



EX-ANTE EVALUATION

OF THE HUMAN RESOURCES

OPERATIONAL PROGRAMME

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SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

1. Process and background of the ex-ante evaluation

The ex-ante evaluation was produced for the final version of the draft HRD OP, taking into account all the relevant European Communities legislation and the working papers of the European Commission. At the beginning of the evaluation process, the ET set out the basic methodology for the ex-ante evaluation in its Inception Report, which was then forwarded to the programming team. Written recommendations were being presented for the different working drafts of the HRD OP, aimed at improving the document or eliminating some deficiencies. Co-operation with the programming team took place through a number of discussions as well as through direct participation in the creation of monitoring indicators and through the production of an Evaluation Strategy for the 2004 to 2006 programming period. The ET enjoyed support from foreign experts and consulted with the Working Group for Evaluation, created in mid 2002, on the process of the ex-ante evaluation as well as on the individual recommendations. The Working Group for Evaluation included people from the ministries involved in the preparation of the HRD OP, people from regional governments, social partners and independent experts.

The recommendations presented were relatively extensive and structured to follow the main areas of evaluation. Most of them were taken into account and gradually incorporated into the Operational Programme Document.

2. Analysis of the initial situation

The analysis covers the crucial areas that represent the wider perspective of human resources development – GDP and labour productivity trends, demographic trends and migration. Particular attention is paid to the analyses of the labour market, social inclusion, equal opportunities for women and men, lifelong learning, information society, adaptability and entrepreneurship. Within these wider blocks, the situation of specifically disadvantaged groups is sufficiently analysed and inequalities in the labour market identified.

The analysis is supported by numeric data that captures the current trends. Wherever the relevant data is available, national characteristics are compared with EU averages. Trend forecasts are seldom given, which is due to the unpredictable nature of future developments in the Czech Republic. Data relating to people is consistently sorted by gender, identifying the problems and types of disadvantages that women face in the labour market.

Although the ex-ante evaluation does point at certain minor shortcomings of the analyses, these are not serious enough to adversely affect the formulation of the programme's strategy and the individual priorities.

The analysis has been appropriately summarised in a SWOT analysis, which is divided into blocks corresponding with the OP's priorities structure: labour market, social inclusion and equal opportunities, education, adaptability and entrepreneurship. This makes for a well-organised SWOT analysis, allowing the user to identify clear links to the programme's strategy.

However, in some cases insufficient attention was paid to the formulation of some items of the SWOT analysis and their ranking by order of importance. This problem, which is particularly apparent in adaptability and entrepreneurship, is a minor one and should be easy to eliminate.

3. Consistency of the programme strategy and links to relevant strategies of the EU and the Czech Republic

The HRD OP strategy is described using the basic elements of the strategic axes, i.e. the global objective, specific objectives and the priorities ensuing from them. The strategy is elaborated down to the measures level, including a description of their objectives, specific activities and target groups.

The internal consistency of the strategy is evaluated using a hierarchy of objectives identified at the different levels. At the programme level, a global objective is set plus four specific objectives, while two levels of objectives were set for the individual measures. The formulation of objectives is relatively broad, which is acceptable given that this is the first programme of this kind in the Czech Republic. Its actual absorption capacity for the areas of individual priority will only be tested when the programme is implemented.

No objectives were explicitly determined at the level of priorities. However, these may be taken from the objectives of the programme and objectives of the measures based on the hierarchical links between the individual levels of the objectives. The requirement to have the global objective detailed using specific objectives was not met in priorities 2 and 4 where some of the lower level objectives exceed the scope of the higher-level objective. A similar situation exists with measures 3.2 and 3.3. After eliminating these minor deficiencies, mutual links between objectives at the different hierarchical levels will be maintained and the internal consistency of the programme ensured.

The lowest level of objectives is missing at the measures level. However, the objectives may be derived from the specific activities identified for the individual measures. With this in mind, and given the fact that the quality of the document's focus is not affected, we do not deem it necessary to add this missing level to the HRD OP. It should however be additionally dealt with in the Programme Complement.

Although this is merely a terminology issue, we recommend that the different hierarchical levels of objectives are termed in the same manner as in the European Commission's methodologies. In particular, global objective and specific objectives for the programme level and priority level, while global objective, specific objectives and operational objectives for the measure level.

From the perspective of achieving the global objective, the HRD OP strategy is well balanced. It contains an adequate combination of, on the one hand, support to competitiveness and the dynamics of human resources development, and on the other, to social protection, inclusion and equal opportunities.

Compliance with EU Policies

The HRD OP is compliant with the European Employment Strategy in terms of both the general pillars and the operational guidelines. This compliance is presented in a structured way in a table, which could well be extended with some additional relevant objectives of the HRD OP measures. In fact this suggests that even more links exist than the table admits.

The HRD OP is also compliant with the priority areas of the Joint Assessment of the Employment Policy Priorities of the Czech Republic. However, the links are not sufficiently described and it seems reasonable to document them in the same way as in the European Employment Strategy.

From the content of the priorities, it is obvious that HRD OP contains links to the European Strategy to Fight Against Poverty and Social Exclusion. These links however are not mentioned in the document and should be included.

Links with national policies

The objectives of national policies and the methods of their fulfilment are described in detail in the HRD OP. It is apparent that the HRD OP interconnects with these policies, and the strongest direct links are those that exist with employment policy. In addition, there are clear indirect links that will have a positive influence on ensuring that the programme's impact is broad enough.

Application of experience from the implementation of national policies and pre-accession programmes

The opportunities for applying the experience gained in the implementation of national policies are limited due to the fact that they have been insufficiently evaluated. In the instances in which at least a partial evaluation exists, the lessons learned were used to formulate priorities and measures.

Most importantly, the pre-accession programmes have positively influenced the methodology of creating the HRD OP. By being implemented, the pre-accession programmes contributed to the development of the skills required for the preparation of projects suitable for co-financing from the ESF.

Clarity of the defined objectives in relation to other programmes

The HRD OP is fundamentally compatible with other relevant OPs; rough overlaps are avoided. In some instances however, the border between measures in the HRD OP on one side and those of the Joint Regional Operation Programme (JROP) and the Industry and Entrepreneurship Operational Programme on the other is not defined clearly enough. It is therefore necessary to make the description of measures more accurate and to clearly define the characteristics of the different activities in the Programme Complements to the relevant OPs.

4. Relevance and internal consistency of the programme

Scope and quality of the consultation process

The consultation process was available during the entire period of programme preparation. Apart from representatives of the partner ministries, people from regional

governments were involved in the process as well as representatives of social partners, non-profit organisations and selected experts. The general public became involved through seminars and the presentation of individual HRD OP versions on MLSA's web pages.

Relevance of the priorities and measures and their consistency

Priorities were set on the basis of the SWOT analysis. They concentrate on dealing with the identified weaknesses and building on the identified strengths. The description of priorities is very general and their actual focus is not dealt with in detail until the individual measures are described, i.e. until the specific activities and target groups are listed. The complementary nature of aspects within the individual priorities is provided, with the exception of Priority 1 where target groups for measures 1.1 and 1.2 should be better defined in the Programme Complement in order to make it absolutely certain that no overlap, partial or otherwise, can occur.

The assessment of all the priority axes' elements has revealed that the axes are suitable for dealing with the problems identified in the analysis and the SWOT analysis. All the target groups that need to be supported using the individual measures are included in the programme.

Horizontal themes involvement

The horizontal themes of Equal Opportunities, Sustainable Development, Information Society, Support for Local Initiatives are contained in all the priorities. Separate measures were designed in the programme for two themes (equal opportunities and environmental education as an aspect of sustainable development). Penetration of horizontal themes into the individual priorities is not explicitly described, although it clearly exists and it is stated that in the selection of projects their contribution to the fulfilment of horizontal themes will be taken into account. Monitoring takes place using the indicators included in the core indicators.

Proportions between types of measures and types of activities

As well as support to individuals, the HRD OP contains support for the system plus the accompanying measures, although support for the people will take the largest proportion of the total funds. Another positive fact is that preventive measures have a relatively strong proportion of these funds and that the use of standard and innovated tools is well balanced.

Compared with the EU member countries' programmes, the share of measures aimed at systems support is relatively high. This proportion is justified by the fact that the systems do not meet the current requirements and that enhancing them will help to increase the quality of the services provided to individuals in times to come.

5. Financial framework and quantification of objectives

Co-financing from national and private sources:

The financial framework was generated in accordance with Council Regulation (EC) No. 1260/99, making the ESF share 75% and the national funds 25% of the total funds. It respects the requirement for the involvement of private funds, which range between 1% and 5 % of the total.

As for those priorities in which the private sector will not participate, the 1% private sources co-financing ratio is adequate. Where the profit-making sector is involved, it seems reasonable to reconsider whether a 5% share meets the economic competition and state aid rules.

Distribution of funds among priorities

The individual priorities share the total funds according to their relevance to the fulfilment of the global programme objective. In accordance with the European and national strategic policies, measures aimed at supporting individuals, co-financed from the ESF funds (obviously including the JROP measures), take a crucial share (almost 60%) of the total funds.

Although exceeding the framework set out in Regulation 1685/2000, the amount of funds for technical assistance is justified. It should be noted that the share of technical assistance will be far higher in the candidate countries than in the EU countries due to a general lack of experience with the implementation structures and a continually low capacity to prepare good project proposals. The steady drawing of funds is anticipated in the programme, although it is obvious that the greatest demand will exist in the period in which the programme starts.

The HRD OP also indicates how the individual measures will probably share the funds available. We recommend considering increasing the shares of measures 1.2, 2.2 and 5.2 respectively, while adhering to the financial framework of the priorities.

The realism of the quantification of objectives

It was very difficult to quantify objectives, because there was little experience with it and it was difficult to estimate the future structure of the proposed projects. As a result, the quantifications are nothing more than very rough estimates. The attempts that were made to quantify selected indicators of results and outputs using the selected assumptions should be appreciated.

6. Anticipated socio-economic impacts of the programme and providing synergy with other operational programmes

The impacts of HRD OP will take the form of direct and indirect effects. Direct effects will become evident thanks to the increased funds paid for the individual priorities, which will make it possible to extend the scope of the existing national policies. However, it is impossible to justifiably quantify them, because there is no experience from previous programmes to build upon, and the availability of suitable econometric models is equally dubious. As a result, the weight of the anticipated impacts can only be assessed through estimates of the anticipated outputs, which are quantified in the programme. By being implemented, the programme will allow, in particular, an increase in the number of clients supported by the services and, by supporting systems, an enhancement of the quality of the provided services. It will further contribute to the fulfilment of horizontal themes.

Indirect effects will be equally important. By being prepared and implemented, the programme will bring experience contributing to improved programming, improved

methods of quantifying objectives and evaluating how effective their achievement has been, as well as strengthening the partnership at both national and local levels.

Complementarity with other sector programmes

Thanks to the way in which the Programme Complements the JROP, Industry and Entrepreneurship Operational Programme, as well as the Tourism industry and the Balneology Operational Programme and the Environment OP, synergy effects will arise, in particular in the areas of social inclusion, equal opportunities and adaptability and entrepreneurship.

7. Systems for implementing the programme, monitoring and evaluation

Implementing the programme

The basic organisation work has been completed to ensure the implementation of the programme. MLSA will act as the Managing Authority and Payment Unit, the Ministry of Finance as the Paying Authority. The relevant ministries have been nominated as implementation bodies for the carrying out of individual measures. It should be noted that the ministries participated in the preparation of the programme from the very beginning; this – as the EU member countries' experiences have already shown – has a positive effect on the implementation of the programme.

It should be clearly stated in the Programme Complement who exactly are the intermediate bodies and final beneficiaries, and specific units within the ministries' organisational structures should be nominated in order to further proceed with the process of building the required administrative potential.

In general terms, the HRD OP ensures compatibility with the rules of economic competition, state aid and public service contracts. In order to ensure actual adherence to them, it will be necessary to establish the appropriate supervisory procedures.

Monitoring system and indicators

The HRD OP has established grounds for the further development of the monitoring system. The monitoring procedures and methodology of indicators will be worked out in detail in a MLSA guideline. Indicators of input, output, result and impact are designed for the programme and each of the priorities. The principle of core indicators at the level of inputs and outputs is followed and direct monitoring of the fulfilment of the three horizontal themes exists. These themes are: equal opportunities, information society and sustainable development.

The proposed indicator system is very detailed; this poses an advantage in that it enables the comprehensive monitoring of both the programme and the priorities as well as obtaining important information that could be used in preparing the next operational programme. The considerable administrative load is regarded as a disadvantage. In order to at least reduce that load somewhat, the ET recommends extending the data gathering periods to six-month intervals for outputs and yearly intervals for results.

Evaluation system

So far, the evaluation system has not been described in the appropriate detail, and it contains some small inaccuracies. In order to complete that chapter of the HRD OP,

the Evaluation Strategy document, which was already produced and consulted on for the period of 2004 to 2006, can be used as a basis. The evaluation system should be given further attention not only because there is thus far no carefully formulated evaluation system in the Czech Republic, but also because its quality will significantly influence the quality of the future OP by identifying the strengths and weaknesses of the existing HRD OP.

I. INTRODUCTION

The HRD OP was produced in 2002 and its last version forwarded for ex-ante evaluation on December 20, 2002. The version evaluated here is a complete document containing 4 chapters:

1. Analysis of the economic and social situation of the Czech Republic in terms of Human Resource Development
2. Description of the development strategy: directions, priority areas and measures
3. Financial framework for 2004 – 2006
4. Management, implementation and evaluation

The HRD OP, on which basis the measures in the area of human resources development will be co-financed from the ESF, as well as the ex-ante evaluation of the programme, are the first documents of this kind in the Czech Republic. It was impossible to build on previous experience, and it was therefore very important to use the experience of the EU member countries both when preparing the operational programme and when conducting the actual evaluation. Both the Managing Authority and the Evaluation Team enjoyed technical assistance from EU country experts.

Starting points of the ex-ante evaluation

In formal terms and in terms of methodology, the ex-ante evaluation took place in accordance with the ESF Ex-ante Evaluation Guidelines issued by the European Commission in April 1999 (AB D 99). In addition, all the major relevant EC documents were adhered to:

- Council Regulation 1260/99 laying down provision on the Structural Funds
- Council Regulation 1784/99 on the European Social Fund
- Guidelines for Systems of Monitoring and Evaluation of ESF Assistance in the Period 2000 – 2006
- The New Programming Period 2000-2006: methodological working papers (Working Paper No1)
- The Ex-Ante Evaluation of the Structural Funds Interventions (Working Paper No2)
- Indicators for Monitoring and Evaluation: An Indicative Methodology (Working Paper No 3)

In producing the ex-ante evaluation, previous statements and position of the European Commission on the initial versions of the HRD OP and the National Development Plan:

- DG Employment comments to the draft Czech Operational Programme for HRD, version June 2001 (March 2002)
- Evaluation of the Czech National Development Plan as a basis for Phare programming – Economic and Social Cohesion (sections relating to HRD and ESF)
- Conclusions from the negotiations of the EC Monitoring Mission of October and December 2002

In terms of contents, the ex-ante evaluation respected the requirements given in the EC document The Ex-Ante Evaluation of the Structural Funds Interventions (Working

Paper No2) and evaluates whether and to what extent the programme contains 6 major elements:

- taking account of previous experience
- the socio-economic context of the intervention
- the strategic choices and the action priorities selected and their internal and external consistency
- the quantification of objectives
- the estimate of the expected socio-economic impacts and the allocation of resources
- the implementation system of the programme

The framework of the ex-ante evaluation process was set at the beginning of the evaluation process in the *Ex-Ante Evaluation Inception Report*, which contains the evaluation methodology, procedures and schedule. The Inception Report was forwarded to the members of the programming team to make sure that the methodological requirements laid therein can be followed when preparing the operational programme. The Evaluation Team was supported during the evaluation process by foreign experts (the ESF Evaluation Unit, Department for Work and Pensions, Great Britain). On some pending issues the Evaluation Unit of the European Commission was continuously consulted. Joint meetings of the ex-ante evaluators from all the operational programmes including the evaluator of the National Development Plan constituted something of a forum for sharing experience and methodological approaches.

The methodology, procedures, individual recommendations of the evaluation team and the process of the ex-ante evaluation were regularly consulted upon with the *Working Group for Evaluating Human Resources Development and Employment Programmes*, which was established in May 2002. The group consisted of representatives from the ministries involved in the creation of the HRD OP, people from regional governments, social partners and independent experts. All the products created during the ex-ante evaluation including the evaluation team's Recommendations were continuously placed on the Working Group's website to provide both the experts and the public with access to them.

II. CO-OPERATION AND RECOMMENDATIONS OF THE EVALUATION TEAM DURING THE PREPARATION OF THE HRD OP

Co-operation with the programming team

Co-operation with the programming team took several forms. Firstly, *written recommendations* were forwarded from the evaluation team to the programming team regarding issues to be completed in the programme; secondly the evaluation team was taking part in the relevant programming team sessions. In addition to these, *meetings* were organised with people responsible for the completion of individual parts of the programme, at which the recommendations presented were discussed. Furthermore, the evaluation team *directly* participated in the process of setting indicators for the monitoring and processing of the evaluation strategy for the whole programming period.

During the preparation of the operational programme, *substantial improvement* occurred in the co-operation between the evaluation and programming teams. In the initial stages, the teams did not manage to establish a spirit of trust – recommendations were taken as criticism rather than as the efforts of the evaluation team to help complete the programme and improve its quality. The responses to recommendations were somewhat confrontational. Recommendations were to a large extent ignored and it was stated that incorporating them might threaten the ability to meet the binding deadline given for the submission of the document to the government. The approach to recommendations changed remarkably after personnel changes in the programming team. A spirit of mutual trust and co-operation was established and most of the recommendations gradually incorporated.

Overview of recommendations from the ET and the response of the Programming Team

A total of three written recommendations were submitted to the programming team. The individual recommendations were quite extensive and relatively detailed, containing an average of about 10 to 15 pages of recommendations. Due to time constraints, the last set of recommendations were not presented in writing, but instead were discussed in person with the programming team's representative in the second week of December. The recommendations and reactions of the programming team are summarised in the text below, following the document's thematic blocks.

Analysis and SWOT analysis

In the first versions, the analysis fell short of the expectations placed on this part of the document by being too general and poorly supported by quantitative data. Entire blocks of the analysis were missing, in particular those relating to demographic trends and population structure, SMEs and information society. The evaluation team therefore proposed the analytic blocks structure and recommended that time series be added to the basic quantitative data. In addition, the team recommended that the data be consistently divided into men and women and that comparisons with the EU be provided in relevant cases. In the subsequent revisions of the Operational Programme, the analysis became ever more comprehensive and sophisticated, being backed by available statistical data with the SWOT analysis structured into a number of thematic blocks.

Context of national policies and EU policies

Here, the recommendations were to include some national policies that were originally missing (such as information policy, support to SMEs) as well as to modify the contents of the sub-chapter itself. An accurate focus, institutional and financial background and results achieved were required to be given for each individual policy. However, these recommendations were not always taken into account, partly because the relevant analyses were not always available. During the preparation of the OP, a sub-chapter proving links to and consistency with the European Employment Strategy was produced.

Formulation of objectives, priorities and measures

One crucial recommendation was the requirement that things be phrased clearly and unambiguously in order to avoid overlaps, ensure consistency and focus on homogeneously defined target groups. The evaluation team pointed in particular at rough overlaps between the HRD OP and JROP programmes in the areas of social

inclusion and lifelong learning. The ET further commented on the fact that in most cases the description of priorities is narrowed down to a mere description of problems and the initial situation, while little attention is paid to what solutions that particular priority is to bring. The priorities are focused too broadly given the length of the programming period and the funds available (in particular Priority 3). It was further stated that Priority 4 lacks uniform internal logics; there is no satisfactory justification for narrowing down the measure solely to tourism and industry even though these measures are to deal with general problems from all segments of the economy.

It was further recommended that technical assistance, which was originally designed as a measure, be enhanced – given its specific character – to priority status, and extending its contents in accordance with Regulation No. 1685/2000.

The formulation of objectives, priorities and measures was being gradually specified and summarised, technical assistance extended and defined as Priority 5. The recommendations concerning the narrowing down of Priority 3 and the changes in the internal structure of Priority 4 were not respected.

Inclusion of horizontal themes

It was recommended that respecting horizontal themes be worked out within the individual priorities and that the originally included "integrated approach" theme be replaced with the missing theme of "information society". Due to time constraints, horizontal themes were only included as a separate sub-chapter briefly discussing the four horizontal themes covered by the OP - specifically Equal Opportunities (which are also a separate measure in Priority 2), Sustainable Development, Information Society and Support for Local Initiatives.

Adequacy of the planned funds and their allocation

The Evaluation Team expressed its opinion that in terms of the distribution of the funds allocated for the implementation of the individual priorities, the importance of Priority 1, Active Employment Policy, and Priority 2, Social Integration and Equal Opportunities, is underestimated with the proposed allocation of 22% and 18% of the total OP funds respectively. In terms of fund allocation within the individual priorities, the ET mentioned measure 4.1, Increasing Adaptability of Employees and Employers, as underestimated when compared with the remaining three measures under Priority 4. Only 10% of the funds for Priority 4 had been allocated to measure 4.1.

These recommendations were partly taken into account, although it should be noted that the allocations were also changed due to a reduction in the total amount from the European Commission compared to that originally promised. The share of funds for Priority 1 increased from 22% to 29% of the total, partly however to the detriment of Priority 2 whose share was reduced from 18% to 14%. The share of measure 4.1 of the total funds for Priority 4 increased substantially from 10% to as much as 57.8%.

Control and monitoring

The recommendation for this part of the document required at least a general description of the functions MLSA will perform as the Payment Unit. Given that the Evaluation Team participated in the drafting of the monitoring indicators, that the very process of project selection should be contained in the Programme Complement

and that the monitoring system must be set up before the programme commences, the Evaluation Team brought no specific recommendations to this part of the OP.

The recommendations of the Evaluation Team were not fully respected and the functions of the Payment Unit were not detailed in the operational programme document. It was only stated that the scope and status of the functions delegated from the Paying Authority to the Payment Unit would be given through an agreement between these entities.

III. ANALYSIS OF THE INITIAL SITUATION – EVALUATION

Evaluation questions:

- Does the analysis cover all the crucial issues of human resources development in the Czech Republic?
- Is it supported by relevant quantitative data?
- Have strengths and weaknesses been correctly identified?

This chapter of the ex-ante evaluation is structured as follows: each block of the analysis related to individual priorities is summarised through an independent analysis of the Ex-Ante Evaluation Team. Furthermore, the strengths and weaknesses of the HRD OP SWOT¹ analysis are elaborated and evaluation conclusions made on the individual blocks of the analysis of the operational programme.

III.1. Labour market

Although the population shows a relatively high level of economic activity, this is continually decreasing. Maintaining a high level of economic activity is desirable given the ageing process of the population, which will accelerate in the future. This ageing process has consequences both in the labour market and the education system.

Labour market developments in the past few years are characterised by a high unemployment rate, which remains around 9%. This is not only due to the economic slow down, but also to consistent pressure from restructuring enterprises on labour productivity and labour force savings. Restructuring places high demands on the professional mobility, qualification mobility and territorial mobility of labour forces. At the same time, the length of unemployment is increasing, and unemployment rate

¹ The SWOT analysis should stem from the broader analysis that precedes it, showing the major strengths and weaknesses, opportunities and threats. The approaches to the formulation of opportunities and threats in the SWOT analysis differ considerably in the theoretical handbooks of methodology and the programmes of EU member countries. Consequently, and after some discussion between the programming and evaluation teams, an approach was adopted in which the opportunities and threats are related not only to the outside environment - on which the programme has no influence - but also to the environment that may be influenced by the programme. This happened because of the difficulty in defining strictly external factors at the national programme level. An attempt to specify these factors would give rise to a situation where opportunities and threats are almost identical for all the priority areas of the programme, and they would mostly be represented by links to the EU.

differences between qualification groups, age groups and social groups in the labour market as well as those that exist between the regions stagnate or become deeper. The growing share of self-employed demonstrates a somewhat dynamic element within labour market development. On the other hand, labour market flexibility is being limited by the low use of flexible workloads, an unfavourable relationship between labour and social incomes and the relatively high taxation of labour.

The development of the public employment services lags behind the growing numbers of clients and changes in the structure of their needs. It also falls short of the demand for the individualisation of services and improved prevention. The necessity of using information systems and analytical systems as well as the tighter forms of co-operation with partners at a local level place additional requirements on the enhancing of staff's knowledge and skills as well as on the management of the employment services.

a) Description of strengths and weaknesses

Strengths

- High economic activity rate

Although dropping in the 1990s - particularly where women and youth groups are concerned - the population's economic activity remains, in the European context, high. The fact that the favourable level of economic activity was preserved gives some good grounds for future growth in employment if effective programmes aimed at activating and increasing labour market flexibility are in use.

- Established mechanism of active employment policy measures and tools

The measures and tools of active employment policy are set by the law and through ministerial regulations issued by the MLSA, which define their contents and the conditions under which they are to be applied. The range of active employment policy tools is relatively wide, including retraining programmes, study visits and practical training of school graduates, support for the employment of target groups and job creation. In addition to the basic tools of employment policy, new or innovative tools were tested in pilot programmes at some labour offices under the Phare programme. The legislative and administrative environment that has been created offers good grounds for further development and the increased effectiveness of programmes for different target groups in the labour market.

- Pro-active Labour Office interventions in the unemployment issue and experience from active employment policy implementation

In the early 1990s, an institutional system of labour offices was built based on the general experience of EU member countries. As a positive feature, the system integrates activities associated with both passive employment policy (registration of job seekers, paying out unemployment benefits) and active employment policy (job mediation, counselling, specific measures aimed at target groups of unemployed). Another positive aspect of the system is the fact that although there is a basic central management of active employment policy, a relatively large amount of room is left for regional disparities. The labour office directors participate in the shaping of the employment policy structure. The labour offices have good formal and informal links to employers, self-governments, the education sector and other partners in the region.

Weaknesses

- Growing percentage of long-term unemployed and continuing regional disparities

Apart from the high average unemployment, the fall of disadvantaged population groups into long-term unemployment is a serious problem. With a high proportion of the long-term unemployed facing loss of qualification and work habits, the labour market has limited flexibility and has to expend substantially higher resources on training and a full return to the labour market. Another structural problem of the labour market is that great differences exist in the unemployment rate between regions and districts. These are a result of the differing economic structures across regions and districts and of the decline in mining and heavy industry, the overcoming of which will take a long time.

- Weak linkage of the school system and its curricula to demands of labour market
The high unemployment rate amongst school graduates suggests that the graduates are poorly prepared for the real work environment and have a poor capacity for success in the labour market. Employers still do little to influence the focus of and curriculum given to their potential employees' training. They lack financial and other incentives.
- Lack of good labour market information systems interfacing with the economic sector

Although the internal information system of labour offices and some partial analytic tools have achieved a certain amount of progress, adequately structured data and information sources have not been sufficiently built to carry out projections of labour market development, the optimisation of measures aimed at different target groups and the evaluation of their impact. This lack of tools reduces the effectiveness of active employment policy, impedes targeting and reduces the development of innovations.

- Small proportion of flexible/alternative forms of work organisation
Both employees and employers use flexible forms of workloads very little. Their proportion in total employment is stagnating or even further declining. Thus the potential is untapped for increasing the employment of people who would prefer part-time jobs due to family, time or commuting reasons; the same applies to those who could gradually start or finish a job over a period of time (such as young school leavers, women after maternity leave, people close to retirement). The lack of flexible forms also reduces the capacity of employers to adapt to changes in demand.

b) Evaluation of the scope and quality of the analysis

- The analysis covers the basic characteristics of labour market development: demographic and migration processes, major cross-sections of employment development, labour productivity development, characteristics of economic activity, employment and education of different age groups and genders in the population. Unemployment is analysed relatively well and the long-term unemployment issue is well documented.
- The situation of different disadvantaged groups of the population is analysed sufficiently, inequalities are identified that exist in different social, age and qualification groups. Characteristics are consistently given by gender, and in relevant cases the problems and forms of disadvantage women face in the labour market are identified.
- Statistical documentation is adequate and captures well the labour market trends in the 1990s, which were uneven and responding to the transformation process. This is important in order to understand the trend breakthroughs that influence both current and future developments. The latest available data from 2001 from the MLSA and Czech Statistical Office's statistics were used. The characteristics were compared with EU averages. The comparison well documents the position or

weight of individual problems in the Czech Republic from the perspective of its integration into the EU.

- The analysis concentrates on the direct characteristics of labour market development, leaving aside factors indirectly influencing the supply of and demand for labour force, such as the cost of labour. The influences of the transformation and restructuring of businesses still play a dominant role in the economy. The development of real wages therefore did not play a primary role in the forming of demand for labour force, and its absence in the analysis is therefore not important. What is important however is the relation between wage levels and social benefits, which aspect is omitted in the analysis, even though it substantially influences labour force supply and the motivation to actively seek employment, especially in people with low levels of qualification. As such, this factor indirectly influences unemployment rate. Since this factor was mentioned among the weaknesses in the social inclusion block and was therefore examined in the ex-ante evaluation, it does not need to be added to the analysis of the operational programme.
- Trend projections and forecasts are not included (with the exception of a short-term projection of demographic development, labour productivity and unemployment rate). It is evident that quantified estimates of future development are problematic in the Czech economy given the turbulence in the development of the past period and the unpredictable future. However, the analysis could have better captured the factors that will continue to play a role, evaluating their positive and negative effects. The analysis should have used the results of demographic projection over a longer period, which is commonly available.

III.2. Lifelong learning

Adequate capacity exists for the development of lifelong learning with the exception of some state universities - usually those teaching branches of humanities. This brings about benefits of the relatively even distribution of these capacities between the regions, sufficient vertical permeability of the education system and the high rate of participation in primary and secondary education.

On the other hand, the education form and curricula are quite unsatisfactory, as is the separation of certain groups of pupils and students from the mainstream, the low horizontal permeability of the education system, the quantitative and branch-related imbalance between demand for and supply of education, the low motivation of teachers to enhance their qualification and change the curriculum and forms of education, the missing legislation for the continuing vocational education and training system and the low attention paid by SMEs to the continuing training of employees.

a) Description of strengths and weaknesses

Strengths

- High participation rates in primary and secondary education

The high participation rate in primary education is given by the enactment of compulsory school attendance, which lasts nine years and is divided into two stages. The participation rate in primary school is almost 100%, while the participation rate in

lower secondary education is about 96%. The participation rate in upper secondary education exceeds 80%; it was almost 87% in the 2001/2002 school year.

- Relatively dense network and suitable regional accessibility of schools

The responsibility for the availability of schools lies with the regional self-government bodies. Municipalities are responsible for the optimisation of the pre-school and primary school network, regions for the optimisation of the network of schools providing upper secondary education. When optimising the school network, the self-government bodies must take into account not only time-availability, but also the cost of school operations.

- Existing capacities of adult education institutions and counselling and guidance centres

Adult education is organised in particular through training institutions, which developed a wide range of courses in the 1990s. However, the quality of the courses is very variable. In addition, adult education is provided by upper secondary and tertiary level schools offering part time studies organised in a similar way to full-time studies. In addition to these, businesses and public administration bodies run their own training facilities. In initial education the so-called pedagogic advisors in schools and pedagogical/psychological centres in regions perform the function of advisory centres. Career guidance takes place in Information and Counselling Centres that exist in all the district labour offices and co-operate with balance diagnostics centres.

Weaknesses

- Underdeveloped conditions and motivation for in-service teachers training

The poor motivation of teachers towards continuing education is particularly caused by the poor ties between remuneration and career growth. The continuing education of teachers is managed in a decentralised manner. It is up to the schools themselves to decide on which courses they choose from those offered by the faculties of education, other faculties and continuing education centres for teachers. Equally, the link between completing further education and remuneration is up to the discretion of individual schools. The cost of continuing education is covered from state funds allocated for this purpose.

- Low education system permeability: underdevelopment of module-based certification system

Pupils make crucial decisions on their career as early as in the last year of lower secondary education. The school system therefore needs to feature a strong vertical permeability, and even more importantly, horizontal permeability, in order to allow students to review their original decision in response to changing abilities and interests as well as to changes in the demands of the labour market. Modular organisation of learning is a way towards greater permeability as it results in greater individual independence, responsibility for one's own professional profile and greater mobility of students between different branches, in particular in those of tertiary education. Module quality must be guaranteed through a certification system.

- Absence of a comprehensive continuing vocational education system

Most urgently, the continuing education system lacks an appropriate legal frame, incentives motivating employees and employers for continuing vocational education and training, quality guarantees through accreditation and certification and a commonly accessible information system on the supply of continuing education.

- Low participation rate in continuing vocational education system

A low participation rate in continuing education is evident in all the three existing elements of the system: adult education in schools, the training of employees in SMEs and the number of job seekers in retraining programmes.

- Inadequate links between businesses and R&D institutions

In the Czech Republic, the science offices of the Academy of Science of the Czech Republic, branch research institutes, independent research institutions, corporate research sites and the universities handle science, research and development. Poor linkage exists between companies and these institutions, which results in little practical application of their findings on one the hand, and a separation of R&D from everyday practice on the other.

b) Evaluation of the scope and quality of the analysis

- The analysis deals with education expenditure, participation rate in primary, secondary and tertiary education, education of individuals with special educational needs and continuing education and training. It evaluates the quality of education provided by primary, secondary, higher professional schools and universities. The analysis further deals with education monitoring and evaluation issues, but also counselling services; some attention is paid to R&D financing and its links to businesses.
- From this perspective, the analysis is complete, dealing with all aspects of the lifelong learning system with the exception of pre-school education provided by kindergartens. Institutional care for pre-school children should be treated either in the context of lifelong learning or in the context of equal opportunities for women and men. So far, kindergartens were only mentioned in relation to the preparatory classes for children from disadvantaged backgrounds. Another aspect omitted in the analysis is the impact of demographic changes on the development of different elements of lifelong learning. Very limited attention is paid to this link, and solely in respect to older generation education.
- The analysis is supported by the available statistical data and it even tries to capture some of the development tendencies using longer time scales.
- The SWOT analysis should be extended, in particular as the identification of weaknesses is concerned. It is evident from the analyses and international comparisons that the Czech educational system does not provide its graduates with appropriate functional literacy. Hence, curricula and teaching methods that are incompatible with the knowledge economy are the greatest weaknesses of the Czech educational system.

III.3. Social integration and equal opportunities

Social integration

The 1990s were a period of economic transformation accompanied by a departure from the paternalistic concept of social policy. The risk of social exclusion began to increase for specific population groups. The labour market enforced income differentiation based on qualification, work effort and business efficiency. The restructuring of industries and businesses brought job losses on the one hand and increased employer demands on the professional and qualification flexibility of employees on the other. As a result of the growing unemployment, the competition for jobs strengthened, creating an environment in which low-qualified, inefficient and

handicapped people were losing. Technological innovations and IT expansion multiplied the risk of social exclusion, because a new barrier of access to the labour market had arisen in information illiteracy. Policy tools have not been created in sufficient scope that would sufficiently support the labour market inclusion and social inclusion of the disadvantaged.

Equal opportunities for women and men

In social integration, women face obstacles represented by the traditional allocation of roles in family, culture and the social environment. In Czech society, the asymmetric division of labour putting women at a disadvantage continues. The impact of these problems is multiplied by the fact that women have little chance to harmonise family and working life. Acceptance of these mechanisms either causes the unequal positioning of women within the labour market with lower wages, lower social and working status and hidden discrimination from employers, or it motivates many women, especially those who are young and educated, to assume duties that used to be typically male. In order to pursue the equality principle in practice, it is essential to create conditions that enable the harmonisation of family and work life as well as to systematically raise awareness and promote gradual changes in behaviour, attitudes and social values aimed at overcoming stereotypical perceptions of women and men.

a) Description of strengths and weaknesses

Strengths

- High women economic activity rate

In spite of the decline in the 1990s, women's economic activity remains relatively high, exceeding the EU average. The traditionally high involvement of women in employment establishes favourable grounds for the equalising of men and women's positions in the labour market and in society. However, it needs further development through changing attitudes towards women's roles in the family and in society and by creating grounds for the harmonisation of family and work life.

- Existing network of training providers and professional associations who may get involved in the social sector

The educational and training institutions providing services in the market environment have seen significant development in the 1990s. An extensive supply for common training courses was created that exceeds demand. If the unused capacity is suitably integrated into targeted programmes, effective support can quickly be given to disadvantaged groups in the area of specific training and motivational programmes.

- Balanced participation of men and women in the education system

The participation of men and women in basic and upper secondary schools continues to be balanced. There are differences in the participation between the branches, reflecting women's preferences for the humanities. In terms of the achieved level of education, more women complete secondary studies with the 'Maturita'. In terms of tertiary education, a significant shift occurred in women's participation. The proportion of women admitted to studies is rising, presently reaching as much as 93 women per 100 men. Since women tend to be more successful in completing their studies, the relation between tertiary school graduates is 119:100 in favour of women. Equal participation of women in the education system results in a situation where there is already a similar education structure between men and women in the younger

generation and where the differences that used to exist between adult male and female populations are quickly disappearing.

- High percentage of women in retraining programmes

Women extensively use the opportunity offered by retraining courses. Women represent about 56% of retraining participants while their total unemployment share is 51%. This suggests a higher level of willingness among women to change profession, but also a higher need for professional qualification after maternity leave.

- Relatively extensive network of governmental and non-governmental social care facilities

The network of social care facilities is distributed rather evenly. About half of the facilities are operated by the state (54%), the remainder is shared between municipalities, cities and towns, churches and other non-profit entities. This represents an extensive professional services capacity. With a suitable system to provide quality services, increase the knowledge and skills of personnel and involve local partners, the network may substantially increase the effectiveness of help and the social inclusion of disadvantaged groups.

Weaknesses

- Absence of links among employment services, education, social services and health care systems

Traditional public service systems developed in the form of specialised systems, which remained separated from one another. Co-operation and links between the different types of services do not exist or are totally insufficient even when they treat the same issue or target group. As a result, the traditional help and tools employed in separated systems lack the appropriate effects for the permanent inclusion of disadvantaged groups into society.

- Little incentives for groups at risk of social exclusion to seek employment

The level of income from work and that of income from social benefits are very similar for people with low qualifications or without qualification. With the potential earnings being low in comparison with social benefits, there is no motivation to seek employment or join retraining programmes. People in danger of social exclusion thus become trapped in a vicious circle of social assistance, unemployment and low qualification. Apart from this, the available forms of recourse by labour offices against those who refuse retraining or employment, are hardly effective. Greater individualisation of employment services and making them more binding for the clients through individualised contracts would increase motivation. The most fundamental solution however would be to redesign social benefits so as to favour those people who accept employment or wish to extend or enhance skills and qualification. Besides that, creating a wider range of suitable and attractive jobs in co-operation with local partners would help to resolve the issue.

- Underdeveloped system of social service workers training

A broadly structured network of organisations including state entities, regional, municipal, church, private, and other non-profit entities, provides social services. It is therefore important to have the level of knowledge, skills and education of social service workers unified in a comprehensive system that guarantees uniform quality. No such system has been developed thus far. The education of social service workers separated in different organisations is of variable quality. This may create barriers to the required decentralisation of social care; barriers to the necessary introduction of quality standards for care provision and barriers to the development of community planning.

- Low equal opportunity and discrimination protection awareness

One of the main obstacles to the promotion of the principle of equality between men and women is the ongoing low level of general public awareness and sensitivity to this issue, the solving of which is not generally perceived as a priority. This is due to the traditional pattern of behaviour, standards, attitudes and opinions on the role of women in family and society. Although positive changes have been made in equality legislation for women, the promotion of equality continues to be designed in a rather formal way. Education, public awareness and changes in the attitudes of state administration bodies and public institutions to the promotion of equal opportunities are a tool to overcome these barriers.

- Horizontal and vertical segregation of female employment

In spite of the relatively high involvement of women in employment, there is still a significant imbalance in their representation in management positions. Only 4% of women occupy management positions, the reason being that women trying to combine their traditional role in family with a career tend to choose positions that are less time consuming, less prominent and involve less responsibility. Employers add to this situation by frequently judging women as a labour force less reliable than men, with time constraints and low ambitions. Besides this, horizontal segmentation occurs in the labour market, with established male and female professions, the latter usually belonging to the so-called low-income vocations.

- Wage differences between men and women

The average wage of a woman is lower than that of a man by about one third, and this disparity has actually been increasing in recent years. The gap is greater in business than in the public sector. About two thirds of the disparity may be attributed to wage discrimination by employers.

- Low female participation in business

Women are much less involved in business than men. Women account for as little as 23% of the self-employed with employees and 28% of the self-employed without employees. This is a low figure given that their proportion in total employment is 43%. Women's participation in self-employment might increase if suitable conditions are created, taking into account women's specific problems. Such conditions include advisory, suitable forms of enhancing and extending required skills such as distance learning, start up support and accompanying measures facilitating the situation of women with children, etc.

b) Evaluation of the scope and quality of the analysis

- The analysis gives a good overview and description of the main issues faced by the groups suffering from or at risk of social exclusion. Although accurate records about most people from these groups do not exist, the analysis still attempts to estimate the groups' size.
- The part dealing with social services concentrates on a description of their structure and an overview of providers. Little has been done to elaborate on the issues and challenges linked with their restructuring towards de-concentrated social care.
- Help in the area of social exclusion can only bring effective results if a comprehensive approach is ensured and the client's needs are properly treated, and therefore the level of co-operation between institutions of social system, education system, labour market and non-profit organisations is an important characteristic of the social system. That co-operation is still a weakness in the Czech Republic,

which fact is rightfully included among the SWOT analysis weaknesses, but is not reflected in the overall analysis.

- A separate analytical block is dedicated to equal opportunities for women and men. Major aspects of the position of women in the labour market are analysed, i.e. economic activity rate, unemployment rate, participation in business and wage inequality. The problems of labour market segregation could have been analysed more extensively, both in terms of the feminisation of some sectors and the disproportionate representation of women in management positions. The fact that the equal opportunities aspect appears in other blocks of the analysis, particularly where the parts dealing with the labour market and education are concerned, can be seen as positive.

III.4. Adaptability and entrepreneurship

The adaptability of enterprises and the workforce is manifest in the considerable shift in the representation of individual sectors in employment and the GDP. The organisational structure of the national economy has also changed and the importance of SMEs increased. Inadequate management and the slow implementation of new management and information technologies have negatively influenced the adaptability of enterprises in all sectors. The low levels of innovative activity are also negatively influenced by inadequate links between R&D and practise. Reaching growth rates that are higher than the average EU rates is an essential condition in order to gradually level off economic levels; consequently, it is essential to use all of the facilities that are unevenly distributed across the individual regions, even the tourism development facilities. We must bear in mind a responsible attitude with regard to the environment, which attitude needs to be strengthened not only in enterprises but also within the general population through the means of environmental education, training and upbringing.

a) Description of strengths and weaknesses

Strengths

- Foreign direct investments inflow

From the perspective of Czech economic adaptability, foreign direct investments have played a positive role. According to data available on the first three quarters of the year, 2002 will surpass 1999 - a record year for this area. In 1999 direct foreign investments reached \$6.3 billion (US) whilst over the first three quarters of 2002 they've already reached \$7.1 billion (US). Investments into transport and telecommunications sectors represent more than half of the investments made in 2002. In previous years investments were mainly directed at banking and insurance sectors and at the machinery, apparatus and equipment sectors of manufacturing industry.

- Functioning network of National EEPA Centres and the potential of NGOs in this area

A net of institutions working on environmental education, guidance and promotion is essential for spreading information about the conditions of sustainable society development and for enforcing the careful behaviour of all subjects, both enterprises and households, towards the environment. There is no central database of

organisations concentrating on environmental activities, but, according to the Ministry of Environment's estimate, there are about 600 of these organisations.

- Strengthened position of SMEs

SMEs increased their share not only of the gross domestic product but also of employment. In 2001 these sectors represented almost 60% of total employment, 51% of the total national economy output and almost 36% of the total export volume. In a way SMEs represent a stabilising element as, on a world-wide scale, they demonstrate a strong ability to adapt to changing conditions, an ability that is the result of greater flexibility when implementing new technologies and new management forms.

- Accelerated GDP growth in comparison to the EU

From the perspective of bringing the productivity of the Czech economy closer to the EU average it is essential to reach considerably higher growth rates based on faster growth in labour productivity². Unfortunately the development has not been very favourable up to now. Faster rates of economy growth were only reached in 1995-1996 and in 2001. According to the Ministry of Finance, predictions for this and next year are favourable. The Czech Republic is expected to reach a GDP growth rate that will be higher by 1.7 percentage points than the EU average for this year and by 0.9 percentage point higher next year.

- Regions wealth by historical and natural beauties allowing for further development of tourism

Although travel and tourism is a sector in which most regions have some potential for development, just how attractive individual regions are - measured by the number of guests staying overnight - varies. By this standard the most attractive region was Prague, followed by Hradec Kralove and Southern Bohemia; the least attractive regions were Pardubice, the Highlands (Vysocina) and Pilsen (Plzen).

- Fast development of self-employment

The conditions for the development of self-employment were created after 1989. By December 31, 2001 more than 3 million Trading Licenses had been issued and the total number of individuals conducting business with Trading Licenses surpassed 1.8 million. About 40% of these demonstrate systematic efforts towards yielding a profit.

Weaknesses

- Underdeveloped services to entrepreneurs including counselling and training

Developed business services are extremely important especially for starting, stabilising and developing SMEs. In order to provide advisory and consultation services at a special rate, a net of advisory entities is being created, based on tenders, with which methodical guidance and an appropriate quality of available services must be provided.

- Low governmental support to R&D and insufficient involvement of universities in R&D

The crucial factor in state assistance is the availability of financial means centralised in the state budget. The objective of gradually increasing R&D state assistance to 0.7% GDP in 2002 will probably not be achieved as it is presumed that the value of

² According to convergent scenarios published in the Social and Economic Consequences of the Czech Republic Integration into the European Union the Czech Republic's economic level would gain on the EU from the current 60% to about 70% of the EU average in 2008-2010, on condition that the GDP growth rate was 1.2 to 1.8 percentage points better than now. If we also take into account the expanded EU average, which includes another 10 candidate countries, then the Czech Republic would reach 70% of the EU average by about 2005.

public assistance will only reach 0.55% in 2002. Another negative factor is the significant fragmentation of means for R&D assistance and the low capacity to coordinate its use that arises from this.

- Insufficient introduction of new technologies and IT

This fault manifests itself in all areas of society starting with under using computers and the Internet in teaching and going on to the low share of production with high technical parameters. Technically sophisticated Czech exports had only an 8.8% share in 1999 whilst the EU average stood at 21.5%.

- Insufficient quality of services in the tourism sector

The low quality of services for travel and tourism in comparison to highly developed countries is mainly a result of the inadequate qualifications of those providing these services. It is also linked to the poor management of their services.

- Low professional level at the management positions of SMEs

This fault is mainly linked to inadequate education and limited practical experience. Improving the quality and affordability of advisory, information and education services can mainly eliminate this fault.

- Insufficient and difficult access to information technologies

Even though the number of computers in households and companies as well as the number of Internet connections has increased, the number of Internet users in the Czech Republic remains well behind the EU average and the gap is increasing. Whereas in 1995 the number of Internet connections represented 80% of the EU average, in 2000 it was a mere 40%.

- Low awareness of the sustainable development principles

Even though environmental education is a part of the curriculum through all the basic education levels, general awareness and, most of all, the behaviour of companies and the general public is a long way from being responsible with regard to the environment.

b) Evaluation of the scope and quality of the analysis

- The adaptability and entrepreneurship analysis is extremely difficult as we are concerned with complex events that can be approached from different points of view. In view of the fact that adaptability and entrepreneurship are influenced by all the facts, the analysis always has to be specific, aimed only at selected aspects of adaptability and entrepreneurship. The fault of this part of the analysis is the lack of justification with regard to why the selected aspects were SMEs, industry, environmental education, guidance and promotion and tourism.
- Including the subject of environmental education, guidance and promotion in the adaptability and entrepreneurship section is questionable. Logically this topic rather belongs with the section concerning life-long learning.
- The analysis of the selected aspects of adaptability and entrepreneurship is supported by available statistical data; the problems that the given sectors of the economy have to face are conveyed well. The analysis of SMEs should be supplied with the analysis of the working life of enterprises, which is a crucial indicator in their adaptability and competitiveness where quality statistical data is available.
- The SWOT analysis proceeds from the text of the analysis with the exception of strengths and weaknesses in R&D. This topic isn't given adequate attention in the text, a mention of the R&D issue is included in the section concerning life-long learning development.

- A fault in the SWOT analysis is the ordering of the individual items, especially in strengths and weaknesses where the importance of individual points is not respected and it would be appropriate to merge certain points. For weaknesses we recommend the following content and structure: low professional level at the management positions of SMEs; insufficient introduction of new technologies and IT; underdeveloped services to entrepreneurs including counselling and training; low governmental support to R&D and insufficient involvement of universities in R&D; insufficient quality of services in the tourism sector; low awareness of the sustainable development principles.
- For strengths we recommend the following content and structure: foreign direct investments inflow; fast development of self employment; strengthened position of SMEs; regions wealth by historical and natural beauties allowing for further development of tourism; functioning network of National EEPA Centres and the potential of NGOs in this area.
- Including faster GDP growth in comparison with the EU in the strengths is unfounded. As stated in the analysis, the GDP growth rate has only been higher in three years out of the eight-year period. Even though the predictions for 2002 are favourable for the Czech Republic, it would be more suitable to include this fact in opportunities.
- As the insufficient levels of state assistance are felt in all areas and because of the essential savings in public expenditure we do not consider it suitable to include this fact in any particular subject of weaknesses.

IV. THE CONSISTENCY OF PROGRAMME STRATEGY AND LINKS TO THE RELEVANT STRATEGIES OF THE EU AND THE CZECH REPUBLIC

Evaluation questions

- What are the ways of expanding the strategy into hierarchical objectives and their mutual consistency?
- Is the programme sufficiently linked with the strategic objectives of relevant European policies?
- Is the programme sufficiently linked with the strategic objectives of the relevant national policies including conclusions formulated in the Joint Assessment Paper?
- Were the experiences used that were gained in the implementation of national policies and pre-accession programmes co-financed from European funds from the perspective of orienting the operational programme and providing for effective implementation?
- Is there any overlap with other operational programmes?

IV.1. Hierarchy and consistency of strategic objectives

The strategy is described through a definition of global and strategic objectives on the programme level. A concise description of priorities, a description of and specifications for individual measures forming priority axes is also presented. The strategy proceeds from specific basic European and national documents and starting

points, which form the basis for the formulation of this strategy. The basic tools and forms of assistance are briefly defined in the strategy description. The outline of specific and operational objectives on the level of measures can also be understood as a part of the strategy description even if it is presented in the OP section concerning descriptions of priorities and measures.

The breadth and universality of the **defined objectives and specification of priorities and measures** in the HRD OP is considerable in view of the short three-year programme period as well as that of the volume of available resources. This in its summary will lead to low programme concentration and to considerable diversity in its results. However, this fact does not need to be thought of as inappropriate. We need to take into consideration the fact that this is the first programme of its kind in the Czech Republic, and that it is difficult to predict in what aspects of the individual priority axes the greatest interest and readiness of entities from the area to submit specific projects will be shown. It is therefore better to leave more space for initiatives from lower levels rather than to limit the scope of the priority axes with the risk that they won't be filled with quality projects. More selectivity should definitely be exercised in the next programme period based on the experience of implementing this programme.

Objectives hierarchy on the programme level

The OP's global objective is defined as "High and stable employment level based on qualified and flexible workforce, integration of socially excluded population groups, and competitiveness of businesses while respecting sustainable development principles."

The global objective is formulated on an appropriately universal level and it represents a very good starting point for setting strategic objectives through which the global objective is specified. *Strategic objectives* expand the factors and conditions, that are specified in the global objective, these lead to a high and stable employment level, i.e. providing adequate qualification and flexibility of the workforce, integration of socially excluded groups, competitiveness of companies and respect for the principles of sustainable development. As well as the global objective, the strategic objectives are also formulated very generally and they express a long-term development plan for individual areas where it's clear that they exceed the scope of the programme. This fact cannot be considered negative; on the contrary it is in harmony with the nature of the strategic objectives. The following four strategic objectives were defined:

1. "Development of flexible labour market helping to reduce and prevent unemployment as well as increase employability of persons at risk of exclusion from the labour market."
2. "Reduction of the number and proportion of those at risk of social exclusion through an integrated approach and removal of barriers impeding participation in the labour market".
3. "Development of lifelong learning by enhancing the quality of education supply in respect to knowledge society and through broader participation of all actors in the education process".

4. “Development of qualified workforce, competitiveness of businesses and more jobs available in growth industries”.

The approach to the formulation of strategic objectives varies. The second and third objectives are formulated with the same logic as the global objective, which means that apart from the objective it also gives a basic idea of how to reach it; the first objective on the other hand includes in itself a further superior objective – what the flexible market should contribute to. The fourth strategic objective shows a clear objective formulation without any overlap. Even though the individual strategic objectives are linked to different aspects of the labour market it would be more suitable to respect a unified approach to their definition; although, as far as the quality of the strategy is concerned, it doesn't have a negative influence, strategic objectives develop the global objective. On the whole, the hierarchy and the continuation of the global and strategic objectives are preserved on the programme level.

Each strategic objective was assigned one relevant priority; the fifth priority is not relevant as it deals with providing technical assistance. This priority wasn't included after the final text review into the list of priorities and its two measures are also missing from the list of measures. It needs to be included not only in the list but also in the graphical record of priorities. The following priorities were defined: Priority 1 – Active Employment Policy; Priority 2 – Social integration and equal opportunities; Priority 3 – Life-long learning development; Priority 4 – Adaptability and entrepreneurship; Priority 5 – Technical assistance

The internal consistence of the programme and the unified aim of all the priorities and measures in reaching the global objective are provided by the hierarchical interlinking of objectives. These are defined not only on the level of the programme, but also on the level of individual priorities and measures. In the methodology of Working Paper No 3 the definition of global and specific objectives is required on the level of programmes and priorities; global, specific and operational objectives are defined on the measures level. A link should be established between these objective hierarchies so that the specific objective of a superior level equals a global objective of a lower level. Thus, the specific objectives of the programme that then become global objectives for individual priorities are deduced from the global objective of the programme. Specific objectives, which become global objectives for individual measures, should be formulated for priorities. Specific and operational objectives need to be formulated for individual measures. The structuring of objectives simplifies the setting of monitoring indicators, as the following link should be preserved i.e. that global objectives are expressed through impact indicators, specific objectives through result indicators and operational objectives through output indicators.

In the HRD OP document two required levels of interlinked and consistent objectives were set on the programme level. The terminology used in the paper mentioned above (Working Paper No 3) was not observed in the sense that lower level objectives were called strategic objectives and not specific objectives. This formality can easily be fixed.

Objective hierarchy on the priority level

The HRD OP doesn't explicitly set any priority objectives. Table 1: Hierarchical relationships between objectives at the level of priorities and measures, presented in the appendix to the ex-ante evaluation, was processed for the evaluation of hierarchy and relationships between objectives on the priorities and measures level and demonstrates that even though there are no objectives defined on the priority level they can be added on both the basis of the second hierarchical level of programme objectives, that represent the global objectives of individual priorities, and on the basis of the highest hierarchical levels of the objectives of individual measures that represent the specific objectives of priorities.

From the enclosed table 1: Hierarchical relationships between objectives at the level of priorities and measures, it is clear that with the exception of priorities 2 and 4 the link was observed wherein the global objective of priority is broader and more general than the specific objectives and that the priorities cover selected aspects of their global objective which corresponds with the 'from general to specific' procedure that should be respected when defining objectives for the programme as a whole and for individual priorities and measures. The gradual narrowing of the scope of the objectives corresponds with the principle of selectivity when formulating priorities.

The objective consistency is breached in the case of priority 2 where the global objective is formulated as "Reducing of the number and proportion of those at risk of social exclusion through an integrated approach and removal of barriers impeding participation in the labour market." This does not leave space for including the second specific objective of priority aimed at equal opportunities for women and men. The objectives do not mutually correspond and it is necessary to reformulate the global objective of priority, which is the appropriate specific objective of the programme.

A similar problem can also be found in priority 4 where one of the specific objectives formulated as: "Building the capacities of regional EEAR systems based on the regional network of environmental information and education centres" extends beyond the framework of the global objective of priority (specific objective of the programme level) that does not include the environmental aspect. The global objective of priority is defined as the "Development of qualified workforce, competitiveness of businesses and more jobs available in growth industries". Either the global objective of priority needs to be adjusted or the transfer of measure 4.3 to priority 3, that is aimed at life-long learning development and is more relevant for this measure as far as its content is concerned, should be considered.

Hierarchy of objectives on the measures level

For individual measures, instead of the three objective levels defined in the HRD OP (global, specific and operational), which are required by the methodology of Working Paper No 3, there are only two levels. One objective of each measure is designated as specific and a number of lower level objectives as operational objectives. As for each measure one objective that has a character of the highest hierarchical level should be presented it is clear that this objective level is defined even if the terminology used isn't accurate. It is difficult to decide whether the lower level objectives were meant as specific or operational objectives in the sense of Working Paper No 3's methodology. Taking into account the extent of generalisation in the formulation of most of these objectives the evaluation team is more in favour of the view that the

objectives are specific on the measures level. From a detailed summary of activities forming the lowest description level in the frame of individual measures we can project the content of the operational objectives that are not explicitly expressed in the document.

The hierarchy and interlinking of objectives in the two defined levels of objective is observed in most measures. Some problems were found in measures 3.2 and 3.3 that are elaborated upon further in the text that follows. In this text the terminology recommended by the methodology of Working Paper No 3 will be used.

The global objective for measure 3.2 – Support of tertiary education, research and development is formulated as “Enhanced employability of graduates of all types of study programmes and lifelong learning programmes in the labour market”. The formulation of such an objective is not compatible with the measure title and it doesn’t convey the fact that the measure has a form of systems support. Also a global objective defined in such a manner is narrower than a priority and it is only aimed at employability and the area of R&D is not included. This results in the specific objective “human resource development in R&D” extending beyond the scope of a global objective of the measures level where it concerns people who have already found employment. The global objective of the measures level needs to be reformulated so that it is in harmony with the measure title and is superior to all the defined specific objectives.

The global objective for measure 3.3 – “Promoting state structure and systems for human resource development in school education” is also formulated in an unsuitable manner. The nature of the global objective is like that of the specific objectives of the measures level being very narrowly defined as “supplementing the missing state standards and systems common in EU countries”. Apart from that the standards and systems are not further specified. An objective formulated in such a manner doesn’t leave space for any of the specific objectives presented and has to be expressed more accurately.

As this is the first document of its kind and as adding other hierarchical objective levels would not have any real impact on the content of the programme, the evaluation team does not consider it essential to work out the missing objectives level for individual measures although its impact on the quality of the monitoring indicators would certainly be positive. However, it is essential to solve the problems with the measures mentioned and set right the terminology. Although the problem with the terminology is only formal the evaluation team considers this matter important, as unified terminology is essential for mutual understanding.

Strategy balance

With regard to reaching the global objective the strategy is well balanced. It can be proven to contain an appropriate combination of both developmental elements and competitiveness support that makes human resource development dynamic and provides effectiveness in employment for the future as well as elements of social protection, inclusion and equal opportunities. Individual priorities contribute to the fulfilment of the global objective in different ways. Priority 1 has the biggest impact on reaching the global objective. It is directed at mainstream measures leading to a faster return to work for the unemployed as well as to the prevention of

unemployment. The first two measures of priority 4, which help to increase the flexibility and adaptability of employed people and therefore promote competitiveness, also have a direct impact. Priority 2 is directed at social inclusion and equal opportunities and priority 3 is mostly aimed at prevention - in the sense that the development and improvement of the content and forms of education contributes to a more employable workforce.

Evaluation conclusions

- The description of strategy contains both an explanation for the logic of the basic strategy and a description of the basic elements of the strategic axes, i.e. a global objective, some specific objectives and priorities as well as measures descriptions. Even the basic tools and support forms are outlined on a general level.
- The broad aim of objectives, priorities and measures can be accepted as an initial verification of the actual absorption capacity in the frame of the individual priority axes. From this perspective the final programme evaluation, that should provide recommendations for selecting and narrowing down the scope of priority axes for the next programme period, will be very important.
- On the programme level the objectives are formulated with an appropriate amount of generalising, some of which even contain the ways in which they can be achieved.
- Hierarchical linkage between objectives on the programme level is observed; the global objective is processed and specified through specific objectives.
- On the level of priorities there aren't any explicitly defined objectives but they can be added due to the hierarchical links between the objectives of programmes, priorities and measures. The hierarchical links between objectives is not observed in two priorities – priority 2 and priority 4, where the objective of the lower level exceeds that of the superior level (this problem can be eliminated by reformulating the superior level objectives).
- A definition of one of the hierarchical objectives level is missing on the measures level. As the quality of the content aim of the programme is not negatively influenced, the evaluation team does not insist on adding these objectives into the operational programme. However it would be suitable to process them for the Programme Complement.
- The hierarchy of objectives is not observed in two measures – measures 3.2 and 3.3. The formulation of these objectives has to be more specific and the objectives need to be harmonised.
- When the problems listed above, which are mostly related to the process of formulation, are removed the links between objectives of individual hierarchical levels will be observed and this will ensure that individual measures will lead to the achievement of the objectives defined on the priorities level and thus fulfil the programme's global objective.

IV.2. Linking the programme with the strategic objectives of relevant European policies

An Assessment of compatibility with European Employment Strategy

The HRD OP strategy follows the terms of the European Employment Strategy in its four basic pillars: employability, entrepreneurship, adaptability and equal

opportunities. In the case of equal opportunities the link with the formulation of the strategic objectives of the HRD OP is not apparent (see chapter IV.1.), but it really exists and from the priorities description it is clear that this is provided by priority 2.

The links of the HRD OP to **European Employment Strategy Guidelines** are represented in the HRD OP in the form of a table in which the aim of all 18 guidelines is presented on one side, and the corresponding objectives of individual measures, through which the guidelines will be fulfilled, are presented on the other. This presentation of context is very clearly arranged and quite conclusive. It is clear that apart from guideline 12, which is aimed at tax reforms, i.e. a region outside the ESF support frame, the HRD OP covers the objectives of all the guidelines to a certain extent.

However the table could be perfected as far as formality is concerned. It is clear that not all the points of the guidelines are reflected in HRD OP and therefore they should be distinguished from the others for increased clarity. In some cases (e.g. in guidelines 2, 3 and 11) not all objectives are relevant to the appropriate guideline are presented. For example, guideline 2 should be completed with the relevant objectives of measures 1.1 and 2.2 and more objectives for measure 2.1 should be presented. Measures aimed at systems development (for example measures 1.2, 2.1 and the whole of priority 3) that indirectly support the implementation of guidelines could be included to greater extent.

The extent of the strategy's compatibility with the set of objectives contained in the **Joint Assessment Paper** is especially important for evaluating the quality of the strategy. These objectives represent fundamental steps in areas that have been identified together with the European Commission as weaker areas from the perspective of the effective application of European employment policy in the Czech Republic. The link to the "Joint Assessment" is mentioned in the operational programme. The individual priority areas are only listed, without specifying the ways in which they are fulfilled in the HRD OP. However it is obvious that four out of the five priority areas are included in the HRD OP. Only the first priority area (providing appropriate wage development and coordination of the tax and social benefits systems), that is not subject to ESF support, stands apart.

Evaluating compatibility with the European Strategy to Fight Against Poverty and Social Exclusion.

The European Strategy to Fight Against Poverty and Social Exclusion is applied through four common objectives: (i) to facilitate participation in employment and access by all to the resources, rights, goods and services; (ii) to prevent the risk of social exclusion; (iii) to help the most vulnerable; (iv) to mobilise all relevant bodies. Even though the Action Plan of the fight against poverty and social exclusion, which could support the HRD OP strategy, has not yet been processed, this area is explicitly covered by the second specific objective of the programme level ("Reduction of the number and proportion of those at risk of social exclusion through an integrated approach and the removal of barriers impeding participation in the labour market").

Certain aspects of social inclusion are also implicitly included in all other specific objectives of the programme level that have a supporting effect in this area and a

preventative or systematic nature. Objective 1, focusing on increased employment, unemployment prevention and improved labour market flexibility, exerts some influence on employment retention and a quick return to employment and thus prevents long-term unemployment, which also effects social exclusion. Objective 3, focusing on the development of a life-long learning system, provides conditions for gaining and adding to necessary qualifications for everybody and thus in the future will contribute to the prevention of unemployment. It also aims to create conditions for the inclusion of disadvantaged individuals in mainstream education.

Even objective 4, which focuses on strengthening both the work force and enterprises' adaptability, contributes to the fulfilment of the first objective of European Strategy to Fight Against Poverty and Social Exclusion. Measures implemented for fulfilling this objective will have a positive impact on retaining some employment positions, on increasing the work force's employability and on new employment opportunities being created in progressive economy sectors. Retaining and gaining an employment position is the best way of preventing poverty and social exclusion.

Evaluation conclusions

- The strategy of the HRD OP complies with every aspect of European Employment Strategy, both from the perspective of the four general pillars and that of its 18 operational guidelines. The table portraying the links to European Employment Strategy Guidelines could, on the formalities side, be adjusted so that it is clear which guidelines are completely covered by programme measures. Further relevant objectives on the measures level should be supplied so that the links are completely covered.
- When viewed objectively, compatibility between the HRD OP and Joint Assessment Paper is also evident. The strategies' links are not sufficiently described in the operational programme. There should be a more detailed description of ways in which the HRD OP reflects priority areas defined in the Joint Assessment Paper. It could use the same type of presentation as the European employment strategy.
- From the strategy and priorities description it is clear that the HRD OP contains direct and indirect links to The European Strategy to Fight Against Poverty and Social Exclusion. These links are not mentioned in the operational programme though and should be supplied next time it is processed.

IV.3. Linking the programme with the strategic objectives of relevant national policies

National policies linked to the HRD OP are described in the operational programme with an appropriate amount of detail. The scope of presented policies is complete. With the view of rating the compatibility between the aims of national policies and HRD OP strategies in mind, the description provides sufficiently conclusive information in the form of the nature of the objectives of individual policies and a description of the quality of its fulfilment. In the introduction to each priority the NEAP (National Employment Action Plan) guidelines to whose fulfilment the priority will contribute are defined and sector policies, to whose objectives the priority is linked to, are identified where relevant.

For evaluating the links between the OP and relevant national policies a matrix was created in the form of a table. The individual policies are presented in rows and the individual priorities in columns. Priority 5 – Technical assistance was left out due to its specific nature. The intensity of the links is divided into three degrees. The strongest link is portrayed by a star and this means that the priority is directly linked to the policy presented in the row and that it is directly aimed at reaching the objectives being pursued by the given policy. A cross marks an indirect link between a priority and a policy and it shows that the priority indirectly aids the reaching of objectives being pursued by the policy presented in the appropriate row. If the priority doesn't aid reaching the policy objectives at all it is marked by a dash.

Table 1: The matrix of relations between OP priorities and national policies

NATIONAL POLICIES	P 1	P 2	P 3	P 4
National Plan of Employment	*	*	*	*
National Action Plan of Employment 2002	*	*	*	*
Government policy for aiding members of the Roma community	*	*	*	-
National plan for equal opportunities for citizens with health disabilities	x	*	*	-
Government priorities and procedures for establishing equal rights between women and men	x	*	x	x
National Program of Education Development	-	-	*	x
Long-term Intent of Education and Development of Educational System	-	-	*	x
State Information Policy in Education	x	x	*	x
Strategy of Enhancing the National Economy Growth	x	x	x	*
Industrial Policy	x	x	-	*
Policies for supporting SMEs	x	x	-	*
State Program of Environmental Education, Guidance and Promotion	x	x	x	*
State environmental policy	-	-	-	*
Concept of State Policy of Tourism Industry	-	-	-	*
State information policy	x	x	x	x
National policy for R&D	-	-	*	x
Strategy for the development of the non-profit sector	x	*	x	*

Notes:

P1 – Priority 1; P2 – Priority 2; P3 – Priority 3; P4 – Priority 4

* Priority is aimed directly at reaching basic objectives being pursued by the given policy

x Priority isn't aimed directly at reaching basic objectives being pursued by the given policy but it aids reaching these objectives indirectly

- Priority doesn't have any link to objectives being pursued by the given policy

The links between the national policies and the operational programme are both direct and indirect. The operational programme directly aids the fulfilling of the objectives of national employment policy through all priorities. Through one or more priorities it also directly aids reaching objectives that are defined in specific policies concerning social integration, equal opportunities, education, industry, travel and tourism, environment, information enterprises and even national economy growth and the non-profit sector. Priority 4 displays direct links to the widest range of policies, which is

given by its extremely diverse structure in comparison with other priorities that are more singularly focused. In priority 4 measures are included that are aimed at increasing the adaptability of employees and employers, and at development of human resources in industry and tourism and environmental education, guidance and promotion.

Apart from the direct influence on the fulfilment of national policy objectives, an indirect influence also asserts itself. This indirect influence, mediated by human resource development, is not as strong as the direct influence but is also significant as well as being as common as the direct influence.

Evaluation conclusions

- The programme is interlinked with relevant national policies through individual priorities. Compatible with ESF objectives it has the strongest link to employment policy. There are also direct links to some sector policies.
- Indirect links between the operational programme and national policies that provide a more complex positive impact on the programme are also significant.

IV.4. Using the experience gained in the implementation of national policies and pre-accession programmes for the HRD OP strategy

Using experience from the implementation of national policies

Apart from the basic compatibility of the HRD OP strategy and national policies it is also useful to evaluate whether the operational programme takes into consideration experience gained from the implementation of national policies that concern: insufficiently covered areas, the effective functioning of institutional structures, the effectiveness of individual tools, the benefits for various targeted groups and so on - in such a manner so that it is clear what national policy areas need to be supplemented or fortified by ESF intervention.

The description of national policies in the operational programme doesn't provide sufficient information for an assessment of these aspects. A general lack of analysis and information of this nature, due to the fact that in most cases it is not standard for national policies to be evaluated, is the deciding factor behind this. This situation reflects the underdevelopment of the environment evaluation in the Czech Republic in connection with national programmes and policies.

An analysis of the effectiveness of national policies is more carried out on the quality level, but the approach is not complex and individual aspects are given varied attention. Where special studies and enquiries are available their results are used in directing HRD OP priorities and measures.

Using experience from pre-accession programmes implementation

The Czech Republic's position in this regard is not comparable with the situation in other member countries. The programmes had only a pilot nature in the form of a limited number of projects whilst not applying rules of implementation in accordance with ESF requirements. The ex-ante evaluation takes this situation into account.

From the description of pre-accession programmes contained in the HRD OP it is clear that experience from the application of pre-accession programmes will have a positive effect on the three following levels. The framework knowledge of the methodical processes of programming that could be assimilated into the requirements for the creation of programme documents was especially used in preparing the HRD OP.

Structures of implementation, the seeds of which are manifest in the form of trained managers for managing projects, and which were mainly created at individual job centres and other organisations form another level.

Skills necessary for the formulation and implementation of project drafts were also being developed. To some degree this will positively influence the absorption capacity in all the basic priority programme areas.

As a complex analysis of the effectiveness of individual tools used for providing human resource development is not ordinarily carried out, there wasn't sufficient information from the implantation of pre-accession programmes available pertaining to which activities provided the most effective use of means and the achievement of set objectives.

Evaluation conclusions

- The national policies results are not ordinarily evaluated from the perspective of reaching the planned objectives and how effective tools of implementation are, which is why complex information is missing about the possible weak points in national policies. In areas where such partial or qualitative evaluation takes place the knowledge was used in drafting priorities and measures.
- The experience from the implementation of pre-accession programmes is limited due to its volume; nevertheless it had a positive influence, mainly on the knowledge of methodology with regard to the creation of programmes and it aided laying the foundation for the future development of the HRD OP's absorption capacity.

IV.5. The clarity of objectives and priorities definitions in connection with other operational programmes

The existence of numerous contact points between the HRD OP and most of the other operational programmes comes from the cross-sectional nature of human resource development. Links to other operational programmes can be complementary with a positive impact on the effectiveness of the implementation of an entire operational programmes complex (these aspects will be evaluated in chapter VII). On the other hand an undesirable overlapping of programmes could take place that would lower the effectiveness of allotted appropriations. An evaluation of the possible overlaps cannot usually be carried out based on strategic objectives or priorities comparison. These are usually formulated generally so we need to proceed from a comparison of a lower level programmes description, i.e. operational objectives and measures.

Links with the joint regional operation programme

In the area of social inclusion there are very close links between the priorities and measures presented in the HRD OP and those in the JROP. These are: priority 2 in measure 2.1 in the HRD OP and priority 3, measure 3.2 in the JROP. After the initial gross overlapping of the HRD OP and the JROP programmes (in the areas of social inclusion and life-long learning), which the evaluation team continuously pointed out in its recommendations, effective communication and some compatibility between both documents took place through the programming teams.

The division of activity between the HRD OP and the JROP is not explicitly defined in either of the programmes. The general description of the aim of the content on the priority level where social inclusion is concerned is very similar in both programmes. Comparison of the contents of the HRD OP and the JROP is made more difficult by the fact that the presentation of objectives on the priorities level differs in methodology in both documents (the HRD OP presents one generally formulated specific objective for one measure whilst in the JROP there are several narrower specific objectives corresponding to one measure) as well as differing in the fact that both programmes define the target groups in a different manner (the HRD OP defines target groups whilst the JROP defines the final recipients of aid in the sense of service providers).

Nevertheless, on a lower differentiation level, i.e. that of the descriptions of individual measures and mainly that of the formulation of operational objectives, in both programmes we can deduce that there is a dividing line between the activities that will be supported from the HRD OP and those that will be supported from the JROP.

In connection with individuals from socially disadvantaged groups the HRD OP should cover activities narrowly linked to labour market integration that are traditionally provided by job centres in the form of motivational, advisory and retraining services linked to work placements. The HRD OP should also provide help for groups of people whose problems cannot be solved on the local level, although this is only concentrated in certain areas (abused people, immigrants, homeless people and so on). On the other hand the JROP should concentrate more on social and accompanying measures aimed at individuals, which use local conditions, help to improve the employability of disadvantaged people and thus complement the activities of job centres on the regional and local levels.

In connection to the development of a system of social integration services the HRD OP concentrates on information, supportive and educational activities that are essential for providing a unified approach and methodology in implementing quality services standards and for developing community planning in the area of social inclusion. The actual preparation and implementation of community plans and providing services that respect the standards should, on the other hand, be supported from the JROP.

This is a rational division that combines the “bottom-up” approach applied in the HRD OP with regional and local JROP activities. The line between them is not very clear from the formulation of the programme and should be clearly defined in the measure description.

Links with the Industry and entrepreneurship OP

The HRD OP is linked with the Industry and entrepreneurship OP's priority 1 –The development of enterprises and increasing the competitiveness of the production sector, through measure 4.2 - Human resource development in industry. The HRD OP states that measure 4.2 will support priority 1 of the OP IE.

The same level of accuracy has to be kept meaning that the relation between the measures themselves needs to be defined and not the relation between the measure of one programme and the priority of another programme. It is not clear whether it is really expected that the targeted groups of recipients of aid within the frame of measure 4.2 will be company employees and management that at the same time will present a project within the frame of the whole of priority 1 - meaning within the frame of all three measures or only within the frame of one of the measures.

The line between measure 4.2 of the HRD OP and measure 1.3 of the OP IE, which is aimed at supporting the infrastructure for the use of human capital, is not clearly defined. The idea that building educational and training institutions, so called “hard infrastructure”, will be supported within the frame of measure 1.3 of the OP IE and that: “the vocational training in the companies, introduction training and retraining of company employees” or so called “soft infrastructure” will be supported within the frame of measure 4.2 of the HRD OP, is contested by the description of measure 1.3. This measure states that, apart from other things, “short-term targeted managerial education” will be supported.

Based on a consultation with the team responsible for processing the OP IE it is essential to completely eliminate the possibility of overlaps and to clarify whether the supported company workers and management will be those who submit projects within the frame of the whole OP IE priority or those within the frame of only one of these measures.

Links to the Tourism industry and the balneology OP

The HRD OP has a certain link to the TIB OP through priority 4, measure 4.4 - Human resource training for tourism. It is clear from the description of the measure that it has been secured against overlaps. Whilst the measure within the frame of the TIB OP is aimed at supporting the partnership of the public and private sectors, the creation and implementation of standards in services and their certification and at implementing a system of accrediting tourist destinations, the measure within the frame of the OP HRD concentrates on improving the qualifications of not only students in the appropriate field, but also of those who already work in the travel and tourism industry, both in the actual services and in the relevant branches of public administration.

Links to the Environment OP

There is no attention given to the link between the E OP and the HRD OP. The reason for this is probably the fact that the E OP is almost entirely aimed at investment activities providing for the improved quality of selected elements of the environment. Nevertheless, the existence of the link with E OP through measure 4.3 – Environmental education, guidance and promotion, should be stated in the HRD OP. The issue of education is not included in the E OP so there is no possibility of overlaps.

Evaluation conclusions

- The current versions of the HRD OP and other operational programmes can be considered compatible and without major overlaps thus providing the distribution of activities between programmes.
- The close links between the activities of the HRD OP and the JROP are mainly in the area of social inclusion. The dividing line between the activities supported from different programmes is only obvious after careful study of lower objectives within the frame of the individual measures. The measure description does not offer a guideline. A clear distinction of the nature of the activities and projects that will be implemented only within the HRD OP and not within the JROP should be formulated in the description of the appropriate measures in the Programme Complement.
- Some danger of partial overlaps emerges from the ambiguity of the defined link between HRD OP and IE OP. In the Programme Complement the descriptions of measure 4.2 of the HRD OP and measure 1.3 of the IE OP need to be specified so that there is a clear and distinctive line between the activities that will be supported within their frame.
- In the link between the IE OP and the HRD OP whether or not the supported company workers and management will be those who submit projects within the frame of the whole of priority 1 of the OP IE or those within the frame of only one of its measures needs to be clarified.
- A link to the E OP needs to be added to the HRD OP.
- The link to the TIB OP is defined clearly and overlapping is excluded.

V. THE RELEVANCE AND INNER CONSISTENCY OF THE PROGRAMME

Evaluation questions

- What was the scope and quality of the consultation process like (how adequate the consultation process was, the measure of involvement of institutions from other areas, regions, social partners, the non-governmental sector)
- Are the priorities clearly defined and co-consistent (they don't overlap, they are defined in relation to the SWOT analysis, assist in reaching the global goal of the programme and produce synergy effects)
- To what extent are horizontal topics affected by the programme (directly and indirectly)
- What are the proportions between the individual types of measures and activities (support for individuals and groups, systems and accompanying measures; new innovative measures and traditional measures; follow-up and preventative measures)

V.1. The scope and quality of the consultation process

The consultation process can be evaluated from two perspectives; the first is that of the scope and comprehensiveness of the inclusion of all the relevant partners, and the

second is that of the achieved results and how effective the whole process was. The consultation process proceeded on a broad base, on several levels and in various ways.

Cooperation among partner ministries

The cooperation among the partner ministries was very intensive as the cross-sectional nature of the HRD OP covers areas of responsibility that are the domain of several other ministries: MLSA, MEYS, MIT, MRD and ME. All the partner ministries were represented in the work team preparing the operational programme. The advantage of this was in having competent people present, processing the appropriate specialised parts of the programme, and on the other hand it also meant that the representatives of individual ministries pursued only their own interests in drafting of individual measures and the division of financial means between them. Both the intensity of inter-ministry cooperation and the effort to reach consensus among them can be seen as positive.

Consultation among the programming teams

As three out of the five partner ministries (MRD, MIT, ME) also form the Managing Authority for other operational programmes, consultations were carried out amongst the various programming teams of these ministries. The situation was a bit more difficult in these cases as conflicting areas of potential overlaps had to be clarified and complementarity down to the individual measures level had to be provided. The consultations weren't very effective here and fundamental problems between individual programmes took a long time to solve. Some ambiguity concerning potential partial overlaps stayed between the HRD OP and the IE OP (see also chapter IV.5).

Consultation with regional partners, social partners and the non-profit sector

Cooperation with other partners proceeded through Working Teams for the preparation of programme documents on the use of structural funds where apart from representatives from partner ministries there were also representatives of regions, social partners and non-profit organisations. The regularity with which information was exchanged and the ongoing nature of the consultation process, which was provided by this organisational step, can be appreciated.

The forms and process of consultation

Apart from having gradual information exchanges through working teams and groups, the consultation process had set phases when, in order to garner expert opinions and remarks, the individual working versions of the operational programme were sent to partner departments, the self governments of 13 regions, social partners and a broad circle of experts that were recommended by the Working Team for the preparation of programme documents. A public seminar on the operational programme took place in July 2002 and a public inquiry of the operational programme in December 2002. Before the government inquiry took place the document was sent for external comments where all departments and social partners expressed their official standpoint. Experts from the public were also included through the Internet as the individual drafts of the operational programme were published on the MLSA's web pages and thus some space for commentaries and discussion was created.

The Working Group for Evaluation, that was familiarising itself with drafts of the operational programme and that could express its points through its comments on the

recommendations of the Evaluation Team, was also indirectly linked to the consultation process.

Evaluation conclusions

- The breadth of the consultation process was appropriate. It included partner ministries, regions relevant to the implementation of the programme, social partners, non-profit organisations and individual experts. The public was involved in the consultation process by seminars and presentations of individual drafts of the HRD OP on the Internet.
- It can be considered positive that the consultation process took place for the duration of the whole preparation period and that this process was divided in connection with the preparation of the individual drafts of the operational programme.
- Although a basic consensus was reached, the effectiveness of the consultation process was relatively lower where providing synergies between the HRD OP and other programmes and in removing overlaps between programmes was concerned.

V.2. The relevance of the defined priorities and measures and their consistency

The quality and adequacy of the defined priorities and measures

The description of the individual priorities is not done in a unified manner but we can generalise the prevailing procedures. The priority description usually contains a summary of the main problems that emerge from the analysis and are relevant to the defined priority goal and its content. In this sense the priorities do not further develop the identified strengths in the analysis but they correctly concentrate more upon the weaknesses that should be removed, or at least reduced, by the implementation of the programme. This link is not explicitly declared but it is evident in the formulation of the text. The aim of the priority, that has the form of suggested directions for solutions, is also defined. The solutions are generally formulated but it is obvious that they are leading to the overcoming of the identified weaknesses and in principal they react to the opportunities and threats formulated in the SWOT analysis.

It can be positively appreciated that within the frame of the priorities the links to the National Action Employment Plan, with the appropriate pillars and guidelines that will be assisted by the priority, are clearly declared. In the case of priorities 3 and 4 the main sector strategies are also mentioned. Although the links are loosely described, without expanding on the relevant connections, it is obvious that the links were taken into consideration when the priorities were drafted.

As the description is very general, it is not clear from the formulation of the priorities what the individual priorities will concentrate on. This problem is most obvious in Priority 4 where the specification of the priority's aim is completely missing. The description of individual measures, which in most cases only further expands on the key problems and on the general desirable directions of the solutions that are implied in the priorities, is just as vague and insufficient. This problem mostly occurs in measures 1.1, 1.2, 2.1, 3.3 and 4.2.

On the other hand it must be said that an idea of the content of the priorities and measures and the ways of their fulfilment can be acquired from the detailed list of specific activities and target groups that is presented within the frame of the individual measures that follow along from every priority. In evaluating the mutual consistency, compatibility and adequacy of the individual priorities and measures we have to proceed not only from the description of the priorities and measures but also by following all the other elements of the appropriate priority axes down to the lowest level of detailed activities and target groups. This complex information can be considered sufficient.

From the evaluation of all the elements of priority axes we can see that these axes are appropriate for solving problems identified in the analysis and in the SWOT analysis. As far as how relevant the selection of the target groups is concerned, all the target groups, which have to be supported within their frame, are included in the individual measures. In some cases it is only necessary to harmonise the level of generality used in defining target groups between measures so that there is no doubt that these are different groups of people (see below).

The identification of boundaries between priority axes, possible overlaps and synergy effects

In view of the fact that the individual HRD OP priority axes are, in terms of problems, strongly mutually dependant, the operational programme contains several areas where *overlaps* could occur.

This is especially relevant between priority 1 - aimed at broadening the active measures when returning people to the labour market, the unemployed to employment and preventing long-term unemployment - on one side; and priority 2 – that, apart from other things, is also aimed at solving long-term unemployment and the social inclusion of disadvantaged groups – on the other. From a detailed comparison of the specific activities and target groups between measures belonging to the presented priorities, it is clear that possible overlaps are not entirely eliminated. Firstly, the activities defined in them are similar (implementation of various forms of education, counselling and jobs creation) and secondly, the target groups cannot be entirely separated. Within the frame of measure 1.1 “people seeking employment and those threatened with long-term unemployment” are defined among the target groups. “Low-qualified people and persons with disabilities” are groups defined within the frame of measure 2.1. It is clear that the target groups defined in measure 2.1 can be a part or a sub group of target groups in measure 1.1. From this perspective it is necessary to better define the target groups in both measures and especially to narrow down the definition of target groups in measure 1.1.

As far as possible overlaps between measures within the frame of one priority are concerned, it is clear that these are eliminated and that their compatibility within priorities is provided for in all cases. Even in the case of measures 4.1 and 4.2, whose dividing line was unclear for a long time during the preparation of the HRD OP, there are clearly separated target groups in the current version of the programme. Measure 4.2 is only aimed at supporting individuals and companies that simultaneously submit projects within the frame of the IE OP.

Direct *synergy effects* of the implementation of the priorities and measures can be expected in those cases where the priorities' objectives include both the relevant solution and the development of system conditions (for example within the frame of priority 1 and priority 2). From the perspective of assisting the global objective of the programme a much larger potential for synergy effects can be observed, generally, in the implementation of all priority axes (see chapter IV.1 – the part concerning the evaluation and balance of the strategy).

Evaluation conclusions

- Priorities are aimed at solving weaknesses and based on the strengths identified in the SWOT analysis. Indicated opportunities and threats are respected. All target groups, that need to be supported, are included in the programme.
- With regard to the generality of the description of the priorities and measures, the relevant aim of the priority axes can only be assessed on the basis of evaluations of all their levels, including a list of individual activities and target groups within the frame of the measure.
- Complementarity on the level of priorities and measures is more or less preserved. Only in the case of measures 1.1 and 1.2 must the target groups be defined in such a manner that no overlaps can occur between the presented measures.

V.3. The involvement of horizontal themes

The HRD OP covers four main horizontal themes – equal opportunities, sustainable development, information society and support for local initiatives – that are on a general level described in the second chapter (part 2.1.4). The document states that the fulfilling of the horizontal themes within the frame of individual priorities and measures will be provided by the fact that the priorities and measures' contribution to the horizontal themes will be taken into account in the selection of projects. Two of the four horizontal themes are explicitly aimed at separate measures within the frame of priority 2 and priority 4. These are equal opportunities (measure 2.2 – equal opportunities for women and men in the labour market) and sustainable development (measure 4.3 – environmental education, public awareness and participation in environmental protection). The contribution of the other measures and priorities to the fulfilling of the horizontal themes is not described.

Even though in the actual document there is no attention given to the involvement of the horizontal themes in the individual priorities, it is obvious that these themes are implicitly covered by the priorities in the following manner.

Equal opportunities

Measure 2.2 is aimed directly at equal opportunities for women and men. The implementation of measure 1.1 will also have a positive effect. Retraining, from which women traditionally profit the most will be provided within the frame of this measure. The implementation of measure 2.1, which is also aimed at motivational, counselling and retraining courses for women re-entering the labour market after maternity leave, will also assist women in re-entering the labour market. The scope of the influence of measures 4.1 and 4.2 will depend on the proportion of employed

women taking part in training courses targeted at improved employability in the appropriate organisation.

Sustainable development

Measure 4.3 is directly aimed at sustainable development, i.e. environmental education and public participation in environmental protection. Depending on the content of the training courses, all measures that expect to provide them, i.e. the appropriate measures of priorities 1, 2 and 4, can assist in this theme. The positive influence of priority 3, aimed at improving the life-long learning system, will only be felt when new educational programmes and improved education are provided and knowledge concerning sustainable development is included in an appropriate manner.

Information society

The area of information society will be especially represented in the priorities linked with providing educational courses (priorities 1, 2 and 4). The volume of their assistance to this theme will depend on the scope of implemented courses that will be aimed at mastering information and communication technology. It can be expected that including instruction of this nature will be significant, especially in measure 1.1, taking into account the fact that information technology forms a traditional part of retraining courses. Within the frame of measure 1.2, the information systems, which will be used not only by the employees of the employment services but also by their clients, will be improved and interconnected in connection with the modernising of employment services. One of the objectives of measure 2.2 is “providing greater female access to information technologies”. By modernising the educational programmes in such a manner that would encourage the use of computers and the Internet in education, even priority 3 can contribute to the fulfilling of the individual principles of information society in the long-term.

Support for local initiatives

Local initiatives should be included in basically all priorities. The support of tighter links between labour market institutions and crucial regional and local actors, including NGOs, is explicitly expressed in priority 1, measure 1.1 as one of its objectives. Even measure 1.2 counts on the support of NGOs as the workers of this sector belong to the target group of aid recipients. Cooperation with NGO sector is also expected in measure 2.1, especially in the part aimed at selected groups of people threatened with social exclusion. Measure 2.2, which, for example, counts on support from women’s organisations, doesn’t steer away from the support of the local initiatives either. Priority 3, measure 3.1 will support schools, so that they can become the local social and education centres, and multicultural cooperation programmes. Two measures (3.4 and 4.3) aim to create adequate regional systems focused first on further professional training and second on environmental education, guidance and promotion.

The inclusion of horizontal themes in the HRD OP was even supported by the presence of representatives of relevant authorities responsible for the fulfilment of these themes by the programming team and the Working Group for Programming. The only exception was the absence of a representative responsible for the state information policy (The Office for public information systems, the Ministry of Informatics since the beginning of 2003). The composition of the programming team

and the Working Group for Programming is described in more detail in the part of the evaluation dedicated to the consultation process.

Monitoring horizontal themes

Although monitoring the horizontal themes is not separately processed in the HRD OP, it is clear from the structure of the monitoring indicators that the monitoring of the horizontal themes is provided by the core indicators. The list of core indicators for the level of the whole programme and individual priorities is presented in a separate part of the OP that is devoted to this topic (2.1.7).

The monitoring of *equal opportunities for women and men* is provided through all the indicators that are related to people in general. For these indicators the absolute or relative number of women will be consistently quantified. All indicators monitoring the separate measure 2.2 will also give evidence of the implementation of this measure. These indicators will be included in the Programme Complement.

The indicator “the number of participants in courses with IT component” is aimed at monitoring the horizontal theme *information society*. However, this indicator will not cover the scope for fulfilling this horizontal theme through Priority 3 as it is aimed at systems and its impact on the movement of the Czech society towards an information society will only become manifest when the new or innovated education programmes have been implemented.

The indicator “The number courses with an environmental component” will provide monitoring of the theme *sustainable development*. Also all indicators for measure 4.3 will be relevant to this theme.

An indicator related to the number of supported institutions will monitor the support for local initiatives. For this indicator it is expected that a share or an absolute number of defined groups of institutions will be observed within the frame of which the NGOs will be observed separately. This indicator will not express the scope of support for local initiatives though if we look at this support in a broader context as a support for cooperation of all the crucial regional and local actors. The indicator of the number of supported local partnerships would have to be added, which we do not consider necessary.

Evaluation conclusions

- A separate part of the operational programme is devoted to the general description of horizontal themes (equal opportunities, sustainable development, information society and support for local initiatives). However, the involvement of these horizontal themes in the individual priorities is not described.
- Defined horizontal themes are implicitly included in all priorities; the scope of involvement depends on the nature of the priority. Two out of the four horizontal themes (equal opportunities and sustainable development) are covered by separate measures within the priorities 2 and 4.
- The penetration of the horizontal themes into all priority axes is provided by a principle declared in the programme - that when selecting the project, its contribution to fulfilling the horizontal themes will be taken into account.
- Core indicators provide the monitoring of horizontal themes.

V.4. Proportions between the types of measures and activities

In terms of programme structure it is useful to assess to what extent the programme will bring direct support to individuals of the target groups, including employers, to what extent it will require the implementation of accompanying measures for individuals and groups, and to what extent the programme will support the creation or improvement of systems in particular areas of the HRD OP. Another aspect for assessing the programme structure is the level of prevention, i.e. whether the planned activities have the character of preventive or curative measures. The last aspect is to what extent the programme includes new or innovative measures, and to what extent standard approaches and tools are applied.

For the purpose of assessing the programme's structure in terms of the targeting of support and the character of measures an overall table was drawn up. It is apparent that the table works with certain amount of generalisation and hence simplification of type activities (project types) by which individual measures will be fulfilled. The range of activities included in one measure is rather broad; therefore the dividing line between various types of support targeting and the character of the runs through the measures themselves. Thus, on the basis of the range of activities listed in the operational programme, it was necessary to estimate an approximate structure in which the individual activity types will participate in a measure. Considering the fact that for assessing the targeting of support this is a basic differentiation - whether it applies to individuals or systems, the support of lecturers, teachers, advisers etc. (meaning individuals that are a part of the system) it is always considered to be support for the system.

Table 2: Targeting of support and the character of measures

Priority	Measure	Targeting of support			Character of measures			
		Support for individuals	Support for the system	Accompanying measures	Level of prevention		Level of innovation	
					Preventive measures	Curative measures	New, innovative measures	Standard measures
P 1	1.1	*	-	X	*	*	X	*
	1.2	-	*	-	*	-	*	*
P 2	2.1	*	*	*	*	*	*	X
	2.2	*	*	*	*	*	*	*
P 3	3.1	X	*	X	*	-	*	*
	3.2	-	*	-	*	-	*	*
	3.3	-	*	-	*	-	*	*
	3.4	-	*	-	*	-	*	X
P 4	4.1	*	-	-	*	-	X	*
	4.2	*	-	-	*	-	X	*
	4.3	*	*	-	*	-	*	*
	4.4	X	*	-	*	-	*	*

Notes:

- * = Characteristic occupies a substantial part of the measure
- x = Characteristic occupies a minor part of the measure
- = Characteristic does not occur in the measure

As the table clearly shows, an important part of the programme is *support for the system*. It is, in varying degrees, included in all the priority axes, in priority 3 it is almost an exclusive form of support. An estimation of the share of funds given to the development of systemic elements is around 45% of the total funds of the programme³. *Support for individuals* (clients of services) takes a higher share – around 50%, although it is included in a smaller number of measures and in some of them it is only a minority. This is caused by the fact that the intensity of measures only including support for individuals and groups is relatively large, and also by the fact that projects of this type are generally more financially demanding than systemic projects. Only a relatively small part of the funds – around 5% - goes to *accompanying measures* that should provide the subsequent conditions for people to access the main support. Accompanying measures are expected to be implemented only within priorities 1 and 2 and, marginally, in priority 3.

The relatively high share of systems provisions in the HRD OP is necessary with regard to the fact that the systems of readiness for the implementation of measures in HRD OP priority areas is altogether low. The most complicated situation is in continuing education, where the absence of conditions within the system is the most felt. Even current functioning systems (e.g. Labour Offices in the service of employment or schools in the educational system) are not completely ready for the changes necessary in order to fulfil the global objective and specific objectives of the programme. It is therefore necessary to provide support for the development of systems in the form of staff training; organisational improvement and co-operation between partners; the improvement of educational, counselling and information tools and quality checking methods etc.

A positive fact is that the HRD OP is aimed at *measures of* mostly a *preventive character*. Prevention, in terms of preventing the negative effects in specific areas but mainly in terms of preventing unemployment, is included in all the priority axes in an appropriate amount. In this case provisions for the system are considered to be a part of prevention because they contribute to the improvement of services for next period (especially priority 3). Emphasising prevention can be also seen in the formulation of priority 1, where a significant part of the priority should be concerned with preventing long-term unemployment and providing support for people in danger of unemployment. Funds for carrying out preventive measures within the programme could reach a level of around 77%. Measures dealing with the negative effects of certain situations could then have a share of about 23%.

The *level of innovativeness* within programme activities is also high. The table shows that most of the measures contain a mixture of new and standard activities. The relationship in the sharing of funds is roughly equal. The biggest share of innovative measures will probably fall on activities within priorities 2 and 3, because they are mainly aimed at creating new tools, at overcoming a narrowly specialised approach to clients, at promoting co-operation between providers of individual services and partners, and at implementing changes to the system. However, the application of new tools and approaches within the programme can also be seen in priority 1, which introduces new elements into the present active labour-market policy, and in priority

³ The calculation of shares of individual types of measures and support was based on the quantity of funds only given to priorities 1 - 4, i.e. not including funds for technical assistance (priority 5).

4, which adds aspects of human resources development to the present policies within individual sectors.

Evaluation conclusions:

- A significant part of the programme is focused on support for the development of the system. Expert estimations set its share at around 45% compared to 50% for the direct support of individuals. In comparison with the programmes of member states this share is relatively high. However, it is necessary to put the required resources into the systems to ensure the improvement of services and support for individuals in following periods.
- The programme contains a relatively balanced use of standard tools and measures in comparison with new ones. It may be assumed that approximately three quarters of the total funds will be used for preventive measures. From this point of view the HRD OP, although not being drawn up for the long term, may be considered the pilot programme for many new and preventive activities that will contribute to the improvement of the tools of ordinary national policies.

VI. FINANCIAL FRAMEWORK AND THE QUANTIFICATION OF OBJECTIVES

Evaluation questions

- Is co-financing from national sources ensured and is the planned share of private sources of co-financing adequate?
- Is the division of funds between the priorities explained in an adequate way?
- How are the objectives quantified and how realistic are the quantifications that were carried out and how realistic is the fulfilment of the planned objectives?

VI.1. Co-financing from national and private funds

The financial framework in the HRD OP is drawn up in the form of a financial table for the whole three-year period of the programme and separately for individual years. The share of co-financing from private funds for the HRD OP is expected to be 25% and 75% from the ESF, which corresponds to general ESF rules. National funds include also private funds.

The financial framework is missing a detailed itemising of the methodology used to assess shares of private funds. Since the HRD OP includes a wide range of target groups and possible project applicants, from non-profit institutions to public institutions and the private profit sector, the limits for providing support from public funds (ESF and national public funds) will vary, especially with regard to whether it is a profit or non-profit body. Therefore one of the aspects that should be taken into account when assessing the financial framework, are *competition rules* corresponding to European and Czech standards and Act no 59/2000 on *public support*. It is not

enough to repeat the wording of the Act in the text, but it is necessary to prove that the Act was respected when the financial framework was drawn up.

A certain share of *co-financing from private funds* is expected within all priorities except technical assistance. This ensures that the principle stating that co-financing from private funds shall be required as a form of taking an interest in a project is kept. In priorities 1, 2 and 3, where projects will be carried out almost completely by the public or non-profit sector, the share of co-financing from private funds is assessed only at the symbolic level of 1%. In priority 4, where the support may also be focused on profit bodies, co-financing from private funds is expected to be 5%.

From the content focus and the detailed list of target groups, which shall be covered within the frame of individual priorities, it may be assumed that in the case of priority 1 this will consider activities such as active labour-market policies, which will be carried out by Labour Offices or non-profit bodies. These activities and projects have been proved not to cause a distortion of competition rules, and therefore there is no limit for support from public funds (national as well as ESF). Within priority 2 (Social Inclusion and Equal Opportunities) and priority 3 (Lifelong Learning Development) support will be exclusively targeted at the non-profit and/or public sector. Within these two priorities there will also be no limits in terms of public support, and a very low share of private co-financing is justified.

However, problems could occur in the case of priority 4, especially in measures 4.1 and 4.2, where the target group also contains employers, most of which will be from the profit sector. It is necessary to draw up some methodology and reasoning for the estimated share of co-financing from private funds, which is estimated at 5% of the total funds for the priority. This seems to be a very low share, even when it is considered that the target groups within this priority also include, apart from a large number of profit bodies, individuals and non-profit bodies.

Evaluation of the ability to co-finance projects from national funds

The method of providing funds for co-financing the programme from national funds is not described in the operational programme. The tables only show that financial sources from the *state budget* are considered the only source of public national funds. The text states that individual ministries that are responsible for the implementation of individual priorities or measures will provide resources.

On the basis of the framework calculations carried out by the Evaluation team⁴ providing national public funds for co-financing the programme for individual ministries should not be a serious problem. For example, an approximate estimation of an annual amount for co-financing activities similar to the current active labour-market policy for MLSA would be around 15% of the active labour-market policy expenditures in 2001⁵. Similar relations for other ministries cannot be estimated because no separate data on expenditures on comparable activities are available.

⁴ The range of funds provided by MoLSA necessary for co-financing (including technical assistance) should reach approx EUR 60.9 mil. (CZK 1.888 mil.) for the whole period, MoEYS approx. EUR 23.4 mil. (CZK 725 mil.), the other 3 ministries should put together approx. EUR 5.8 mil. (CZK 180 mil.).

⁵ According to the information from MoLSA (Analysis of Employment and Unemployment Development in 2001) expenditures on active labour-market policy reached CZK 4,063.3 mil. in 2001.

However, gaining the necessary data should become a priority for the ministries. Those ministries should realise that the benefits of the programme include not only an increase of funds for supporting their policies thanks to ESF grants, but also indirect effects in the form of methodical and organisational improvements, strengthening institutions and improving the tools of national policies.

Evaluation conclusions

- Shares of individual sources for financing the HRD OP are clearly arranged in the table of the operational programme. Co-financing from national funds (both public and private) is expected to be 25%, 1 to 5% of which are private funds.
- In the case of those priorities, in which the public and private sectors will take part, the rate of co-financing from private funds can be described as adequate. However, in the case of priority 4, a large share of support will also go to profit sector bodies, and therefore the 5% share of private funds seems to be too low. Assumptions on the basis of which this share was assessed should be described in detail in the HRD OP, including methods for ensuring a respect for the rules of competition.

VI.2. Dividing funds between priorities and measures

The process of decision-making on the allocation of funds is briefly described in chapter 3 of the HRD OP. The Managerial Authority proceeded from the requirements of partner departments responsible for the implementation of individual priorities and measures, and also the fact that the priority area of support is support for target groups of individuals. The document does not contain a detailed reasoning for the division of funds among priorities, it only contains a statement that during the process of allocation not only was the importance of individual priorities in terms of fulfilling the global objective of the programme considered, but also the cost factors of activities anticipated in the individual priorities.

It is apparent (see the consultation process) that the agreement on the allocation of funds between priorities as well as measures was reached in several steps based on the views of individual partners that were participating in the preparation of the programme being gradually brought together. The summary of the allocation of funds is shown in the following table. It clearly shows that the requirement of recording funds from a *global grant* separately was kept. A part of measure 2.1, targeted at the development of NGOs in the social inclusion area, will be financed from this grant.

Table 3: Financial frameworks of priorities and measures

PRIORITY	Percentage share of the total funds of the programme	MEASURE		
		Order	Percentage share of the total funds of the priority	Percentage share of the total funds of the programme
P 1	29.0	1.1	95.5	27.7
		1.2	4.5	1.3
P 2	14.0	2.1	75.0 from which G.G. 7.1	11.5 from which G.G. 1.0
		2.2	17.9	2.5
P 3	35.4	3.1	48.0	17.0
		3.2	16.9	6.0
		3.3	2.8	1.0
		3.4	32.2	11.4
P 4	16.6	4.1	57.8	9.6
		4.2	12.7	2.1
		4.3	16.9	2.8
		4.4	12.7	2.1
P 5	5	5.1	90.0	4.5
		5.2	10.0	0.5

Note: G.G. = Global Grant

All the percentage shares are expressed as a part of the total funds, i.e. including private funds. Therefore shares on public funds are slightly different. In those priorities and measures, where private funds may not participate at all or in a smaller percentage shares than in other priorities and measures, the shares on public funds will be slightly higher than on the total funds (priorities 1, 2, 3 and 5), in opposite cases they will be lower (priority 4).

Assessing whether the programme funds are really aimed at *supporting target groups of individuals* cannot be done by just mechanically adding up the shares of relevant priorities or measures, because the priorities as well as some measures are aimed at supporting people as well as the system, or accompanying measures. Consequently an expert estimation of these shares was drawn up and its methodology is described in Chapter V.4. The share of funds for the direct support of people will, in the OP, reach approx. 50% of the total funds. However, for the evaluation of the share of direct support for target groups of individuals it is necessary to also consider funds the JROP assigned to carrying out measure 3.2 – Promoting Social Integration in Municipalities. Within the frame of this JROP measure activities targeted exclusively at supporting target groups of individuals are anticipated, with only the exception of supporting community planning which is formed in such a way as to support systems. If we assume that 25% of the total sum of the measures 3.2 JROP will go to the support of the system, then EUR 30.49 mil. will go to the support of individuals, which would mean approx. additional 7.3% of funds (related to the total amount of funds for the OP increased with the expected amount assigned to measure 3.2 of the JROP).

Compared with other priorities, significant emphasis in terms of funds is given to priority 3, which is targeted at lifelong learning and is almost exclusively focused on the improvement of systems. This emphasis is correct in the view of the fact that Czech initial as well as continuing education must undergo radical changes, as analyses have already shown, but with regard to the fact that changes to the system act as preventive measures.

The amount assigned in the financial framework to the *Technical assistance* priority is 5% of the total funds for the programme. This share is higher than is usual in member states, and funds for technical assistance during the management, implementation, monitoring and control exceed the limit given by EC Regulation 1685/2000. The total amount may be considered adequate. The reasoning given in the operational programme for the case of exceeding EC limits may be accepted. However, it is not comprehensive, because it is necessary to consider the fact that this is the first programme of its kind in which the authorities of implementation structures and project applicants will need extensive technical assistance. For a similar reason it is necessary to consider whether keeping the 5% share for technical assistance in each individual year is adequate, especially in the view of the fact that the total funds for the programme are drawn unevenly as the project progresses towards the end of the period. From the nature of technical assistance it is apparent that, on the contrary, it will be necessary to expend large funds with relation to a quality start to the programme. Therefore we recommend spreading the drawing of the funds for technical assistance in a way that is adequate for the tasks that should be carried out during each individual year.

The *Financial frameworks for individual measures* have an indicative character, their shares within the priorities may be harmonised with the absorption capacity of individual measures; this capacity will be proved on its ability to deliver, manage and carry out quality projects. The eventual change in the shares of individual measures should not face problems as long as the implementation unit for all measures within a priority is a single authority (priorities 1 and 2). In priorities with more implementation authorities (priorities 3 and 4) these transfers may face certain emulation between departments, which could lead to refusing these transfers or to postponing them, and consequently to the non-drawing of funds.

In order to prevent this, it is necessary, within the annual implementation report, to assess the actual drawing of funds in relation to the limited financial framework with regard to whether drawing the whole amount is threatened. The Managerial Authority should lay down in advance a method (framework criteria) for transferring funds between measures within a priority.

Although the ability to transfer funds between measures within priorities is possible, it is necessary to call attention to the *underestimation of some measures* within priorities 1, 2 and 5. In priority 1 it is the underestimation of measure 1.2 (Public Employment Services Modernisation) whose planned share of the total funds of the programme is 1.3%. This share represents an amount of approximately EUR 5 mil. (CZK 155 mil.) for the whole programme period, which means that an annual amount for one Labour Office (there is a total of 76 Labour Offices in regions under objective 1) does not even reach CZK 700,000. Considering the fact that the current capacity and skills of the Offices' staff do not currently meet the present requirements of the active labour-market policy, then the policy's extension in accordance with measure

1.1 could threaten the achievement of the priority's objective and the drawing of the respective funds.

In priority 2 we consider measure 2.2 underestimated (equal opportunities for men and women), for which the amount of 2.5% of the total programme funds is allocated. Although women may participate in all other measures of the programme targeted at supporting individuals, it is apparent that their access to this support is aggravated by the burden of family care. Therefore it is also necessary to pay adequate attention to supporting activities that are financially demanding.

In priority 5 (Technical assistance) we consider the financial envelope for essential activities within measure 5.2 to be inadequate. This measure contains a relatively wide range of activities from programme promotion to maintenance and development of the monitoring system and evaluation process. It is apparent that all of these activities will be financially demanding and that the assigned share of 0.5% of the total programme would not ensure that these activities could be carried out in appropriate extent and quality. Therefore we recommend increasing the share of this measure in priority 5.

Evaluation conclusions

- The financial framework of individual priorities corresponds with their importance in terms of meeting the programme's global objective, although it is apparent that considering the systemic character of priority 3 its contribution will especially take effect in a time scale that exceeds the actual programme period.
- A crucial part of the total funds (almost 60%) deploying co-financing from ESF (including the part carried out under measure 3.2 of the JROP) is in accordance with European as well as national strategic documents assigned to supporting target groups of people.
- Funds for technical assistance exceed the framework of Regulation 1685/2000. This increase is acceptable because it is necessary to consider the wide range of technical assistance necessary for strengthening implementation structures and for ensuring the absorption capacity of the programme. Funds planning for individual years should follow a real progress of technical works that is larger at the beginning of the programme.
- The financial framework of individual measures has an indicative character, therefore it is necessary to prepare in sufficient time methods regulating transfers between individual measures in order not to threaten the drawing of support from the ESF due to the ambiguity of these transfers.
- We recommend considering increasing the share of measures 1.2, 2.2 and 5.2 on relevant priorities while keeping the financial framework of priorities for the following reasons: the share of measure 1.2 targeted at public employment services modernisation is too low and could threaten the implementation of measures 1.1 and 4.1 in particular; the share of measure 2.2 is too low and would not meet the emphasis which the EU puts on dealing with equal opportunities for men and women. Another question is, to what extent the financial demand of the necessary accompanying measures was considered. Measure 5.2 contains a wide range of financially demanding activities in the area of technical assistance.

VI.3. Realism of the quantification of objectives

Approach to the quantification of objectives is briefly described in the operational programme (Chapter 2.1.7). It is said that the quantification of priorities is based on the quantification of measures and that the quantification on the programme level is the sum of the quantified core indicators of priorities. Target values for selected indicators of outputs and results are shown on the priority level. On the programme level, target values cover selected output indicators and impact indicators are defined, but their starting values are missing. On a more general level, sources that were used as the basis for the value estimation are described. A more detailed description of the methodology is expected in the Programme Complement.

The applied *bottom-up approach*, i.e. to base the quantification of priorities on the level of measures, is logical and in accordance with the diverse nature of most priorities. From the description of the sources for the quantification it is apparent that all of the information on costs on similar types of measures presently available were deployed. When considering the realism of the quantification it is necessary to take into account the fact that it was not possible to rely on experience from implementing the ESF programmes and that pre-accession support programmes, despite their undeniably positive effect, were aimed only at limited range of activities and were rather pilot-like in their character. Therefore, not even the costs expended on pre-accession support could always serve as a relevant information source. Target values in individual priorities need to be understood as relatively rough estimations.

Calculations of target values of indicators within priority 1 were to a certain extent easier than those of other priorities due to the fact that the costs of the active labour-market policy are monitored separately in the statistics of Labour Offices over a longer time period.

When attempting to quantify supported people it is important to consistently separate clients of services from providers of services in order to distinguish between the support of people and the support of systems. As mentioned in the evaluation in Chapter V.4, supporting providers of services is considered to be a part of support for systems. Therefore it is necessary to divide the quantification of the number of supported people in priority 4 according to the given categories.

In terms of monitoring equal opportunities it is necessary to add the numbers of women in the target values giving the number of clients as well as the number of service providers who will be supported within the frame of the individual priorities of the programme. Although these numbers cannot be exact, the number of women may be estimated from the character of measures and from the estimation of the approximate share of women in target groups.

Evaluation conclusions

- A logical method was stuck to during the quantification process. It is necessary to appraise the fact that all the available sources were deployed and that the quantification was carried out under the costs assumption for individual types of activities. Considering the fact that this is the first ESF type programme it is not possible to carry out more precise calculations at this time.

- On the programme level it is necessary to add starting values of selected impact indicators from commonly available statistical data for 2000. This data should be updated in the year in which the programme starts.
- Due to the separate monitoring of support for people and that of systems, in priority 4 it is necessary to divide the number of supported people into supported clients of services and service providers.

VII. EXPECTED SOCIO-ECONOMIC IMPACTS OF THE PROGRAMME AND PROVIDING SYNERGY WITH OTHER OPERATIONAL PROGRAMMES

Evaluation questions

- What are the impacts of the programme expected on current national policies and on the global and specific objectives of the programme?
- How is synergy provided between the HRD OP and other operational programmes?

VII.1. Expected impacts of the programme

The impacts of HRD OP can be expected both in the form of the direct effects of co-financing from the ESF and of indirect effects which will have a positive influence on the methodical, programming and implementation background of national policies.

For *impact monitoring* at the programme level, and in terms of fulfilling the global objective and specific objectives, macroeconomic indicators were chosen. Impacts on the labour market will be expressed through the unemployment rate; impacts within social inclusion will be measured as a share of the long-term unemployed on the total number of unemployed people; impacts on lifelong learning will be expressed through two indicators – the level of participation in initial education and the level of participation in continuing education. Two indicators are designed for monitoring of impacts on the area of adaptability and entrepreneurship: the share of people undertaking employment, and the share of SMEs in employment. Impacts on the equal opportunities for men and women will be expressed across all indicators through dividing them to men and women. Considering the fact that in the Czech Republic elaborate econometric models are not yet available which would enable credible simulations of programme impacts, it is not possible to carry out these calculations for the HRD OP either. It is only possible to qualitatively express the rough direct and indirect impacts of the programme.

In terms of the *direct real impacts* of the programme it is necessary to consider the relatively short three-year programme period, and also the total sum of EUR 385.56 mil. (approx. CZK 12 bil.). However, it is apparent that co-financing from the ESF will enable a widening of national policies that usually suffer from the lack of funds and a low share of the GDP costs in comparison with EU member states. The numbers of clients from target groups of individuals as well as companies, who will gain necessary support, will increase. In the case of the active labour-market policy the

planned objectives indicate that according to the relatively rough estimates of the evaluation team this increase could reach up to 20% of the current annual number of clients of appropriate types of active labour-market policy programmes within one year.

All estimations that can be made in connection with the impacts of the programme on target groups are largely approximate. It is not possible to rely on experience from previous programmes and therefore it is not certain what the structure of projects carried out within individual priorities and measures will be. Basic impacts that the programme could have on fulfilling horizontal themes are shown in detail in the evaluation in Chapter V.3. Impacts of the programme on individuals and on upgrading systems are evaluated in Chapter V.4.

Indirect impacts of the programme may be expected especially in the following areas:

- Methodical improvements for strategy formulation, programme access (programming) and the quantification of objectives. In terms of the common practice of implementing national policies this represents an innovative approach that will enable the improved targeting of national policies, determining controllable phases of implementation and evaluating how efficiently given objectives are fulfilled.
- Development of partnership co-operation on national as well as local levels, which will positively take effect in the more complex provision of services to clients and in taking into account their individual needs.
- Improvement of implementation capacity will contribute to the more effective fulfilment of objectives with a positive impact on dealing with public funds.
- Improvement of monitoring indicators and evaluation methods that are, so far, hardly deployed in national policies.

Evaluation conclusions

- Suitable indicators are determined for monitoring impacts at the programme level. The absence of adequate econometric models and experience from previous programmes does not allow for the quantification of expected impacts, therefore only their qualitative expression is possible.
- Direct impacts will be brought about by the increase of funds for carrying out measures for individual target groups that will enable the provision of support to a higher number of clients; support of systems will contribute to the improvement of services rendered.
- Preparation and implementation of the programme will also have indirect positive impacts that will depend on familiarising and improving programming methods, the quantification of objectives, monitoring and evaluation. Effects of stronger partnership co-operation on central as well as local levels will also be considered important. Further expected effects are described in Chapters V.3 and V.4 ex-ante evaluation dealing with impacts of the programme to horizontal themes individuals, and systems.

VII.2. Synergy of the HRD OP and relevant operational programmes

The HRD OP is aimed at financing projects of a “soft character”, therefore its important to understand to what extent other operational programmes provide for the

eventual necessary development of institutional capacities and facilities that will carry out individual projects. On the other hand, even the HRD OP may contain provision for training and system based projects essential for the effective implementation of measures in other operational programmes. Only the adequate co-ordination of various programmes and financial sources of structural funds can bring synergy effects. At the same time it is necessary to eliminate the weakening of efficiency arising from potential overlaps (Chapter IV.5 dealt with their evaluation).

Complementarity with the JROP

The HRD OP and the JROP both contain complementary measures in the following areas. In the area of social inclusion and equality of opportunities measures 2.1 and 2.2 of HRD OP on one hand and on the other, measure 3.1 “Infrastructure for human resources development in municipalities and regions” of JROP, which is aimed at increasing the material facilities of institutions providing education, social, supportive, leisure and similar services including non-profit organisations and public activities, may be considered as complementary.

In the area of adaptability and entrepreneurship it is possible to identify further JROP measures creating a complementary environment in regions for carrying out the priorities of the HRD OP. These include, for example, measure 1.1 “Promotion of local entrepreneurial activities”: promotion of micro-enterprises, modernisation of small enterprises, infrastructure and service background for innovative entrepreneurship. The measure 2.3 of the JROP “Development of information and communication technologies in municipalities and regions” could be the other example.

The potential of measures that have a complementary character and are included in various programmes should be explored in the Programme Complement so that the possibility of synergy effects can be recognised. Their actual implementation should then be provided by one of the project eligibility criteria.

Complementarity with the Industry and entrepreneurship OP

Through measure 4.2 “Human resources development in industry”, the HRD OP is complementary to the IE OP through its priority 1 “Development of entrepreneurship and enhancing competitiveness in the production sector”. This complementarity is provided by stating that support candidates under measure 4.2 of the HRD OP must be project submitters under priority 1 of the IE OP. By eliminating potential overlaps (see Chapter IV.5), which could occur between measure 4.2 of the JROP and measure 1.3 of the HRD OP, significant effects from linking measures financed from the ERDF and ESF funds could be reached.

Complementarity with the Tourism industry and balneology OP

Through priority 4, measure 4.4 “Education and training human resources for tourism”, the HRD OP contains activities that complement the TIB OP activities. This measure will contribute to the fulfilment of priority 1 of the TIB OP, especially its measure 1.1 “Enhancing shared services for the tourism industry and balneology”. Complementarity will be carried out especially between TIB OP activities aimed at implementing the standards of tourism industry services, their certification and accreditation of destinations for the tourism industry, and between the HRD OP activities aimed at initial and continuing education preparing young people and adults

for jobs in the tourism industry, as well as in related branches of public administration.

Complementarity with the Environment OP

The HRD OP contains activities that complement the E OP through measure 4.3 “Environmental education, public awareness and participation in environmental protection”. When adequately instructed on the basic principles of sustainable development the population can behave in such a way as to contribute to the fulfilling of basically all the E OP priorities, especially priority 4 focused on waste management.

Evaluation conclusions

- Synergy between the measures of the HRD OP and the JROP may be identified in the areas of social inclusion and equality of opportunities, and in the adaptability and entrepreneurship area. Ways in which both programmes complete each other should be clearly pointed out in the Programme Complement.
- Complementarity of the HRD OP and the IE OP is directly identified, and the conducting of synergy effect is ensured by a provision relating to project selection.
- Complementarity of the HRD OP is included also in its relation to the TIB OP and the E OP. Synergy among individual measures will appear rather indirectly and more in the long-term.

VIII. SYSTEMS OF IMPLEMENTATION, MONITORING AND EVALUATION OF THE PROGRAMME

VIII.1. Implementation of the programme

Evaluation questions

- Are the authorities responsible for the implementation of the programme appointed and their duties explicitly specified?
- What are the quality of control arrangements and the transparency and control of financial flows?
- Is compliance with EC competition rules ensured in the programme?

Management, implementation and evaluation are solely dealt with in Chapter 4 of the HRD OP. It includes a list of all of the authorities that were authorised by the relevant Government decrees to carry out the functions of a Managing Authority, a Paying Authority and a Payment Unit. It also contains an outline of the Monitoring Committee structure. However, the activity of these individual authorities is described only by citing the relevant parts of Council Regulation No. 1260/1999.

The HRD OP contains a correct definition of the Managing Authority and its function. Considering the fact that delegating of certain powers to other authorities is expected, it is necessary to explicitly define their status either as an intermediary body or as a final beneficiary. It is necessary to clarify whether a two-tier or three-tier structure of implementing bodies is expected. For the time being the document uses only the term

“Implementing body” the status of which is not determined. According to Decree No. 1260/99, final beneficiaries for individual measures will only be determined in the Programme Complement.

How implementing bodies for individual measures in the operational programme are currently determined is summarized in the following table:

Table 4: Summary of implementing bodies responsible for individual measures

Priority	Measure	IMPLEMENTING BODY
1	1.1	MLSA – Employment Service Administration and Labour Offices network
	1.2	MLSA - Employment Service Administration
2	2.1	MLSA
	2.2	MLSA - Employment Service Administration and Labour Offices network
3	3.1	MEYS
	3.2	MEYS
	3.3	MEYS in co-operation with MLSA
	3.4	Co-operation of MLSA and MEYS
4	4.1	MLSA - Employment Service Administration and Labour Offices network
	4.2	MIT
	4.3	ME
	4.4	MRD

From the above summary it is apparent that the biggest responsibility for the implementation of the OP will be with MLSA, which will play the role of the Managing Authority as well as that of the Implementation body for a total of five measures, and for another two measures in co-operation with MEYS. MEYS is defined as the Implementation body for two measures, and for another two in co-operation with MLSA; MTI, ME and MRD will be in charge of one measure each.

On the level of the elaboration of implementing procedures given it is not possible to evaluate whether individual ministries have sufficient *capacity* for fulfilling this task, and whether and how capacities created in the course of carrying out pre-accession support will be deployed. No information on current numbers of staff that will perform work connected to carrying out the tasks of the implementation bodies, on the final situation and requirements concerning their qualification for the job is available. It is apparent that both the personal and material building of capacities will be gradual, however it is necessary to have a clear conception in advance in order to avoid threatening the implementation of the programme. This conception should become part of the Programme Complement.

No information is included concerning the *transparency and control of financial flows*. It is only stated that the MF CR expanded upon the “Draft SF and CF financial flow and control methodology” whose final version will be obligatory for all the managing authorities and payment units. The introduction to Chapter 4 says that the

procedures and measures for material and financial control will be detailed in the Programme Complement. For these reasons the ensuring of clarity and control functions cannot be evaluated.

Ensuring compliance with the rules of competition, public support and public contracts is briefly described in part 4.4 of the HRD OP. The relevant legislation of the EC as well as the Czech Republic is cited, while national rules fully comply with EC legislation. Meeting the rules of competition and public support will be ensured by the expertise of the Office for the Protection and Competition, which must be added to the HRD OP. Taking into account these rules during the quantification of the share of public and private funds is evaluated in Chapter VI.1 the ex-ante evaluation. The quality of control systems will be particularly important for ensuring actual compliance during the selection and implementation of projects.

Compliance with the rules for environmental protection and enhancement and equal opportunities must be ensured through the project selection rules.

Evaluation conclusions

- Basic organisational conditions in the form of appointing the Managing Authority, Paying Authority and the Payment Unit were created.
- Knowledge of all the rules specifying the duties of authorities responsible for control and monitoring was proven, but not a readiness to respect the rules. The control and monitoring process will be described in detail in the Programme Complement.
- It is necessary to clarify the status of the implementation body, and clearly determine whether it is an intermediary body or a final beneficiary.
- In general, the programme ensures compliance with the rules of competition, public support and public contracts. Whether they are actually observed will have to be ensured by adequate control arrangements.

VIII.2. Monitoring system and indicators

Evaluation questions

- Are the responsibilities within the monitoring process clearly defined?
- Is the structure of indicators adequate for the objectives of priorities and measures (to what extent are the objectives and priorities covered by the indicators, will the indicators enable the monitoring of three levels of objectives – global, specific and operational)?
- Are core indicators determined and is a common methodology of their calculation provided?
- Whether a data collection system is clearly defined, what data collection frequency is expected, how data credibility is ensured.

The monitoring process is generally described in the HRD OP. The responsibility of the Managing Authority for carrying out programme monitoring is defined, while some responsibilities may be delegated to partner implementation bodies. The responsibility for implementing a single information system and the method of transmitting information between partners are defined. The method of processing and

presenting annual reports to the European Commission is described in detail and the role of the Managing Authority, Monitoring Committee and other authorities participating in this process is defined.

The description of the monitoring process is brief but well expressed. It is expected that monitoring processes, and indicators will be further elaborated upon later in a guideline prepared by the Managing Authority.

Basic information on the structure of monitoring indicators is included in Chapter 2 of the OP, together with a brief description of their construction, data sources and how often they are collected. The structure of the proposed *monitoring indicators* is adequate. These indicators are divided into input, output, result and impact indicators and they also ensure the monitoring of horizontal themes (see Chapter V.3 of the ex-ante evaluation). Considering the fact that indicators of supported people and institutions will be further divided according to defined groups, it is apparent that a rather complex system of monitoring the programme and individual priorities is expected.

The *core indicators*, which have the character of output indicators, are defined. A common methodology ensures that they can be summed up from the level of measure to the level of priority and programme.

The structure recommended in “The Guidelines for systems of monitoring and ESF assistance in the period 2000-2006” was not met in HRD OP indicators aimed at monitoring of supported people. This directive requires indicators related to recipients of immediate support to be divided according to their labour market position i.e. employed, self-employed, unemployed – long-term and otherwise, inactive people – including those participating in education. The proposed HRD OP indicators do not include the monitoring of inactive people. Considering the fact that the structure of supported people was strictly defined on the base of priorities objectives, and the fact that inactive people represent a very diverse group, the separate monitoring of inactive people is not considered necessary.

The fact that monitoring indicators were formulated in such a way as to enable the monitoring of support for people and systems deserves positive appraisal. This will ensure the separate detection of supported people - clients of services and supported people – providers of services. Furthermore, it is necessary to appraise the fact that the indicators also take into account the needs of monitoring horizontal themes (see Chapter V.3 of the ex-ante evaluation).

The extent of monitored indicators is relatively large. When defining the system of monitoring indicators, it is necessary to consider not only the required extent of information but also the costs connected to gaining information. Considering the fact that this is the first ESF type programme it is necessary to gain as much information as possible. The expected scope of indicators is acceptable noting that it will provide a bases for improving the monitoring system for the next programme periods as well as for preparing the future HRD OP. Lessons learned from ESF monitoring indicators could also be used for improvement of national programmes monitoring.

The *administrative intensity* of the monitoring system will also be influenced by how often data is collected. In the HRD OP it is expected that data for output indicators will be collected quarterly and data for result indicators half-yearly. However, the EC⁶ recommends collecting results related data annually. In response to this recommendation we assume that it would be appropriate to prolong the collection and to collect output data half-yearly and result data annually.

Evaluation conclusions

- The operational programme defines the responsibility of individual authorities within the monitoring process and preparing the annual reports.
- For the programme and for each priority a system of indicators which covers the indicators of input, output, results and impacts is drawn; the direct monitoring of following horizontal themes is ensured: equal opportunities, information society and sustainable development.
- A detailed structure of supported people and supported institutions is assessed. Separate monitoring of the inactive people is not expected within the frame of supported people. Considering the diversity of this group of people and the focus of priorities this is not considered necessary. Separate monitoring of support for people and support for systems is ensured.
- A relatively high number of monitoring indicators is expected; this will have a negative effect on the intensity of the monitoring system. However, the scope of indicators is necessary in order to assess which priorities or measures have the biggest absorption capacity, on which measures should be concentrated upon in the next programme period and which should be withdrawn from.
- In accordance with the EC recommendation prolonging the period of data collection to half a year for output indicators and a year for result indicators will be appropriate.

VIII.3. Evaluation system

Evaluation questions

- Are responsibilities clearly defined?
- Is the evaluation process in the course of the programme period clearly defined?
- Are sufficient funds for providing programme evaluation to an appropriate extent and quality allocated?

Considering the fact that the HRD OP represents the first chance for the Czech Republic to draw funds from the ESF, the programme evaluation, including ensuring its independence and quality, is a question of significant importance. Therefore it is necessary to have a clear idea developed in the operational programme of the division of responsibilities, of evaluation work stages and documents, and also an idea of the evaluation tools that will be deployed. In the case of the Czech Republic it is also important to provide for the development of expert capacities for the evaluation purposes.

⁶ ESF and Enlargement: Operational guidance for ESF programming and implementation in the candidates countries, DG Employment and Social Affairs

From this point of view the description of the evaluation in a relevant chapter of the HRD OP cannot be considered sufficient. It also contains some inaccuracies.

In the text it is stated that “due to a shorter period available, only ex-ante and ex-post evaluations...will be carried out”. This statement is not correct. Even in the case of the Czech Republic evaluation results from a previous period must be available prior to the preparation of a plan for a new programme period. Therefore a final evaluation must also be carried out, as it is further stated in the text. This discrepancy between various parts of the text should be eliminated.

In terms of *defining responsibilities* it is not clearly stated in the description of evaluation what responsibility belongs to whom and what the role of relevant authorities is. It should be explicitly expressed that MLSA (the Managing Authority) is responsible for evaluation (except the ex-post evaluation) in co-operation with the European Commission. In connection with this it is necessary to correct a statement in subchapter 4.3.3.3, which says that “ex-post evaluation shall be carried out by the Managing Authority jointly with the European Commission and responsible authorities of the Czech Republic”. The correct version should state that, according to EC methodology, the ex-post evaluation is the responsibility of the European Commission (who also ensures and finances this evaluation) in co-operation with the Managing Authority.

In terms of defining responsibilities it should further be defined as to what organisational framework for carrying out the evaluation was drafted and how the independence of evaluators will be ensured. What role the Monitoring Committee will have in the evaluation process should also be stated along with what role the Working Group for Evaluation will have. The existence of this Group is not mentioned in the text at all, although it has been in operation since mid 2002 and has been engaged in consultations and given comments on the recommendations of the Evaluation Team within the ex-ante evaluation process. This information may easily be added to the HRD OP, because it is possible to use the Evaluation strategy for 2004-2006 that has already been developed and consulted over.

In terms of ensuring an adequate extent and quality of evaluation it is also necessary to assess whether *sufficient funds* are assigned for these purposes within the programme. Considering the conditions of the Czech Republic it is necessary to take into account of the fact that there is no comprehensive methodological background for evaluation, and that adequate funds will have to be assigned not only to developing all the necessary studies and enquiries, but also to the preparation of the methodology, the specification of the extent and structure of a respondent sample (in order to ensure an objective and descriptive enquiry), the unification of evaluation approaches etc. In terms of the Final evaluation it will also be necessary to check the monitoring system, the adequacy of indicator structures etc., and to propose eventual changes. Consequently the start of the whole system will be very demanding. From the operational programme the amount of funds that will be allocated to the evaluation of the programme is not apparent, as these activities are integrated into measure 5.2 - Technical assistance, and put together with other activities, such as promotion and the maintenance of the monitoring system etc. Considering the extent of the enquiry, tracking studies, thematic studies, and other tools necessary for carrying out an

evaluation, it is apparent that the minimum share of funds for the evaluation should be 0.25% of the total sum for the programme.

Evaluation conclusions

- Although a relatively detailed evaluation strategy for the whole programme period has already been developed, it has not yet been properly deployed in the operational programme. The HRD OP does not yet contain a clear definition of the division of responsibilities, the organisational framework of evaluation, and the role of individual authorities. The text of the chapter must be amended and improved.
- How adequate the provision of funds for developing the evaluation cannot be assessed because the funds are not shown separately. Considering higher financial demands related to the preparation of the methodology and the implementation of the whole evaluation system it is necessary to take into account a sufficient share of the total funds of the programme.

LIST OF ABBREVIATIONS

CR	Czech Republic
CF	Cohesion Fund
EEPA	Environmental Education and Public Awareness Centres
EC	European Commission
EC	European Community
E OP	Environment Operational Programme
ERDF	European Regional Development Fund
ESF	European Social Fund
ET	Evaluation Team
EU	European Union
HRD OP	Human Resources Development Operational Programme
ICT	Information and Communication Technology
IE OP	Industry and Entrepreneurship Operational Programme
IT	Information Technology
JROP	Joint Regional Operational Programme
MIT	Ministry of Industry and Trade
ME	Ministry of Environment
MEUR	million EUR
MEYS	Ministry of Education Youth and Sports
MRD	Ministry of Regional Development
MLSA	Ministry of Labour and Social Affairs
MSSF	Monitoring System for Structural Funds
NAPE	National Action Plan for Employment
NDP	National Development Plan
NUTS	Nomenclature Units of Territorial Statistics
OP	Operational programme
SF	Structural Funds
SWOT	Analysis of Strengths, Weaknesses, Opportunities, and Threats
TIB OP	Tourism Industry and Balneology Operational Programme

APPENDIX

Appendix – Hierarchical Relationships between Objectives at the Level of Priorities and Measures

	Global Objective of Priority	Specific Objectives of Priority /Global Objective of Measure	SPECIFIC/OPERATIONAL OBJECTIVES OF MEASURES	
PRIORITY 1	Development of a flexible labour market helping to reduce and prevent unemployment as well as increase employment of those at risk of exclusion from the labour market	Strengthening the Active Employment Policy for Job Seekers and Job Applicants	MEASURE 1.1	Preventing the growth in long-term registered job seekers, focusing on the unemployed in danger of long-term unemployment Introducing new active employment policy tools, providing greater individualisation and effectiveness of the existing tools and extending them to job applicants, employees at risk of redundancy, and re-entrants Extending preventive counselling and information services and enhancing the motivation and activation measures for labour market participants in prevention of unemployment Promoting new forms of employment Encouraging closer links between labour market institutions, social partners and their associations, employers, educational and training institutions, schools, municipalities, regional authorities and NGOs
		Increasing the comprehensiveness and quality of services provided by employment services and partner organisations		MEASURE 1.2

	Global Objective of Priority	Specific Objectives of Priority /Global Objective of Measure	SPECIFIC/OPERATIONAL OBJECTIVES OF MEASURES	
PRIORITY 2	Reduction of the number and proportion of those at risk of social exclusion through an integrated approach and removal of barriers impeding participation in the labour market	Providing for equal access to education, employment and other self-expression in the social and work life of the members of groups at risk of social exclusion	MEASURE 2.1	<p>Ensuring a complex approach to solving the problems of people with special needs, people with disabilities and those at risk of disturbance of their psychosomatic potential with an impact on their placement in the labour market.</p> <p>Developing specific integrated programmes and promoting new job creation for long-term unemployed and people at risk of social exclusion</p> <p>Introducing social service quality standards</p> <p>Ensuring availability of services through the community planning system for groups at risk of social exclusion</p> <p>Training the social service staff to reinforce their capability to provide service up to quality standards</p> <p>Supporting entities and organisations involved in social integration of socially excluded individuals or people in danger of social exclusion.</p>
		Equal opportunities for women and men in the labour market		MEASURE 2.2

	Global Objective of Priority	Specific Objectives of Priority /Global Objective of Measure	SPECIFIC/OPERATIONAL OBJECTIVES OF MEASURES
PRIORITY 3	Development of lifelong learning by enhancing the quality of education supply in respect to knowledge society and through broader participation of all subjects in the education process	Improving quality of education in basic, secondary and higher professional schools and education-providing facilities	MEASURE 3.1 Enhancing the learning environment for pupils with special educational needs Modernising school educational programmes aiming to develop key competencies Developing continuing education schemes for teachers and school staff Developing continuing education schemes in upper secondary schools and higher professional schools
		Enhanced employability of graduates of all types of study programmes and lifelong learning programmes in the labour market	MEASURE 3.2 Enhancing quality of tertiary education Developing teacher study programmes Developing continuing education at universities Promoting HRD in R&D
		Supplementing the missing state standards and systems common in the EU countries	MEASURE 3.3 Linking initial and continuing education and training Pilot-testing the two-level system of curricula development Establishing and promoting the Centre for Education Results Evaluation Developing and enhancing an integrated diagnostic, information and counselling system in education, training and career guidance
		Functioning system of continuing education suiting the knowledge society needs	MEASURE 3.4 Designing a comprehensive system of continuing education and in-career training with an adequate regional infrastructure providing further and specialised skills to adults with work experience through forms, methods and approaches based on the development of competencies in direct link to labour market needs and enjoying financial support from public funds Creating conditions for setting up a system for verification and recognition of qualifications obtained in continuing education and training, using the accreditation and certification system linked with the initial education certification system Improving the access to information, assisting orientation in, and enhancing the quality of, continuing education services, developing the R&D of adult learning methodology including institutional capacity building Developing continuing education supply (new programmes, distance learning, e-learning, better anticipation of employers' needs) Upgrading professional and teaching qualifications of lecturers, consultants, teachers, methodology experts and managers in continuing education systems Improving the continuing education system, particularly with respect to the needs of SMEs, especially in ICT, language learning, technical training, management and marketing.

	Global Objective of Priority	Specific Objectives of Priority /Global Objective of Measure		SPECIFIC/OPERATIONAL OBJECTIVES OF MEASURES
PRIORITY 4	Development of qualified workforce, competitiveness of businesses and more jobs available in growth industries	Increasing the Adaptability of Employers and Employees to Economic and Technological Changes; Promoting Competitiveness	MEASURE 4.1	<p>Providing employers and employees with specialised knowledge, qualification and competencies to cope with occupational, structural and technological changes</p> <p>Increasing the flexibility of the education system in response to economic, occupational and social needs</p> <p>Enhancing the opportunities for and availability of retraining programmes</p> <p>Promoting existing job maintenance and stimulating new job creation</p> <p>Extending flexible work organisation schemes</p> <p>Developing healthy working environment-focused activities in businesses</p>
		Promoting development of entrepreneurship and enhancing competitiveness of industrial companies through human resource development	MEASURE 4.2	<p>Enhancing innovative entrepreneurship, training of company management in innovative entrepreneurship, development and exploitation of invention and innovative potential of employees</p> <p>Adapting employee skills and qualification levels to employers' requirements in relation to the introduction of progressive systems of production processes management, high-tech products (acc. to the OECD-ISIC classification), sophisticated ICT products and services, environment-friendly technologies, etc.</p>
		Establishing regional systems of environmental education and public awareness (EEPA)	MEASURE 4.3	<p>Building the capacities of regional EEPA systems based on the regional network of environmental information and education centres</p> <p>Raising awareness of people, businesses and institutions of environmental legislation in relation to EC law and informing the public on their environmental rights and responsibilities</p> <p>Implementing Local Agenda 21 (LA21)</p>
		Improving service quality and enhancing competitiveness of services in the tourism industry	MEASURE 4.4	<p>Improving vocational education and training of graduates from schools specialised on tourism</p> <p>Improving vocational education and training of employees and entrepreneurs in the tourism industry</p> <p>Improving vocational education and training of public administration experts on tourism issues</p> <p>Improving the quality of regional marketing and management of tourism</p>