renowned experts with extensive international experience. The whole Search Committee project can thus be described as very successful and based on the positive feedback from the participating centres and SC members, it can be ranked among examples of "best practice".

The selection process through the SCs was carried out in two stages: the first stage took place between October 2011 and February 2012. In this phase, 6 out of 9 positions were successfully filled, with results as follows: (Note: For each position, the individual SCs recommended the management of the centres 1–3 candidates with the highest score. The final decision on one of the candidates was subsequently made by each centre, which had the right to choose from the candidates recommended by the SCs. In most cases, however, they entirely agreed with the SC recommendation and chose the candidate recommended as no. 1):

The new director of BIOCEV is Prof. MUDr. Pavel Martíásek, DrSc., a graduate of Charles University in Prague and an expert in the field of biomedicine. He has extensive experience with research and its organization in major research centres in France, USA and Japan (e.g., Université Paris VII Diderot, Jacques Monod Institute in Paris, University of Texas and others).

The new Executive Director of CEITEC is Markus Dettenhofer, Ph.D., an American expert in microbiology and virology. Dr. Dettenhofer holds degrees from the University of California at Berkeley, Johns Hopkins University and Harvard Medical School. He has worked both in academia and in the biotechnology industry, gaining broad management experience in managing international research projects, technology transfer and marketing. Before CEITEC, he conducted research projects in Crucell (Johnson & Johnson), dealing with the discovery of antibodies and vaccines.

Chosen by the SC, the new Scientific Director of CEITEC starting in spring 2013 is Prof. Dr. Hartmut Oschkinat, a renowned expert in the field of structural biology, who until then served as the executive director of the excellent Leibniz Institute for Molecular Pharmacology in Berlin.

The new Technical Director of ELI Beamlines is Prof. Bruno Le Garrec, MSc., a French expert in the field of atomic spectroscopy and laser physics and optics with extensive management experience.

Before ELI, he worked at the Atomic Energy Commission – a prestigious French research institutions.

IT4Innovations's new Executive Director, chosen by the SC, is Ing. Martin Palkovič, Ph.D., an IT expert specializing in program optimization and the development of new processors. Dr. Palkovič is originally from Slovakia, but for the last twelve years he worked in IMEC Leuven, a top Belgian research institute, where he led multi-national teams implementing innovative solutions for information and communication technology for large multi-national companies such as Toshiba and Samsung.

The new director of the Supercomputing centre, the IT4I, is Mgr. B. Jansík, Ph.D., also an IT expert originally from Slovakia, who, before joining the IT4I, worked at the Institute of Chemistry, Aarhus University, Denmark, where he contributed significantly to building a computer cluster, working as a team leader of research and applied projects on both the European and world supercomputers (Titan, Oak Ridge Leadership Facility and others).

Despite all efforts, the SCs found no suitable candidates for the director of ELI and the two key management positions in ICRC. The SCs subsequently recommended to optimize the management model of these centres, while announcing new tenders on the basis of adapted selection criteria.

Launched in May and finished in December 2012, the second stage of the Search Committees chose Mr. Alan Sneddon as the new Project delivery manager of ELI. Mr Sneddon is an experienced manager who, before joining ELI, worked at JACOBS, a British company and one of the world's largest providers of professional services in management and construction of major infrastructure projects. Mr. Sneddon has extensive experience in managing large-scale infrastructure projects, including high-tech projects such as ITER or QuinetiQ administered by the British Ministry of Defence, and, among other things, professional experience addressing the issues of nuclear safety, which will be beneficial for ELI.

Following the repeated selection procedure, the Search Committee managed to fill the two vacant positions in ICRC. Based on the SC's recommendation, the new director for strategic partnerships for the ICRC is an internal candidate, Mgr. René Samek, MA, MSc., who is the founder and director of the non-profit organization CzechINVENT supporting innovation in the Czech Republic; previously, Mr Samek worked in the ICRC as external relations manager. He should start at the new position in spring 2013. The ICRC Chair position is still subject to internal discussions within ICRC, which has to decide whether to choose the candidate recommended by the SC, the leading Slovenian neurologist, Mr. Gorazd Stokina of the University Medical Centre of Ljubljana.

During the two-year Search Committee project, it became evident that the recruitment of foreign experts from renowned research institutions to work in the Czech Republic, which still lags behind in many aspects compared with the western world, is not an easy job. On the other hand, the number of successfully occupied positions clearly shows that new and attractive job opportunities brought about by the new research centres supported under the OP RDI may be a factor strong enough to reverse the current negative trend of brain drain from the Czech Republic into the converse trend – “brain gain” – and to expedite the inclusion of the Czech Republic among the attractive labour markets for top researchers from Europe and from around the world.

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
CSNF	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
CP	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
OP RDE	Operational Programme Research, Development and Education
AAB	Authorised Audit Body
PCA	Paying and Certifying Authority
PA	Priority Axis
WGE	Working Group for Evaluations

RIR
Informa

tion Register of R&D Results

GAD	Grant Award Decision
RDIC	Research, Development and Innovations Council
MCS	Management and Control System
MA	Managing Authority
SC	Search Committee
SEA	Strategic Environmental Assessment (Assessing the impact of implementing the 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
MP	Major projects

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