



Ongoing evaluation of implementation of the Operational Programme Research, Development and Education

Ministry of Education, Youth and
Sports

Progress Report 03 – Executive Summary

October 2017
Final version



EUROPEAN UNION
European Structural and Investing Funds
Operational Programme Research,
Development and Education





Given the status of implementation, the real progress only partially corresponds to the expected status of OP RDE implementation.

The fulfilment of fair values of result and output indicators on 30 June 2017 given by the programme document was of zero value except for 23 indicators. For 91 programme indicators out of 152 in total, project commitments were set in the reference period.¹ The calls available in MS2014+ covered 142 announced programme indicators in total which means that 10 programme indicators weren't covered by calls on the reference date.



Fair values of result and output indicators in the end of the reference period (30 June 2017) were of zero value except for 14 indicators. Actual contribution of projects to the improvement of the Czech education system and R&D cannot therefore be evaluated yet.

Considering mostly zero values of indicators and only one successfully completed project, real progress of OP RDE reached through project implementation cannot be evaluated in this Progress Report. The Report therefore predicts fulfilment of target values of real indicators using target values of indicators in announced calls and target values of the indicators that applicants and recipients of OP RDE aid commit themselves to.



Target values of indicators with risk of non-fulfilment or over-fulfilment have been identified.

Current level of potential to fulfil target values is considered sufficient in most cases. In 60 programme indicators out of 152, a middle risk of non-fulfilment has been identified because the projects' commitments or coverage by calls is low. It is therefore desirable to address those in calls that are to be announced soon. Considering relatively high coverage of the indicator's target value by calls or projects' commitments, in 45 indicators out of 152 programme indicators a high risk of over-fulfilment of target values has been identified.



Factual indicators with a risk of non-fulfilment for the 2018 milestone have been identified.

¹ Total number of programme indicators is 152 from which 20 are so-called statistical indicators projects do not commit themselves to fulfil.

¹ Indicators are observed and divided to LDR and MDR as agreed. Therefore, they are counted with in the case of breakdown to MDR and LDR like two indicators (except for indicators for PA4, where LDR and MDR are added together).

The fulfilment of real indicators of the 2018 milestone is seen as risky in these indicators:

Table 1 Executive summary – risk of non-fulfilment of the 2018 milestone

| PA | Indicator | Risk |
|-----|---|--------|
| PA1 | Number of Newly Built, Expanded or Modernised Research Infrastructures and Centres of Excellence | Medium |
| PA2 | Total Number of Participants | High |
| | Acquired Information Sources | High |
| | Number of Students Using Newly Built, Expanded or Modernised Infrastructures Except for Education Infrastructures Used for Research | High |



Financial progress is lower than expectations mentioned in the OP RDE Programme Document.

On 30 June 2017, a total amount of 21,884 million CZK was committed, representing 24.3% of the allocation, whereas total allocation for years 2015, 2016 and 2017 (main allocation and performance reserve) according to the OP RDE programme document is 40,199 million CZK. A ratio of reimbursed funds to total allocation is only 6.4%, which is significantly lower than expected. Financial volume of announced calls represents 72.6% allocation of the OP (60% ESF allocation and almost 83% ERDF allocation). A detailed overview is shown in the following table.

Table 2 Financial fulfilment by funds

| Priority axis | Fund | Ratio of call allocation to OP RDE allocation | Ratio of volume of committed funds to OP RDE allocation | Ratio of volume of reimbursed funds to OP RDE allocation |
|---------------|-----------------|---|---|--|
| PA1 | ERDF | 92.28% | 34.66% | 8.48% |
| | ERDF | 70.93% | 1.72% | 0.00% |
| PA2 | ESF | 69.22% | 8.41% | 1.43% |
| | ESF | 56.29% | 28.62% | 9.26% |
| PA4 | ERDF | 38.38% | 37.69% | 5.64% |
| | ERDF | 82.85% | 25.53% | 5.90% |
| Total | ESF | 60.03% | 22.78% | 6.99% |
| | ERDF+ESF | 72.64% | 24.30% | 6.39% |

In PA1, fulfilment of financial indicator of the milestone with sufficient margin can be predicted only in LDR already when RfP predicted in 3rd quarter 2018 are included. In MDR, sufficient margin can be predicted only if payments from 4th quarter 2018 are included.

In PA2, reaching of at least 85% of value of milestones' financial indicators can be predicted only in ESF and MDR that is the limit value. In other indicators, it is predicted that not even 85% will be achieved. A basic prerequisite for the fulfilment of at least predicted level of fulfilment of these milestones' financial indicators in both funds is a quick launch of projects for universities in calls 015 and 016. Another prerequisite is to use the possibility of retroactive eligibility in projects from calls 015 and 016 that would, in the first phase in particular, speed up the absorption of the funds and make a degree of fulfilment higher than expected possible. Faster absorption in the beginning of the project should make up for the delay that occurred during the evaluation of calls. Another measure taken is the announcement of a so-called quick-call that will contribute to the fulfilment of financial milestone in



PA2 for ERDF in both MDR and LDR. If the allocation of the quick-call is sufficient and applicants show sufficient interest, these financial indicators may also be fulfilled.

In PA3, fulfilment of financial indicator of the milestone with sufficient margin can be predicted already when considering only predicted requests for payments for 3rd quarter 2018. In the case of MDR, achievement of 100% is the limit.



The operational programme's ability to meet the N+3 rule is currently compromised in the MDR category.

Prediction of absorption of funds based on requests for payments in projects that were being implemented on 30 June 2017 or were supposed to have a legal act issued by the end of 2018 is 16,146 million CZK. This means that the absorption degree of the main allocation for year 2015 is 87.2% of the allocation. When the performance reserve is considered, the absorption degree drops to 82% of the main allocation for year 2015. It is also mentioned that according to the Risk Management Report, increase in total volume of total funds in legal acts about providing/transferring aid exceeding 60% of the main allocation of the programme is expected. This may create adequate conditions for meeting the N+3 rule in 2018.



Based on the current status of financial progress on 30 June 2017, no risk of non-fulfilment of allocated OP RDE funds has been identified.

All the specific objectives of OP RDE except for PA2 IP1 SO3 Improving the Conditions for Lifelong Learning at Universities are covered by at least one announced or closed call or by at least one call in the Schedule of Calls. Absorptive capacity of the calls was estimated correctly in most cases. In some calls, excess of funds requested by applicants over financial allocation of the call has been identified. **The analysis showed that mostly high-quality (based on the number of points) project applications were supported,** particularly call 02_16_021 Inclusive education for CASEL I and call 02_16_037 Support for Pupils with Disabilities I (APIE Implementation).






Factors that can seriously prevent the effective implementation of OP RDE from being carried out have been identified.

The identified factors that currently have a negative effect on the progress of implementation of the programme are mentioned in the table below. The factors are divided into serious (red), moderate (orange) and minor (green).

Table 3 Factors influencing the state of implementation of the programme


| Factor | Description | Factor severity |
|---|--|-----------------|
| Insufficient functionality of MS2014+ including IS KP14+ portal | The factor remains from the previous reference period (2 nd Progress Report), the risk is reported in Risk Management Report in OP RDE, no. 01/59 MS2014+ Monitoring System - unpreparedness of modules and agendas. Regarding MA: | |








| Factor | Description | Factor severity |
|--|---|---|
| | <p>At the date of the evaluation, the system didn't make it possible for neither MA representatives nor external evaluators to create their own exports in the system. The exports are created through requirements assigned to the to supplier who will prepare the exports. This fact makes it significantly difficult for e.g. evaluators to work. Other problems with MS2014+ are highlighted by MEYS in risk no. 01/59.²</p> <p><u>Regarding recipient:</u> Users of MS2014+ as recipients evaluate working with IS KP14+ negatively. From the point of view of recipients, the system is slow and unreliable and there are technical errors in the system that may cause that the projects are not able to submit a Request for Payment on time.</p> | |
| Delay in issuing legal acts in some projects from call 02_16_013 may jeopardise the real implementation of projects | <p>The risk is not mentioned in the Risk Management Report in OP RDE.</p> <p>Delay in issuing legal acts cause that the projects do not receive their advance payments on time. Investment projects have therefore insufficient funds for implementation of the first investment purchases (investments in R&D infrastructure are financially challenging and R&D institutions may not have sufficient funds in their own reserves).</p> |  |
| Highly demanding administrative processes in OP RDE for both recipients and MEYS | <p>The risk is not mentioned in the Risk Management Report in OP RDE.</p> <p>From the point of view of implementers, administrative processes of OP RDE (compared to other grant headings, especially from abroad) focus too much on the control of formal aspects of the project implementation (e.g. indicators without evident context, accounting records with tax documents in full, jobs including their specifications in different annexes etc.). Disproportionately less is demanded during control of real benefits of implemented projects. According to implementers, this drawback remained from the previous programme period of OP EIC and OP RDI.</p> |  |
| High complexity of guides and specific rules for applicants and recipients | <p>The risk is not mentioned in the Risk Management Report in OP RDE.</p> <p>OP RDE guides are seen as too complicated – they try to codify every possible situation that may occur during project implementation and individual methodological documents can therefore contradict themselves. Their interpretation and answering implementers' questions place a heavy burden on both applicants and MEYS's employees. According to implementers, making the interpretation of these methodological documents even more specific can be counterproductive because it keeps increasing the complexity of the documents.</p> |  |

Based on the carried-out analyses, the following list of recommendations was created. The recommendations are divided into serious (red), moderate (orange) and minor (green).

Table 4 Recommendations resulting from findings

| Recommendation | | Prioritisation |
|---|--|---|
| Speed up reimbursement of advance payments in projects from call 02_16_013 where delay in issuing legal act occurred | Delays in issuing legal acts cause that projects do not get their advance payments on time. Investment projects have therefore insufficient funds for implementation of the first investment purchases (investments in R&D infrastructure are financially challenging and R&D institutions may not have sufficient funds in for example their own reserves). There is a risk that this fact will jeopardize projects' ability to keep their schedules. |  |

² Risk Management Report in OP RDE in Period 1 July 2016 – 31 December 2016

| Recommendation | | Prioritisation |
|---|---|---|
| Examine whether the MEYS' requirements are not contrary to Act No. 101/2000 Sb. on the protection of personal data | MEYS requires the implementers of projects to provide salary slips and statements of account of their employees as a part of the project administration. Salary slips and statements of account contain personal data and disclosing such information/transferring it to a third party may mean violation of Act No. 101/2000 Sb. on the protection of personal data. |  |
| Focus on the administration of projects from the "four-call" | Focus on the administration of projects from the four-call to make it as steady as possible, regarding calls from PA 2 in particular: <ul style="list-style-type: none"> • Providing proactive consultancy to implementers of projects, particularly projects with a great volume of allocated funds • Accelerated processing of requests for change, especially those that positively affect the absorption of funds, but at the same time do not increase the risk of non-fulfilment of milestones' real indicators • Making the processing of requests for payment and their certification as fast as possible |  |
| Examine the possibility to increase the amount for the purchase of equipment by 10% (cost containment) | Act No. 134/2016 Sb. (§ 222, Article 4, Point b) makes it possible to increase the cost of the purchase of unique and innovative equipment, or the price of the work by 10%. OP RDE rules do not allow to include an increase of price for goods or work (cost containment) and an increase of the equipment purchase budget. |  |
| Examine the possibility to simplify the change process in projects | Negatively evaluated aspects of the process according to implementers: <ul style="list-style-type: none"> • It is possible to work on 1 change or implementation report and request for payment in the IS KP14+ system. • Process of dividing changes into substantial/non-substantial. • Necessity to give evidence of non-substantial changes before submitting IR. • Mentioning all the project changes in all the annexes of the aid application – to indicate the change in IS KP14 + is not enough. Statutory authority of an institution needs to sign individual annexes of the application even though the whole application is signed in the end. |  |
| Examine methodological ambiguities about the form of Reflection Report/create a form of Reflection Report | <ul style="list-style-type: none"> • In the administration, MEYS requires a so-called Reflection Report. MEYS does not provide sufficient information about the form of the Report (evaluator's note – on 19 July 2017, MEYS uploaded on their website in section Overview of Forms – Annexes of Monitoring Reports a model document called Form 20810 of Reflective Report of Involved Organisation. If it is a form of the already mentioned Reflection Report, there is a terminological inaccuracy between specific rules for recipients and model documents (MEYS). |  |

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