



# **EX-ANTE EVALUATION**

  

## **OF THE SINGLE PROGRAMMING DOCUMENT FOR OBJECTIVE 3 REGION NUTS 2 PRAGUE**

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## **SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS**

### **1. Process and background of Ex-ante evaluation**

Ex-ante evaluation is based upon all relevant legislative documents of the European Community and working materials of the European Commission. It evaluates the final version of SPD 3. The basic methodology of Ex-ante evaluation was formulated in the Inception Report, approved by the Working Group for Evaluation and passed on to the programme team. During the course of the evaluation process, two recommendations were drafted and discussed by the programme team. The Evaluation Team was supported by international experts and the recommendations were made based upon consultation with the Working Group for Evaluation.

Individual recommendations were detailed and extensive. In certain aspects, the programme team was respected.

### **2. Analysis of the initial situation**

The analysis concentrates on depicting trends of past development in all crucial areas affecting the development of human resources in the Prague region, including even an analysis of the basic characteristics of the region. Attention is not given to a comprehensive analysis of information society and likewise the documentation of the position of women in the workplace could be more detailed in relation to unemployment.

The analysis gives a good account of the structural changes which the Prague economy has undergone and which are reflected in changes in the employment structure. Due attention is given to the specific character of the Prague labour market, which typically shows a lower level of unemployment and higher representation of workers with secondary and tertiary education in comparison with the nation-wide average. Certain trends are similar, particularly the increasing unemployment among youth, recent school graduates, the physically disabled, and an increasing share of the long-term unemployed. Also typical for Prague is a higher concentration of individuals threatened by social exclusion. The analysis explores in detail the problems of social inclusion for one such group, the Roma. Other groups are mentioned briefly, due in part to a lack of credible quantitative data.

Analysis of lifelong education includes both initial and continuing education. The problems of initial education are well expressed, and great attention is devoted to tertiary education, which corresponds to its significance not only for the region but for the entire country. The analysis of continuing education is made qualitatively, but in the future may be continuing supported by quantitative data gathered from select examination of the workforce.

### **3. Consistency of the programme and links to relevant strategies of the EU and CR**

The consistency of the strategy is evaluated based upon a *hierarchy of objectives*. The general understandability of the document would be improved by the thorough use of terminology for objectives corresponding to EC methodology, i.e. global, specific, and operational.

At the programme level, a global objective is defined along with five specific objectives in hierarchical relation. Each priority axis corresponds to one specific objective, with the exception of priority 6, which is aimed at technical assistance and thus does not require a stated objective. The formulation of the global objective should be specified to clearly show a focus on the human resources development and to thus ensure compliance with the content of programme priorities. It is also necessary to devote attention to the formulation of the first four specific objectives. As in the case of the global objective, it is not a matter of content, but solely of formulation.

Specific objectives are not defined for individual priorities, but they may be amended from the global objectives of individual measures. The hierarchy of objectives is breached for priorities 1 and 2, influenced also by the fact that these priorities will be met by a single measure. Still it is necessary to ensure that a specific objective is the narrowed application of a global objective.

At the level of measures, the definition of operational objectives is lacking and should be added in a Programme Complement. Their definition should have a positive influence on establishing indicators for output at the level of individual measures and contribute to improving the quality of the core indicators. From the perspective of specifying information on the intended objectives of programme implementation, it would be desirable to at least list examples of activities in the SPD document. In certain cases (measures 2.1, 3.1, 4.1, and 5.1) it is necessary to harmonise hierarchical relations, for measure 3.1 the specific objective focused on expanding the function of school as a major element of civil society should be dropped or reformulated so that it clearly corresponds to the rules of ESF funds.

Overall it may be stated that the strategy reflects the specific situation and problems of Prague defined by the SWOT analysis. It duly encompasses a combination of development elements related to increasing the quality of human resources, innovations and competitiveness, and elements supporting social inclusion and equal opportunity.

***Consistency of SPD 3 strategy with EU policy*** is ensured and there are demonstrable ties to European employment strategy and the Joint Assessment Paper. While there is no mention of any relation to European strategy to fight against poverty and social exclusion, programme objectives contribute directly (priority 2) and indirectly (priorities 1 and 3) to its fulfilment.

***Links of SPD 3 with national policies and regional strategies*** is clearly expressed within the scope of individual priorities in relation to employment policy and the Strategic Plan for Prague. Experience gained in implementing pre-accession programmes has proven to be beneficial for the programme process.

#### **4. Relevance and internal consistency of the programme**

Preparation of SPD 3 took place on a partner basis with the participation of fifteen institutions (ministries, municipal government bodies, representatives of tertiary education, research spheres, social and non-profit sector, and representatives of social partners). ***The consultation process*** took place both in traditional forms (collection of comments) and other adequate specific means. The public was able to make comments through the Internet.

***The definition of priorities is relevant*** for resolving weaknesses identified in the SWOT analysis. The quality of description of individual priorities is not at the same level, in certain cases it is more of a general description of problems related to the given priority axis (priorities 2 and 5). In

other cases the description is adequate providing information on the actual objectives of the priority (priorities 1, 3, and 4). When defining target groups unified concepts were not always respected, especially if the measures are mainly intended for systems development. Boundaries between priorities are for the most part clear, avoiding overlap. Certain possible overlaps remain between priorities 2 and 5.

Description of measures should be brought into accordance with the structure of specific objectives in the case of measures 2.1 and 5.1. Revisions should be made on both sides, i.e. both in the description of measures and the definition of objectives.

SPD involves four *horizontal themes* and states that addressing these themes is one of the criteria for the selection of projects. The penetration of horizontal themes into individual priority axes is examined in priority 3 and measures 4.2 and 4.3. In other priorities where the relation to horizontal themes is clear, this must also be added to the description of the priority. In the case of equal opportunities for men and women all indicators concerning individuals are monitored. The monitoring of information society and sustainable development likewise needs to be supplemented with suitable indicators.

The programme will be implemented with measures for **the support of individuals, development of systems**, and accompanying measures. From the content objectives of priority axes it is clear that both traditional and innovative instruments will be used and that sufficient attention will be devoted to prevention. Information is not available however which would enable an estimate of the ratio at which these will be represented.

## **5. Financial framework and quantification of objectives**

*The financial framework* is lucidly prepared in table form, respecting the relevant EC guidelines and recommendations, with the statements of the global grant kept separately. A positive aspect is the inclusion of regional funds into national financing, which is evidence of the identification of the region with the programme, and its interest in programme implementation.

With the exception of the priority aimed at technical assistance, there is a planned *share of private sources* for implementing all priorities. Specific shares in individual priorities are based on anticipated participation of the profit sector in measures and range from 2% (in priorities 1, 2 and 5) to 5% (priority 3) up to 15% (priority 4). In the case of priority 3 it would be advisable to reconsider whether a five percent share of private sources in the overall financing is realistic.

*The allocation of funds among priorities* corresponds to the significance of individual priority axes and the needs of human resource development in Prague. This allocation was based upon the agreement of all partners taking part in the consultation process. The share of funds for priority 1, which is aimed at developing an active labour market policy, is lower in comparison with the share recommended by EC, but is adequate for the situation in Prague and enables not only the expansion of an active employment policy, but even an improvement in the quality of the system itself.

The programme also counts on a higher share of funds for priority axis 6, through which technical assistance shall be executed, than was called for by EC regulation. The Evaluation Team however considers the proposal to be reasonable. This stems from the belief that the need for technical assistance will be greater in comparison with current member countries due to limited experience

of new member states, that the need for technical assistance does not decline relative to the length of the programme period, certain activities will be necessary to carry out to the same extent, and that the administrative demands of the programmes focusing on human resource development will be greater in comparison with programmes aimed primarily at carrying out investment activities.

*The quantification of objectives* is carried out through the quantification of basic outputs indicators, at the level of priorities and programmes. These are rough estimates, since there is no numeric data yet available to further specify calculations. It would be advised to further describe the assumptions on which the calculations are founded. It is necessary to supplement estimates of impacts at the programme level through initial values which are available in statistical publications. For indicators of the number of persons supported, it is necessary to separately list the number of supported service clients, of these the number of women, and the number of supported service providers. It is also necessary to eliminate discrepancies concerning the amount of inputs for priority 3, and the overall number of supported projects at the programme level.

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

Considering the volume of funds we may expect considerable impact of the programme on the situation in individual priority axes. Contributions will be evident not only through direct effects such as the number of persons supported, improvement of systems and increased adaptability of the business sector, but also considerable indirect effects which will depend upon the improvement and expansion of methodology for programming, monitoring, and evaluation. Also significant will be contributions made to all horizontal themes.

The synergy effects of SPD 3 appear mainly in relation to SPD 2, which is compiled for an area covering roughly 40% of the total area of Prague comprising 31% of its inhabitants. 35% of SPD 3 funds are earmarked for the implementation of projects in this area. Programme documents presently provide a general outline of the relation between select priority axes. Based upon mutual consultation it is necessary to harmonise conceptions of programme interrelation and incorporate these in the Programme Complement.

## **7. Systems of programme implementation, monitoring, and evaluation**

The SPD document gives an overview of the basic organisational conditions created to date for its implementation. Managing Authority, Payment Authority, and Payment Unit have been established and their competence defined in accordance with appropriate EC regulations. Intermediate Body has been designated for each priority, along with Final Beneficiaries for certain measures. The implementation structures will be further elaborated in the Programme Complement.

*The monitoring process* will be ensured by a Monitoring Committee, while overall responsibility shall reside with the Managing Authority. The SPD document defines the concept for the composition of the Monitoring Committee, along with a definition of its activities and details for the preparation of annual and final reports. Concepts for data collection, data processing, database



access, and possible revision of monitoring indicators will be part of the Programme Complement.

In accordance with the monitoring methodology are rightly defined four types of *monitoring indicators*, yet partial shortcomings appear concerning the inconsistent use of terminology, and in certain cases even the improper classification of indicators by type (e.g. the number of projects implemented can not be considered as indicator of results).

The SPD document defines the core indicators, but its description should be clearer and in accordance with the indicators given in tables. The indicator of number of persons supported should be in accordance with EC methodology and further broken down into supported employed, self-employed, and unemployed persons. It is also necessary to determine the source of data and the periodicity of monitoring. As for indicators of impacts on the programme level, it is necessary to drop those indicators which do not correspond to the programme level or which are not backed by sufficient data. It is also necessary to specify terminology in the case of ratio indicators and to define the base to which the share is related.

Following certain revisions the proposed system of indicators will correspond to the requirements of programme monitoring. Measurability and information value will be ensured.

The system of evaluation is only described generally in the SPD document. It is necessary to further specify the division of responsibility relating to the preparation of ex-post evaluation. The organisational framework for evaluation and role of individual bodies should be given attention in the Programme Complement.

## I. INTRODUCTION

The Single Programme Document for Objective 3 was prepared during the course of 2002 and its final version was submitted for Ex-ante evaluation on January 6, 2003. The evaluated version contains the complete document comprised of 10 chapters:

1. Introduction
2. Analysis of the economic and social situation in the NUTS 2 Prague region
3. SPD 3 Strategy
4. SPD 3 Priorities
5. Financial framework
6. Monitoring indicators and targets
7. Links to SPD Objective 2
8. Ex-ante verification of SPD 3 additionality
9. Implementation arrangements
10. Consultation process

SPD 3 covers the area of the nation's capital, Prague, the only territory of the Czech Republic falling under Objective 3. Currently, the SPD for Objective 2 is being implemented in an area of Prague in which 31% of the Prague population lives.

### **The base of Ex-ante evaluation**

*In a formal sense* Ex-ante evaluation took place in accordance with relevant regulations of the EC Council, EC guidelines, and EC Working Papers:

- 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 No. 1)
- The Ex-Ante Evaluation of the Structural Funds Interventions (Working Paper No. 2)
- Indicators for Monitoring and Evaluation: An Indicative Methodology (Working Paper No. 3)

*In terms of contents* Ex-ante evaluation respected the demands expressed in EC Working Paper No. 2 and evaluates to what degree and quality the programme encompasses the 6 main elements:

- regard to previous experience
- socio-economic context
- selection of strategies and priorities and their internal and external consistency
- quantification of objectives
- estimate of anticipated socio-economic impact and allocation of resources
- system of programme implementation

The basic framework for the process of Ex-ante evaluation was established at the beginning of the evaluation process. Considering that the criteria for Ex-ante evaluation are the same for SPD and

the Human Resources Development Operational Programme (HRD OP), a unified methodology was prepared defining the role of the Evaluation Team and its activity, and the basic perspective for evaluation, questions, and outputs of the evaluation process. This methodology was set forth in the *Inception Report* which was submitted to members of the programme team so that the requirements therein might be considered during the preparation of SPD 3. During the evaluation process the Evaluation Team was supported by foreign experts (ESF Evaluation Unit, Ministry of Work and Pensions, Great Britain). Certain open questions were also discussed with the Evaluation Unit of the European Commission. A certain platform for the exchange of experience and methodological approaches was provided by joint meetings of ex-ante evaluators of all operational programmes, including evaluators of the National Development Plan.

The methodology, procedure, and individual recommendations of the Evaluation Team during Ex-ante evaluation were regularly passed on to the *Working Group for the Evaluation of Programmes for Human Resource Development and Employment*, which was founded in May 2002. Its members are representatives of Ministries, regional representatives (including the Prague region), social partners, and independent experts. Everything produced from Ex-ante evaluation, including the Recommendations of the Evaluation Team, was continually posted on the Working Group web site to ensure access by the professional public.

## **II. CO-OPERATION AND RECOMMENDATIONS OF THE EVALUATION TEAM DURING THE COURSE OF PREPARING THE SPD DOCUMENT**

### **Co-operation with the programming team**

The Evaluation Team co-operated with the SPD 3 programming team throughout the entire period of document preparation. Co-operation primarily consisted of *written recommendations* which pertained to individual working versions of SPD 3. An important form of co-operation was also the *discussion* of these recommendations with work teams responsible for individual sections of SPD 3. The Evaluation Team participated in relevant meetings of the programming team.

### **Overview of ET recommendations and response of the programming team**

The Evaluation Team submitted two written recommendations to the programme team. These recommendations were relatively extensive and detailed. A brief and general overview of the recommendations concerning individual thematic programme sections and the response of the programming team is given in the following text.

### **Analysis and SWOT analysis**

In the first version of the SPD document, the analysis was too descriptive and was not supported in a suitable manner by available statistical data. Certain important areas were overlooked, especially analysis of small and medium enterprises and the information society. Other topics were not given sufficient attention considering their relevance (social integration, the situation of the Roma), while certain factual mistakes appeared. The majority of recommendations were respected and the analysis was improved in a significant manner. Only partial respect was given

to the request to condense the SWOT analysis by combining certain sections and ordering them according to significance.

### **Context of national policy and EU policy**

The recommendations particularly concerned supplementing certain relevant national policies (state information policy), further specifying its description, and supplementing certain important national documents. On the other hand, it was recommended to shorten the passage devoted to the municipal strategic plan for Prague. The recommendations were respected, and an overview was even prepared on the relation to European employment strategy.

### **Formulation of objectives, priorities and measures**

The Evaluation Team had a relatively large number of recommendations concerning the formulation of objectives, priorities, and measures. It proposed that the formulation of strategic objectives be primarily focused on human resources, not on developing the potential of the region, that the formulation of objectives be more precise, and that their number be reduced, primarily by combining those objectives which overlapped. It was also recommended to respect the terminology contained within appropriate EC recommendations and the relation between objectives and indicators, and to clarify the description of priorities and measures. Certain recommendations were worked into the programme, the original terminology however remained, along with the formulation of certain objectives, and there was not always a significant improvement in the description of priorities and measures.

### **Inclusion of horizontal themes**

Horizontal themes were not initially entirely in accordance with EC recommendations. The Evaluation Team recommended that discussion of horizontal themes be expanded through individual priorities. Horizontal themes were revised in a suitable manner, and certain priorities were supplemented with a description of how the priority contributes to meeting horizontal objectives.

### **Adequacy of the planned amount of resources and their allocation**

In this regard it was mainly noted that that the amount of allocated funds will place a high demand on the absorption capacity of individual priorities. It was recommended that Prague City Hall take a greater share in co-financing and that the feasibility of the five percent share of private financing for priority 3 be reconsidered. The recommendation concerning the joint share of Prague City Hall was considered.

### **Management and monitoring**

Recommendations were focused primarily at improving the quality of the proposed system of indicators, which initially was not complete. Indicators of output and impact were lacking, certain indicators did not correspond to their type of classification, and some indicators were clearly lacking supporting data. Certain recommendations were respected.

It was important for co-operation that an atmosphere of mutual trust between both teams existed from the very beginning. Naturally there was not always complete agreement in opinions regarding certain problem aspects. Some recommendations were rejected by the programme team

and in some cases the Evaluation Team agreed with the arguments of the programme team. In other cases however, the Evaluation Team continues to insist on its recommendations. This fact is reflected in the Ex-ante evaluation.

### III. EVALUATION OF THE INITIAL SITUATION ANALYSIS

#### **Evaluation questions**

- whether the analysis covers all decisive areas of human resources development in the CR
- whether it is supported by relevant quantitative data
- whether weak and strengths are correctly identified

The text of this Ex-ante evaluation chapter is structured to first present a summary evaluation of the quality and relevance of the initial situation analysis carried out in the SPD document. Further attention is given to the individual SWOT problem blocks of the SPD 3 analysis.

#### **III.1 Evaluation of the extent and quality of analysis**

The analysis is broken down into two basic blocks, consisting of (i) an analysis of the basic characteristics of the region and (ii) an analysis of human resources. The block analysing the basic characteristics of the region includes sections on: geographical and administration characteristics, technical utilities and transport in the area, quality of the environment, economic activity in the region, social integration, the Roma minority, and non-government, non-profit organisations. The block on human resources includes sections on: demographic characteristics, lifelong learning, employment, unemployment, active labour market policies, and equal opportunities. In terms of comprehensiveness, the analysis touches upon nearly every major relevant area constituting the merit or contextual environment for the human resources development in the region. An exception is the absence of the characteristics and trends of the development of information society, and the identification of the impact of these trends on the qualification of youth and adults, as well as an indication of the barriers faced by certain social groups in access to information technology.

The analysis concentrates on a study of the current situation. Depicted are relevant trends which influenced past development and which indicate the dimension and speed of changes affecting the current situation. Not indicated however is the possible deterioration or stagnation of unfavourable trends, and factors which will influence them.

**Contextual conditions** of human resources development in Prague are significantly bound to the specific role of the capital city and the concentration of population and economic activity which differentiates the city quantitatively and qualitatively from the rest of the Republic. Therefore, it is proper that a certain room in the analysis be given to the administration characteristics, technical utilities, and environment. However, a more brief overview would suffice in favour of highlighting their context with barriers or opportunities for human resources development.

**The economic activity** of the region is characterised lucidly in the analysis to clearly present the basic trends and dimension of structural changes, the high share of tertiary sector, and the shortcomings in utilising the research development potential concentrated here. When available, relevant data is used to compare the characteristics of Prague with the average of the Republic, and the development of the past seven years is documented numerically.

The analysis of **social integration** is awkwardly placed into the section on the “basic characteristics of the region” and thus separated from the issues of human resources development. This also influences the concept of the analysis, where excessive emphasis is placed on such characteristics of the social environment as the situation regarding public safety, criminality, services for over-aged and non self-supporting citizens, while the problems of groups which are threatened by social exclusion or are on the edge of society are mentioned very briefly. It would be more suitable to include the analysis of social integration in the “human resources” block, and better balance the individual aspects of analysis. A positive feature is that a separate passage is devoted to the Roma minority, summarising the basic problems of their position such as lower qualifications, high drop-out rate of Roma children from basic schools, high unemployment, and the staying of Roma families in the trap of public assistance. Also noted are socio-cultural differences, which must be taken into consideration in measures for social inclusion.

The analysis of **initial education** presents the main issues, which are associated with insufficient development of key student skills, qualifications desired in the labour market, and poor preparedness of schools in placing physically or socially disadvantaged students into mainstream education. Great attention is devoted to tertiary education, which corresponds to its significance in the structure of educational opportunities of the region and the CR as a whole.

The analysis of **continuing education** is conceived primarily qualitatively (only partial quantification relating to the offer of continuing education), since at the time of programme preparation the relevant data was not available to sufficient degree. Considering that as of 2002, Labour force sample survey has begun to monitor the participation of individuals in continuing education, this data should be available in the future for the analysis and monitoring of programme impacts. For this reason the use of this data is incorporated into indicators at the programme level, which will be regularly monitored. In the text of the particular chapter of analysis which states the absence of statistics in the area of continuing education, it would therefore be useful to add an explanatory note to clarify the apparent discrepancy between the formulation of analysis and indicators.

**The development of the labour market** is analysed in detail with regard to the basic characteristics of employment in the individual branches and professional structure, unemployment, and vacancies. This provides a clear picture of the specific situation in Prague, where the number of workers with tertiary education degree and the share of highly qualified professions is considerably higher than the nation-wide average. A detailed study of unemployment is richly documented with data concerning education, age structure, and the involvement of disadvantaged groups among the unemployed, made up mainly of recent graduates, the physically disabled, and low qualified. There is not however, any relevant

information on the position of women (see below). The analysis points out unfavourable trends which continue in spite of a relatively low level of unemployment in Prague, which are: a large number of unemployed people with university qualifications, a growing trend of unemployment among youth, school graduates and the physically disabled, and increasing numbers of the long-term unemployed.

*Equal opportunities for women and men* is not given a separate section of the analysis. This issue is included in the section on equal opportunities, which is more broadly conceived as a general problem in the standing of various social groups on the labour market and their access to education. Thus we find aspects of social exclusion mixed with aspects of equality for men and women, which with regard to the high economic activity and education of women in Prague have different manifestations and causes. They should therefore be presented separately. In other analytic blocks it would be possible to document the involvement of women or relevant characteristics for women. This particularly concerns the analysis of employment and unemployment. It is only generally stated that women have more difficulty finding jobs on the labour market. The status of women is documented in a sufficient manner with regard to demographic structure, economic activity, entrepreneurship and education.

#### **Evaluation conclusions:**

- The analysis is comprehensive, covering all decisive areas.. It is duly supported by numeric data characterising past development. The specific character of Prague is backed by comparisons to data for the entire Republic.
- More detail could be given to documenting the position of women in the labour market with regard to employment and unemployment.
- In spite of partial shortcomings, the analysis presents a sound starting point for the formulation of objectives, priorities and measures

### **III.2 SWOT analysis and evaluation of its relevance**

The SWOT analysis in the SPD document is structured to initially determine whether something is a strong or weak point, opportunity or threat. A secondary viewpoint is then factual.

After assessing the identification of strong and weak points, opportunities and threats, the Evaluation Team then arranged the SWOT analysis given in the SPD document according to individual topics.

## A) Lifelong learning

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Existence of legal standards for initial education               <ul style="list-style-type: none"> <li>• Relatively high level of education (especially upper secondary) and qualification of the labour force</li> <li>• Evenly distributed and well-accessible network of schools and educational and training facilities with adequate capacity</li> <li>• Development of tertiary education - institutional and programme diversification, gradual restructuring of educational programmes to three-levels university education, development of new educational forms, transformation of most state universities to public institutions, and the rise of private universities</li> <li>• Large number of institutions for adult education offering a wide array of educational and training programmes</li> <li>• Certification mechanisms for university study programmes</li> <li>• Extensive network of public and private universities</li> <li>• High level of international co-operation among universities</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Study programmes at vocational schools do not adequately reflect technological development</li> <li>• Insufficient education of teachers in modern technologies and the use of modern teaching methods</li> <li>• The system of leaving examinations in secondary schools</li> <li>• The demand for tertiary education is not adequately met because of a lack of financial resources</li> <li>• High percentage of drop outs, especially in the first grades of universities and upper vocational schools</li> <li>• Low permeability of the educational system</li> <li>• The network of higher professional schools was established unsystematically and is inconsistent</li> <li>• Insufficient links of the educational system and curricula to needs of the labour market</li> <li>• Low mobility of students and teachers, especially in the domestic environment</li> <li>• Insufficient integration of initial and continuing professional education (with the exception of health services)</li> <li>• Lack of overall concept for continuing professional education (with the exception of health services)</li> <li>• Absence of an integrated system for continuing professional education (with the exception of health services)</li> <li>• Low participation of social partners in formation the curricula and organisation of vocational and continuing education</li> <li>• Absence of a motivational system for multi-source financing of continuing education</li> <li>• Shortage of quality information systems and their integration</li> <li>• Poor handicap access, unpreparedness of teachers to admit students with disabilities to regular schools and a lack of school assistants (and unclear legislative regulation) prevent most physically disabled people from acquiring adequate qualifications</li> <li>• Insufficient integration programmes for minorities</li> </ul>



Opportunities	Threats
<ul style="list-style-type: none"> <li>• Development of educational programmes responding to the demands of the labour market</li> <li>• Education of teachers, lecturers, managers and other professional employees of educational institutions <ul style="list-style-type: none"> <li>• Development of partnerships with other schools</li> <li>• Improving the availability of tertiary education</li> <li>• Development of continuing professional education in response to European labour market demands and employment requirements</li> <li>• Optimisation of the network of schools in Prague and the neighbouring region</li> <li>• Implementation of lifelong learning to ensure the maximum development of each individual and corresponding changes in the structure, content, and form of initial and continuing education and training</li> <li>• Use of schools as multi-functional centres of education for the continuing education of the population</li> <li>• Broadest possible integration of the activities of all partners participating in education: state and local administration bodies, schools and other training institutions, pupils and students, parents, social partners</li> <li>• Improving access to education and activation opportunities for citizens with special needs, disadvantaged groups, and those threatened with marginalisation and social exclusion</li> <li>• Systematic verification of the quality of continuing education programmes and certification of results</li> <li>• Application of multi-source financing</li> <li>• Creation of a counselling and information centre for continuing professional and vocational education</li> <li>• Alternative education of adults in social care institutions</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Lack of financial resources for the development of modern educational programmes and the absence of a systematic approach to financing continuing education and training</li> <li>• Insufficient motivation of teachers to take part in development programmes, to change their habits, and improve their qualifications</li> <li>• Continuing insufficient interconnection between the system of professions and system of educational branches in the modernisation of the educational system and generally insufficient links between education and the labour market</li> <li>• Slow transformation of the educational system</li> <li>• Limited opportunity for integrated education of students with disabilities, causing a lack of social experience for their future life</li> <li>• Persisting absence of quality controls for continuing education and insufficient level of counselling and information systems</li> <li>• Insufficient co-operation among municipal bodies and city districts in continuing education</li> <li>• Insufficient co-operation among employment services, educational facilities, and employers</li> </ul>

## B) Labour market

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Labour market varied in terms of branches and professions</li> <li>• High concentration of employers</li> <li>• High economic activity rate, particularly among women</li> <li>• Relatively low unemployment rate in the</li> </ul>	<ul style="list-style-type: none"> <li>• Weak motivation of certain groups of population to work</li> <li>• Insufficient care for the long-term unemployed</li> <li>• Increasing share of the long-term unemployed</li> <li>• High operating costs of enterprises</li> <li>• Insufficient communication and co-operation among</li> </ul>

<p>Prague region</p> <ul style="list-style-type: none"> <li>Established system of employment services</li> <li>Good accessibility to employment services</li> <li>Higher average wage (a greater difference between welfare benefits and average wages contributes to greater work motivation)</li> </ul>	<p>entities involved on the labour market</p> <ul style="list-style-type: none"> <li>Insufficient support for SMEs</li> <li>Insufficient capacities of employment services in Prague</li> <li>Poor handicap access of buildings and transit prevents many disabled people from acquiring jobs for which they are able and qualified</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>Using the high qualifications, education, and flexibility of the labour force</li> <li>Strengthening programmes for active employment policies, especially for citizens from disadvantaged groups</li> <li>Differentiated approach to various disadvantaged groups</li> <li>Expanding employment in the sphere of social services</li> <li>Focus on school graduates and young drop outs</li> <li>Comprehensive approach to long-term unemployment</li> <li>Broadest possible integration of all actors on the labour market, employee and employer associations, state administrative bodies, local and regional government, school and educational institutions, employers, NGOs, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Ineffectiveness of measures for the long-term unemployed, physically disabled, and poorly adaptive citizens</li> <li>Ineffectiveness of sanctions for employers who do not meet quotas for employing the physically disabled</li> <li>Practically uncontrollable inflow of workers from abroad</li> <li>Underestimation of the need for adequate personnel and technical equipment of employment services</li> </ul>

### C) Social integration

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>Restoration of the open city spiritual atmosphere accepting impulses from various cultures and directions</li> <li>Living standard above the national average</li> <li>Relatively strong social stability and significant representation of the middle class</li> <li>Balanced social structure in local communities</li> <li>High concentration of NGOs in the social sphere</li> </ul>	<ul style="list-style-type: none"> <li>Worsening demographic structure of the population</li> <li>Growth, concentration, and social exclusion of certain groups of the population and their insufficient integration</li> <li>Increasing criminality, including organised crime and socio-pathological phenomena in general (drugs, prostitution, etc.)</li> <li>Weak identification with local society and Prague as a whole</li> <li>Poor participation of the citizens in the decision making dealing with public affairs</li> <li>Large cumulation of poorly adaptive citizens, homeless, and illegal immigrants</li> <li>Deprivation of school drop-out youth</li> <li>Unwillingly excluded groups of Prague citizens, living in distant social care establishments</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>Improvement of Prague's multicultural tradition</li> <li>Retention of socially mixed residential quarters throughout most of the city</li> <li>Improving of social care services</li> <li>De-institutionalisation and diversification of</li> </ul>	<ul style="list-style-type: none"> <li>Growing share of the population of post productive age</li> <li>Ever increasing concentration of poorly adaptive citizens and their subsequent exclusion to the fringe of society</li> <li>Growing number of persons dependent on social</li> </ul>

<p>social care services, return of original Prague inhabitants from out-of- Prague social care establishments</p> <ul style="list-style-type: none"> <li>• Enhancing the existing potential of theoretical knowledge and practical experience of Prague NGOs providing modern social services</li> <li>• Care for groups threatened by social exclusion</li> <li>• Reduction in criminality through upbringing, culture, activities and hobbies</li> </ul>	<p>benefits</p> <ul style="list-style-type: none"> <li>• Social degradation of Prague suburbs</li> <li>• Existing xenophobic attitudes and racist behaviour of part of Prague population</li> <li>• Growing criminality and spread of drug addiction</li> <li>• Further loss of the population interest in public affairs, unless co-operation is established between municipal (local) government and citizens</li> <li>• Unstable financing of NGOs providing social services</li> <li>• Trend of frequently declared but not actually accomplished de-institutionalisation may lead to a deepening social exclusion of certain threatened groups of the populace</li> <li>• Insufficient development of field services</li> </ul>
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#### D) Co-operation of research and development with the business sphere

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Built-up network of educational and research capacities</li> <li>• High number of students in regular programmes and postgraduate PhD programmes, who are involved in scientific projects and a high number of young scientist as compared to the other Czech regions</li> <li>• Existence of good researchers and scientific teams able to succeed within international competition</li> <li>• Traditional co-operation between research centres and large industrial corporations</li> <li>• Existence of a relatively strong sector of SMEs</li> <li>• Existence of an embryonic network of institutions supporting the development of innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Absence of national and regional innovation policy and system of support for the innovation processes as a whole, including the effective transfer of technologies</li> <li>• Absence of national and regional human resources development policy and a lack of qualified officials</li> <li>• Legislative environment is not generally favourable for the development of science and research and for implementation of the outcomes into practice</li> <li>• Leading industry is not resolutely tied to research, and in particular university and research centres are not sufficiently motivated to co-operate with business. That results in the negligible share of private capital in applied research and researcher training financing</li> <li>• The culture in research centres is mostly in opposition to the commercialisation of research; absence of qualified researchers capable of handling the systematic transfer of technology</li> <li>• Research at universities is generally fragmental, not being oriented towards larger projects, which could be exploited in the commercial sphere</li> <li>• No clusters are created to lead to multiplication and synergy effects in a given field (e.g. innovation and technology centres, scientific parks, etc.)</li> <li>• Insufficient support of SMEs which would absorb and commercialise the outcomes of research and development</li> <li>• Information and communication barriers not only among individual sciences, but also among researchers and business people</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Developing international co-operation and assumed membership in the EU</li> <li>• Enhancing the attractiveness of employment in Prague research institutions for highly</li> </ul>	<ul style="list-style-type: none"> <li>• Failure to use local research and development capacities by foreign investors</li> <li>• Competition of other regions that will be able to offer better conditions especially to young scientists</li> </ul>

<p>qualified workers especially from the countries of the former Soviet block</p> <ul style="list-style-type: none"> <li>• Creating a favourable innovation environment and, above all, conditions for the transfer of technologies</li> <li>• Higher involvement of private capital</li> <li>• New opportunities for the support of research and development in connection with the new Support to Research and Development Act and National Programme of Research, which is being prepared</li> <li>• Increasing the motivation of students, PhD students and young scientists</li> <li>• Support of both applied and industrial research and development</li> <li>• Creating an optimum balance in basic research financing in relation to other research and development activities</li> </ul>	<ul style="list-style-type: none"> <li>• Persisting difficulties with the transfer of technologies from Prague to other Czech regions</li> <li>• Qualified workers from universities and research institutes leaving abroad</li> <li>• Continually increasing costs and demands on research without the corresponding growth of financial support for research and development (expressed as a share of GNP) from public and private sources</li> <li>• Lack of qualified managers who are able to understand the innovation process as a whole</li> <li>• Prioritising short-term development objectives</li> <li>• Conceptual shortcomings in the use of state and regional support to the innovation process</li> <li>• Continuing growth in expenditures on basic research at the expense of applied research, industrial research, and development</li> </ul>
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## E) Tourism

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Traditional tourist centre of European and global significance</li> <li>• Practical year round operation and provision of services</li> <li>• Expanding accommodation capacity</li> </ul>	<ul style="list-style-type: none"> <li>• Quality of certain tourist services does not comply with international standards</li> <li>• Qualifications in tourist services does not follow world trends</li> <li>• Uncoordinated and insufficient information network in tourism</li> <li>• Communication barriers (language and psychology)</li> <li>• Low level of partnership relations among individual tourist entities and between public and private sectors</li> <li>• Uneven geographic distribution of tourists and visitors</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Creation of permanent year-round interest in the city through sustainable tourism growth supporting, supply of various attractive events and programmes even in the off season, and the supply of programmes outside the centre of the city, perhaps in co-operation with the Central Bohemia region</li> <li>• Improved quality of tourist services and supporting services</li> <li>• Increased quality in the preparation of employees, particularly in the field of language preparation and professional approach to tourists</li> <li>• Opportunity to use of travel facilities for cultural and educational events</li> </ul>	<ul style="list-style-type: none"> <li>• Insufficient coverage of the spectrum of services</li> <li>• Quality of accompanying services lagging behind world trends</li> <li>• Worsening reputation of the city in terms of safety</li> <li>• Stagnation and unsuitable quality of information services (mainly for foreign visitors)</li> <li>• Loss of the attractiveness of the city for tourists</li> <li>• Insufficient attention to visitors with special needs (mainly the physically disabled)</li> </ul>

## F) Equal opportunities for men and women

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• <i>De jure</i> guaranteed equal opportunities for women and men</li> <li>• Numerous measures and policies already implemented</li> <li>• Relatively extensive base of women's organisation covering a wide spectrum of issues pertaining (among other) to women, and having information, experience, and human resources</li> <li>• Increasing public interest in this matter</li> <li>• Relatively high economic activity of women</li> <li>• High share of career oriented women and female managers</li> </ul>	<ul style="list-style-type: none"> <li>• Weak motivation of employers to implement measures aimed at harmonisation of family and work</li> <li>• Persisting prejudice pertaining to the maternity role of women</li> <li>• Reproduction of these stereotypes in upbringing and education</li> <li>• Weak partnership co-operation of NGOs, political representation, and social partners</li> <li>• Tendency of certain media to disparage this issue or make it subject to tabloid trivialisation</li> <li>• Insufficient capacity, reduced financial availability, and in some cases even commuting availability of social care facilities for dependent family members</li> <li>• Persisting difference in remuneration for men and women</li> </ul>
Opportunity	Threat
<ul style="list-style-type: none"> <li>• Information for employers, mass media</li> <li>• Support of programmes aimed at fostering equal opportunities</li> <li>• Development of social services as a chance to expand job opportunities for women</li> </ul>	<ul style="list-style-type: none"> <li>• High inertia in the reproduction of stereotypes and barriers</li> <li>• Positive action and gender mainstreaming methods may encounter criticism and resistance</li> <li>• Certain measures to reduce discrimination may paradoxically strengthen discrimination and the stereotypes resulting in the discrimination</li> </ul>

### Conclusions of the SWOT analysis evaluation

- The SWOT analysis is structured in great detail and gives a comprehensive overview of the main points of the individual problem areas
- The strong and weak points are in principle very well expressed. In some cases it would be possible to combine certain points. It would also be advised for all problem areas to maintain the same degree of generality in formulating individual points.
- In spite of partial reservations, the SWOT analysis may be considered satisfactory.

## IV. CONSISTENCY OF PROGRAMME STRATEGY AND LINKS TO RELEVANT STRATEGIES OF THE EU AND CR

### Evaluation questions:

- manner of elaborating the strategy into a hierarchy of objectives and their mutual consistency,
- whether the programme is carried out with strategic objectives relevant to European policies,
- whether the programme is carried out with strategic objectives relevant to national policies, including conclusions formulated in the Joint Assessment Paper,
- whether experience was utilised from the implementation of national policy and pre-accession programmes co-financed from European sources with respect to the objectives of the operational programme and insuring effective implementation

#### **IV.1. Hierarchy and consistency of strategic objectives**

The logic establishing the SPD 3 strategy is described very briefly in the SPD document. References are made to the SWOT analysis, national policies, EU strategies, and compliance with the objectives of ESF according to regulation 1780/99. To assess the hierarchy and consistency of the strategy it is therefore necessary to supplement the basic objectives of the programme (global and specific) with the structure of objectives at the level of priorities and measures, which are described in other sections of the SPD document.

Objectives are not designated using terms recommended in EC Working Paper No. 3. In the SPD document global objectives of various levels (programme, priority, measures) are designated as strategic objectives. This shortcoming, albeit formal, should be eliminated so that a unified programme methodology is maintained and intelligibility is not compromised.

***The global objective of the programme*** is defined in the following form: „To foster the economic potential of the region through the development of human resources and sustainability of life.” The formulation of the global objective insufficiently emphasises the labour market and human resources development, making this secondary to developing the economic potential of the region. This sets up an apparent contradiction with the European strategy of employment and ESF objectives. Also unsuitable is the use of the term "sustainability of life", which is clearly intended to mean sustainable development.

From the assessment of the lower hierarchical level of objectives and the description of priorities however, it is clear that the programme as a whole is adequately focused on the individual aspects of human resource development and that in the case of the global objective there is merely a shortcoming in formulation. We recommend therefore that the global objective be reformulated so that the main emphasis is on the human resources development and that it reflect all priority axes of the programme, including social inclusion and equal opportunity. The objective may for example be formulated as follows: “An effective and flexible labour market founded on a qualified work force, competitive employers, and use of the research development potential of the region while guaranteeing social integration of threatened groups, equal opportunity, and respecting the principles of sustainable development.”

The global objective of the programme is elaborated through five ***specific objectives***, which correspond to five content based programme priorities (the sixth priority focuses on technical assistance). From a content perspective, the requirement is met that specific objectives concretise global objectives. Problematic however is the formulation itself of objectives for all priorities with the exception of priority 5. Specific objections and recommendations are given below in context with the evaluation of the hierarchy of objectives at the priority level.

At the level of ***priorities*** only global objectives are formulated with no specific objectives being explicitly expressed. The hierarchical relation of objectives however means that the specific objectives of each priority are identical with the global objectives of the measures, and so formally they may be added in this manner (see the table of objectives in the Appendix).

Formulated at the level of *measures* are global objectives and specific objectives. Missing is the lowest level of operational objectives. Considering that no specific activities are given in the SPD which will meet specific objectives and which would thus provide information on intended operational objectives, we recommend either adding to this lowest level of objectives for measures or listing an overview of activities. Without such addition, the strategy cannot be considered complete and sufficiently elaborated.

To assess the overall consistency of the strategy and hierarchy of objectives, the Evaluation Team prepared a table that provides a comprehensive overview of the individual levels of objectives. This table is given in the Appendix.

### **Hierarchy of objectives within the priority axis 1**

#### Objectives on the priority level

Considering that the priority is broken down into only one measure, a single global objective and a single specific objective of the priority are defined. This line of objectives should clearly become narrower and more specific towards the lower level. This procedure is not observed however between the objectives of priority 1. The *global objective* of the priority “increasing the effectiveness of active employment policy with an emphasis on groups threatened on the labour market and elimination of barriers to equal opportunity on the labour market.” does not substantially differ from the *specific objective* “strengthening the role of active employment policy in finding jobs for job applicants and job seekers”. The difference is only in that another aspect of the same thing is emphasised.

#### Objectives on the measure level

*Objectives on the measure level* were not given sufficient attention. The third specific objective (measure 1.1) declared “...creation of conditions of the equality of men and women”, which overlaps with the global objective of measure 5.1. Likewise, the formulation of the sixth specific objective: “creation of a system supporting the employment of youth to acquire practical work skills” is unclear considering that measures with this focus are already applied. The objective then cannot be the creation of a system, but the completion of some of its elements or other specification of its improvement.

### **Hierarchy of objectives within the priority axis 2**

#### Objectives at the priority level

Priority 2 is characterised by a single global objective and a single specific objective. The formulation of the *global objective* in the form “improving the social environment through the support of groups threatened with social exclusion” does not adequately characterise this priority. It gives the impression that the primary objective is to improve the social environment and not to assist groups threatened with social exclusion acquire the necessary skills and abilities to find employment on the labour market and become a part of society thus bettering their way of life. This objective should therefore be entirely reformulated.

**The specific priority objective** „to reduce the inequality in access to participation in social life” is on the same level of generality as the global objective and does not represent any further specification or manner of fulfilment of the global objective. Aside from breaching the hierarchy of formulation it is faulty for another reason. It does not indicate that the particular measure attempts not only to promote activities supporting individuals, but also to develop a system of services for social inclusion. The specific objective of the priority should therefore be reformulated for example in this manner: “eliminating barriers for social integration of disadvantaged groups and the development of institutions and quality services to promote social inclusion”.

Objectives on the measure level

**The specific objectives of measures** are generally formulated clearly. An exception is the order of the fifth objective “Support of social services reacting to the negative consequences of current demographic and socio-economic development”, the content of which is unclear. If this objective is to represent the support of the social service system, then it is already contained in the second, third, and fourth objectives; if it is to represent support of individuals, then it is already contained in the first one. We therefore recommend dropping this objective.

Another shortcoming of the specific objectives of measure is the fact that the last objective of “insuring the availability of services for groups threatened with social exclusion through a system of community planning” is not reflected in the description of the measure. This objective is not met and it will therefore be necessary to either revise the content of the measure or reduce the objective. The first approach would be more desirable, since the development of community planning is a desirable direction which is gradually being promoted in all regions of the CR, and represents a progressive base of co-operation of local partners in the area of social services.

Formally it would be possible to simplify the formulation of the first objective, since the duplicity concerns naming the same group of persons, once as “members of threatened groups” and once as “persons from disadvantaged environments”.

### **Hierarchy of objectives within the priority axis 3**

Objectives on the priority level

The description of the priority mentions **three main objectives** upon which priority 3 is to concentrate. Thus a new type of objective is introduced, unclear in its relation to global objectives, specific objectives, and operational objectives. Evidently this is not a problem of content but rather inexperience in the use of the programme's conceptual terminology. With respect to intelligibility of the entire document however, we consider it very important to utilise consistent terms and we therefore recommend that this description of the priority be reformulated.

**The global objective for priority 3** is defined correctly in terms of generality, but it necessary to decide what the actual objective is. The current formulation “development of quality lifelong learning with the aim of preparing a highly qualified, flexible, and informed labour force able to apply the principles of sustainable development” is ambiguous, it is not clear whether the objective is the development of lifelong learning or the preparation of a labour force meeting the given characteristics. Considering the relation between individual hierarchical levels of objectives



of the programme, priorities, and measures, it would be suitable to clearly define the development of lifelong learning as the global objective of the priority. Another reason is the fact that the description of the priority emphasises the development of a system of lifelong learning as its focus. The objective could therefore be expressed very briefly as the “Development of a quality system of lifelong learning” or more broadly as the “Development of a quality system of lifelong learning, which will prepare a highly qualified and flexible labour force capable of applying the principles of sustainable development”.

The global objective of priority 3 is broken down into two *specific objectives*. The first is aimed at “Improving the system of initial education”. This formulation is brief, factual, and concise. The formulation of the second specific objective however is needlessly wordy and to a certain extent misleading. This specific objective of the priority is the global objective for the measure, which focuses solely on continuing education. Therefore this objective cannot be formulated as “Create opportunities for lifelong learning...” since the questions of initial education are resolved within the frame of the precedent objective. The objective may be reformulated then by using the second part of the current formulation and defining it as “ensuring a system of high quality continuing education accepted by employers”.

#### Objectives measures level

The hierarchy of objectives is not fully observed in *measure 3.1*. The global objective of the measure is “improving the system of initial education”, while one of the specific objectives “expanding the function of schools as a significant component of civil society and greater use of schools for adult education”. This is the only one specific objective of six defined which goes beyond the scope of the global objective of the measure, since it concerns adult education and thus continuing education. The function of schools as an important element of civil society is undoubtedly an important objective, but to meet this objective it is necessary to seek support beyond SPD. ESF is focused on solving unemployment, not supporting the building up civil society. Its resources may not be used therefore for the development of schools as centres for culture and sports. It is essential to drop or reformulate this objective so that it is in accordance with ESF objectives. Its second part may be relocated to measure 3.2.

The hierarchical relation between global and specific objectives is fully respected in *measure 3.2*. None of the specific objectives exceed the scope of the global objective, nonetheless inclusion of all eight defined specific objectives is not suitable, since in some cases they overlap. The first objective must be reformulated so that the information therein is not repeated, and the objective is defined clearly and concisely. The content of the objective may be expressed for example in the following manner “With the use of scientific and research capacities to complete and perfect a system of continuing education founded upon developing the competence of individuals and respecting the needs of the labour market.” Already contained within this objective is the objective number two (complete construction of the infrastructure for the development of continuing education according to the specific needs of the labour market in Prague), objective number four (establish a system of formalised co-operation between supply and demand in the area of educational activities with the goal of improving and better targeting continuing education) and objective number six (develop course supply of continuing education). Of the

original eight objectives, it is advised to leave only five, which differ in content and do not overlap.

However, the wording of objective number five should be clarified. The matter does not concern the founding a system of support for innovative activities and research in the area of continuing education, since research is already supported by public funds. A more suitable formulation would be “development of innovative activities and research in the area of continuing education”.

#### **Hierarchy of objectives within the priority axis 4**

Objectives on the priority level

**The global objective of priority 4** is defined in two manners. In the SPD section, which is devoted to the specific objectives of the programme, it is formulated as “Development of the business environment, improving the adaptability of Prague organisations and firms to the quickly changing economic conditions through increasing qualifications of employees, with special regard to the utilisation and development of Prague's innovative potential and improvement of tourism services and auxiliary services, expanding access to entrepreneurship”. We encounter a different formulation in the description of priority 4. Here the objective is listed as “the use and development of Prague's innovative potential and development of the business environment, improving the adaptability of Prague organisations and firms to the quickly changing economic conditions through increasing the qualifications of employees, with special regard to the improvement of tourism services and auxiliary services, expanding access to entrepreneurship”. Both formulations however encounter the same problem, this being on the one hand too broad a scope (development of the business environment) and on the other hand needless detail (special regard to the improvement of travel services and auxiliary services). This problem may be resolved by assuming that the objective will be further specified on a lower hierarchical level, and therefore must remain at the appropriate level of generality to provide sufficient space for concrete detail. We recommend that the objective be simplified for example “Improving the adaptability of Prague organisations and firms through increasing the qualifications of employees, and through the development and utilisation of Prague's innovative potential”.

The global objective of priority 4 is detailed into three *specific objectives*. The first and third objectives are formulated in a suitable manner, the second must be reformulated. It must be realised that this concerns the global objective of measure 4.2, named the Co-operation of research and development units with the business sphere. This objective is defined in two layers, once as “the development of human resources within the scope of the innovative process”, and once as “the consolidation of scientific and technological development and innovative activities through effective management, greater inclusion of young people in the innovation process, creation of a network of industrial co-operation, and increase in competitiveness and employment”. The formulation of objectives should favour brief but concise formulations, since this is the summary of the programme, priority, or measure. Therefore it is not necessary to incorporate into objectives the manner in which they are to be achieved or an explanation of terms (for example in this case defining the innovation process). From the description of measure 4.2 it may be inferred that the global objective, and thus the specific objective of the priority

could be formulated as “increasing the quality of research and development and strengthening its ties to practical application”.

#### Objectives on the measures level

The hierarchy of objectives is not strictly maintained in *measure 4.1*. The global objective determines that the measure is focused at “insuring the effective management of organisations and a qualified and flexible labour force”. Going beyond the scope of the defined global objective is the specific objective of “retaining current jobs and stimulating new jobs, including self-employment”. It is precisely better management of organisations which should lead to retaining existing jobs and creating new jobs, so this objective is in a certain manner superior to the global objective. The stimulation of self-employment is the objective of priority 1. The specific objective listed as second (“increasing efficiency of managing organisations, including the management of human resources in organisations”) is on the same hierarchical level as the global objective, and is expressed in nearly the same words. This objective should be dropped.

The specific objective of “development of educational programmes aimed at EU accession, especially for small enterprises” is focused more along the lines of priority 3, and it is necessary to consider whether it should be left under measure 4.1. If this objective is retained, there should be a clear definition between measures 3.2 and 4.1.

The current objective formulation “implementation of programmes for co-operation of small and large firms in the region” raises doubts whether this does not violate the principle that support is to be directed towards small and medium firms. This objective should be modified to clearly show that the recipients of positive effects will be small and medium firms.

The expression of the specific objective listed first is too complicated. Its content may be retained with a much simpler formulation, such as “increasing the level of qualification of employers and employees, the quality of which will be guaranteed by professional associations”.

For *measure 4.2* where it is essential to clearly formulate a global objective, it appears that the hierarchy of objectives is not violated. The final conclusion may be made after the clear definition of the global objective. A problem however is overlap of the first specific objective with the specific objective also listed first of the previous measure. We recommend that this objective be either dropped or defined so that there is a clear boundary between these objectives.

It is also necessary to revise the formulation of the objective “create the basis for a functioning system of training and consulting centres and entrepreneurial incubators...”. As is evident from the analysis, the individual elements of the system already exist, so it is not necessary to start with the base.

### **Hierarchy of objectives within the priority axis 5**

#### Objectives at the priority level

*The global objective of priority 5* is reduced to a single specific objective. The hierarchy between global and specific objectives is maintained. The specific objective is focused on reconciling

family and professional life, which is one of the aspects of the global objective of the priority, that being equal opportunity for men and women in the labour market. Given the relatively high employment of women in Prague, the priority axis objectives are correctly narrowed down to this most important facet.

#### Objectives on the measures level

The structure of specific objectives for *measure 5.1* does not meet the global objectives of the measure. Of the six specific objectives, four concentrate on system support and only two on creating conditions for reconciling family and professional life. In spite of the fact that information on equal opportunities are important given the low awareness in the CR regarding this topic, their predominance with regard to fulfilling the global objective of the measure is an expression of imbalance.

In addition this structure of objectives is not in accordance with the description of the measure, where considerable attention is devoted to the material aspects of reconciling professional and family life. Aside from activities corresponding to the declared specific objectives (equal opportunity for persons caring for dependent family members, developing alternative work possibilities including work from home and use of IT), there is great emphasis placed here on other types of activities which are not covered by any specific objective such as: support for the return of women to the work or to education; specific support of women starting or expanding their own business; and development of services and family care facilities. The structure of objectives and description of the measure then must be brought into accordance. We recommend the reformulation of the structure of objectives.

The formulation of certain objectives is unclear. From the formulation of the first specific objective, “influencing the structures, environment and organisation of work so that equal opportunity is afforded for persons caring for dependent family members in comparison to other actors on the labour market”, it is not clear what structures and environments are to be influenced. The organisation of work mentioned in this objective is also not specified. If this is meant to be the expansion of flexible forms of employment, then how does this objective differ from objective number six, which is the “support of alternative employment possibilities..”.

Certain specific objectives express similar content only in varying formulations and should therefore be combined. This concerns the second objective: “Weakening prejudice stemming from current attitudes towards women” and the fifth objective “Increasing general awareness of the significance of women in social and professional life”.

#### **Balance of strategy**

The strategy reflects the specific situation of Prague both with respect to the characteristics of the labour market, and the high concentration of educational institutions and research and development jobs. Formulated specific objectives incorporate a suitable combination of developmental elements aimed at improving the quality of human resources, innovation, and competitiveness and elements insuring social inclusion and equal opportunity. From these perspectives, the strategy is well structured and balanced. Individual priorities contribute to the fulfilment of the strategy to varying degrees. If the contributions of priorities 1, 2, 4, and 5 are

direct, since they are focused at supporting individuals and institutions, then the contribution of system oriented priority 3 will be mediated, appearing over a greater period of time.

#### **Evaluation conclusions:**

- The recommended EC methodology regarding the terminology of objectives and number of hierarchical objective levels is not fully respected. In terms of ensuring intelligibility and comparability of programme documents objectives should be strictly designated as global, specific, and operational.
- On the programme level the hierarchical relation between global objectives and specific objectives is maintained. Unsuitable however is the formulation of specific objectives with the exception of the fifth objective. We also recommend improving the formulation of the global objective of the programme so that emphasis is placed on the human resources development and not the economic potential of the region.
- At the level of priorities there is a lack of definition of specific objectives, which may be filled in however from the global objectives on the level of measures. This is merely a formal shortcoming. A far more serious shortcoming is the absence of operational objectives for individual measures. It is imperative to either complete the operational objectives of individual measures or at least give examples of activities with which the measures will be fulfilled. Without this step, the strategy would remain at too high a level of generality.
- Difficulties with hierarchies arise in cases where a priority is fulfilled by a single measure, i.e. the global objective of the priority leads to only a single specific objective of the priority, which is identical with the global objective of the measure. This concerns priorities 1 and 2. For priorities 3, 4 and 5 the hierarchical links of objectives is maintained in the SPD, the objectives of lower levels concretely realise the objectives of higher levels. Problems arise however in the intelligibility of formulation of certain objectives.
- The hierarchy of objectives is in a certain manner violated in measures 2.1, 3.1, 4.1 and 5.1. A definite conclusion cannot be made for measure 4.2, since there is no unequivocal formulation of the global objective of this measure, however it tentatively appears that the hierarchical links between the global objective and specific objectives is respected.
- The internal consistency of the strategy is breached in measure 1.1, the one specific objective of which overlaps with the global objective of measure 5.1 (equality for men and women). In certain cases there is even inconsistency within a measure, when there is mutual overlap of specific objectives (2.1, 3.2, 5.1).
- For measure 3.1 it is necessary to drop or reformulate the specific objective listed second. The first part of this objective (expanding the function of schools as a significant element of civil society) exceeds ESF objectives, the second part (greater use of schools for adult education) falls under measure 3.2. It is also essential to reformulate one of the specific objectives of measure 4.1 to make it entirely clear that only small and medium businesses will be supported, or this objective should be dropped.
- The description of measures in some cases is broader than the specific objective. This concerns measures 2.1 and 5.1. In the case of measure 2.1, the description of the measure should be supplemented in an adequate manner, for measure 5.1 on the other hand, the objective should be reformulated to incorporate the goals expressed in the description of the measure.

- In spite of the given reservations, which pertain mainly to shortcomings in formulation and to a lesser degree failure to maintain hierarchical relations, the programme as a whole is adequately focused on individual aspects of human resources development.

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

The relevance and quality of the SPD 3 strategy must be assessed with regard to its relation to established pillars and guidelines which constitute the general framework of the European Employment Strategy for all member and candidate countries, as well as from the perspective of fulfilling priority areas of the Joint Assessment of the Employment Policy which were specified in collaboration with the European Commission specifically for the Czech Republic.

*The relation of SPD 3 strategy and the European Employment Strategy* is described in the SPD document. A detailed analysis of relations is given great attention. An extensive table is presented, linking individual specific objectives of measures to operational guidelines of the European employment strategy. The table shows that of the 18 operational guidelines, 17 are met by the objectives of SPD 3 with the exception being guideline 12. This guideline is aimed at tax reform supporting employment and training and thus exceeds the scope of activities which may be financed by ESF. It is clearly shown that the objectives of SPD are materially in accordance with the cornerstones and individual guidelines of European strategy.

Based upon European strategy, the European Commission and government of the CR have jointly established priority areas in which more marked advances are to be made in employment policy and on the labour market. These priorities are determined in the annually signed **Joint Assessment Paper**, and if we dismiss two areas which are beyond the scope of SPD, they are the following priorities:

- to support of the use of flexible forms of work along with the protection of jobs and legal protection of employees and their wage levels
- to promote occupational and geographical mobility
- to enhance the modernisation of the vocational education and training system in co-operation with the social partners, to make the education system more transparent and focused on the needs of the labour market
- to strengthen the public employment service and to support a policy shift towards prevention and activation

The SPD 3 programme document presents these priorities but it does not indicate to what degree they are incorporated into SPD strategy or individual measures of the programme. It is evident from the structures of specific SPD 3 objectives that the use of flexible forms of work is supported within the scope of measures 4.1 and 5.1. With regard to certain specifics, territorial mobility does not represent a major problem in the Prague region, contrary to the rest of the Republic, and this need not be included in the priority axes of the programme. Professional mobility, on the other hand, is very important for Prague, and is supported directly by the objectives of SPD priorities 1 and 4 and indirectly through the development of the system of

lifelong learning under priority 3. Modernisation of vocational training, increasing its transparency and increasing its relevance to the needs of the labour market are also the aim of priority 3. Strengthening public employment services, increasing prevention and active measures on the labour market are the direct concerns of SPD priority 1, while indirect support will be offered by priority 4, which contributes to the retention of jobs and increases the flexibility of employees and employers.

The SPD document does not mention the *relation of SPD 3 strategy to European Strategy to Fight against Poverty and Social Exclusion*, which consists of (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. From the objectives of SPD 3 objectives it is clear however that there is considerable connection between both strategies. European strategy is met directly by priority 2 “Social integration”, which is aimed at expanding access for disadvantaged individuals to social services, the labour market, and preventing social exclusion, as well as system aspects including support of appropriate institutions and co-operation of actors involved on a local and municipal level.

Other SPD 3 priority axes to varying degree act indirectly or in a preventive manner on the implementation of certain aspects of the European Strategy to Fight against Poverty and Social Exclusion. The most obvious is perhaps the contribution of priority 1 (Active employment policy) which supports maintaining or quickly returning to employment thus preventing social exclusion, and further priority 3, which creates system prerequisites for increasing participation in education and continually enhancing skills essential for participating in the labour market and society and which is aimed at the specific needs of educating disadvantaged individuals.

#### **Evaluation conclusions:**

- The SPD 3 strategy is in accordance with the European employment strategy. Substantiated in the document are the specific objectives of SPD 3 measures which will meet the guidelines of European strategy. Also declared is the relation of SPD to the priorities of the Joint Assessment Paper. Although these relations are not specified in detail in the SPD document, it is clear that they are directly met in terms of content by SPD priorities 1, 3, and 4.
- The relation of SPD to the European strategy for reducing poverty and social exclusion is not described in the SPD document and should therefore be added. From the formulation of objectives on the level of priorities and measures it is clear that SPD supports the European strategy in this area both directly within the scope of priority 2 and indirectly through the creation of preventive and systemic conditions under priorities 1 and 3.

### **IV.3. Linking the programme with the strategic objectives of relevant national policies and regional strategic documents**

The fact that SPD was prepared in close association with the strategic objectives of national policies is evident from the content of chapter 2.4. This chapter gives a very detailed overview of not only these policies and their objectives, which have a certain relation to the development of human resources, but even policies which create the broader environment for this development. Also very important for SPD are relations to documents dealing with the development of the city of Prague itself. Among these strategic documents, the Prague Strategic Plan occupies a special position due to its comprehensiveness. Links to this document and to the National Action Employment Plan are directly identified at the level of individual priorities, where there is a description of the manner particular priorities contribute to meeting the objectives of these documents.

In priority 3, it is correctly identified that the priority contributes to meeting three guidelines of NAEP 2002. An erroneous quotation however grossly distorted the sense of guideline 4 of NAEP 2002, which concerns people who have atypical contracts and certainly is not aimed at “increasing the ratio of the adult population with tertiary education and not participating in any educational or training programmes”, as given in SPD. It is necessary to present the correct wording of this guideline, i.e. “Support conditions facilitating better access for adults to lifelong learning, including persons who have atypical kinds of contracts, and increase the share of adults in the active age between 25-64 participating in educational and training programmes”.

To assess the links of SPD to relevant strategic documents on a national and regional level, the Evaluation Team prepared a table expressing the relation between the priorities of SPD and decisive strategic documents. The rows of the table list relevant national policies and the Prague Strategic Plan. The columns list five SPD priorities, while the sixth priority of Technical assistance is not included in the table given its character. The table provides an overview of the effect of individual priorities on the fulfilment of objectives contained within particular sector or cross-section documents. The effect of the priority may be either direct, where there are essentially identical objectives of the SPD priority and the objectives of the policy, or indirect, where the priority has, in spite of its differing objectives, a positive effect on the fulfilment of the particular policy. A direct relation is indicated with a star in the appropriate table field, an indirect relation with a cross. In the event that there is no relation between priorities and policies, then this fact is expressed with a dash.



**Table 1: Matrix of relation between SPD priorities and national policies and the Strategic Development Plan for Prague**

NATIONAL POLICIES	P 1	P 2	P 3	P 4	P 5
National Employment Plan	*	*	*	*	*
National Action Employment Plan 2002	*	*	*	*	*
Conception of Government Policy towards Members of the Roma Community Assisting their Integration into Society	*	*	*	-	X
National Plan of Equal Opportunity for Citizens with Physical Disabilities	X	*	*	-	-
Government Priorities and Procedures in Promoting Gender Equality	X	X	X	X	*
National Programme for Education Development	-	-	*	X	-
Long-term Development Plan of Education and Education System	-	-	*	X	-
State Information Policy in Education	-	-	*	X	-
Strategy for Strengthening National Economic Growth	X	-	X	*	X
Industry Policy	-	-	-	*	-
Small and Medium Enterprise Support Policy	-	-	-	*	-
State Programme of Environmental Education	-	-	X	*	-
State Environmental Policy	-	-	-	*	-
Conception of State Tourism Policy	-	-	-	*	-
State Information Policy	X	X	X	X	-
National Research and Development policy	-	-	*	X	X
Non-profit Sector Development Strategy	X	*	X	*	-
Prague Strategic Plan	*	*	*	*	-

Note:

P 1 – priority 1, P 2 – priority 2, P 3 – priority 3, P 4 – priority 4, P 5 – priority 5

\* the priority is directly aimed at achieving the basic objectives monitored by the given policy

x the priority is not directly aimed at achieving the basic objectives monitored by the given policy, but indirectly assists the achievement of these objectives

- the priority has no relation to the objectives monitored by the given policy

From the overview it is clear that SPD is **most intensively related** to three documents, the National Employment Plan, the National Action Employment Plan 2002, and the Prague Strategic Plan. All priorities directly share in fulfilling the objectives of these plans. The only exception is priority 5 in relation to the Prague Strategic Plan, which did not incorporate the issue of equal opportunity for men and women. Considering its heterogeneous character, priority 4 shows relations to the greatest number of national policies.

#### Evaluation conclusions:

- SPD is intensively interrelated to relevant national policies. In accordance with ESF objectives the most intensive relations are to employment policy. There are also close ties to the regional strategic document - the Prague Strategic Plan. Links are evident not only in the direct impact of individual priorities on the achievement of objectives set forth in these documents, but also in important indirect effects.

- In SPD at the priority level the relation is clearly expressed of these priorities to the National Action Employment Plan 2002 and the Prague Strategic Plan. It is imperative to correct the erroneous quotation of guideline 4 of NAEP 2002 which is given under priority 3.

#### **IV.4. Using the experience from the implementation of national policies and pre-accession programmes for HRD OP strategy**

##### **Using the experience from the national policies implementation**

In SPD attention is given to the description of measures through which the objectives of national policies are implemented in the region. A positive aspect is the list and detailed overview of resources which were allocated in the region under individual policies, and the characterisation of the institutions which carried out the given measures. From the overview it is clear that Prague is lacking experience in the implementation of national policies, no attention was given to assessing their results or the effectiveness of the application of individual instruments. It cannot then be judged whether this experience was utilised during the formulation of SPD, whether SPD will foster those measures already proven in practice, or on the other hand whether it will include or improve upon measures which did not meet expectations.

##### **Using the experience from the pre-accession programmes implementation**

From the description of measures implemented with international financial support (chapter 2.4.4) it is clear that partial experience was gained by certain educational institutions (especially universities and upper vocational schools), other institutions, and Prague municipal authorities.

Based upon this very brief description it may be deduced that experience is very limited. Important however is that the preparation of SPD at least utilised knowledge of programming **methodology**, which was adapted to the requirements of SPD elaboration. Considering the lack of a comprehensive evaluation of the efficiency of the implemented programme so that it is possible to clearly determine which activities were more effective in terms of the volume of funds expended and the achievement of established objectives, this information could not be used for SPD drafting. A positive impact from acquired experience may be expected in the **implementation phase** of SPD, when we should see the influence of germinal absorption capacity in the form of skills essential for the formulation and submission of quality projects and their management.

##### **Evaluation conclusions:**

- It is clear that the Prague region has experience with the implementation of national policies. This experience however, has not been assessed, and therefore it is not possible to judge whether positive experience was utilised during the preparation of the programme and whether the repetition of negative experiences was avoided.
- Experience from the implementation of pre-accession programmes was primarily evident in knowledge of the principles and methodological procedures of programming. This undoubtedly positively influenced the preparation of SPD. It may be expected that this

experience will also be utilised in the implementation phase of the programme, especially in the preparation of projects and their management.

## V. RELEVANCE AND INTERNAL CONSISTENCY OF THE PROGRAMME

### **Evaluation questions:**

- what was the extent and quality of the consultation process (adequacy of the course of consultation, level of involvement of institutions in the field, regions, social partners, the non-government sector)
- whether the priorities are clearly defined and mutually consistent (do not overlap, are defined in relation to the SWOT analysis, assist in achieving the global objective of the programme and foster synergy effects)
- to what degree are the horizontal themes (directly and indirectly) involved in the programme
- what are the proportions between individual types of measures and activities (support of individuals and groups, systems and accompanying measures; new or innovative measures and traditional measures; curative and preventive measures)

### **V.1. Extent and quality of the consultation process**

The course of the consultation process is set forth in the SPD document in a table which recapitulates individual factual and temporal steps, and the main actors involved in the consultation process. The Monitoring Committee was informed of the course of work on SPD 3 and watched over its objectives.

***Consultation took place at several levels.*** During the process traditional instruments were used to achieve accordance at the level of ministries and the main bodies of social partners in the form of comment procedures which are commonly used during the preparation of all materials to be discussed by the government. In addition to this, specific consultation techniques were also applied for the adequate preparation of ESF documents.

### **Co-operation of partners directly participating in the preparation of SPD**

***Fifteen institutions*** shared in the preparation of the SPD document including the ministries (MLSA - Ministry of Labour and Social Affairs, MEYS - Ministry of Education Youth and Sports, MRD - Ministry of Regional Development), the Prague Municipal Labour Office, regional self – government bodies, representatives of tertiary education and research, representatives of the social and non-profit sector, and of the Chamber of Commerce. Given the number and diversity of drafters and the limited territorial scope of the project, it is clear that the majority of the most important potential partners of the consultation process were involved in the creation of the document or preparation of source materials. The large number of partners involved in programme preparation placed high demands on co-ordination and as is evident from the overview table, discussions took place on both the entire document as well as within work groups for individual priorities.

### **Discussion and harmonisation of procedures for SPD 3 and SPD 2**

Considering that the Municipal Office directly prepared SPD 2 and also shared in the preparation of SPD 3, the potential existed here for natural internal communication between programme teams and for transferring knowledge among drafters. The reality is however, that relations between both programmes have not been worked out in a suitable manner (see Ex-ante evaluation - chapter VII). From the description of the consultation process it is evident that external discussion took place at the beginning of document preparation. The preconditions exist for improving mutual co-operation within the scope of preparing the Programme Complement.

### **Scope of the consultation process**

To a sufficient degree consultation incorporated additional actors, including representatives of social partners, non-profit institutions, and also the public. This process took place through several forms.

A positive aspect is that at the beginning of programme preparation, a *Working Group for the Preparation of Programme Documents for the Use of Structural Funds* was established. At regular meetings the representatives of the institutions above could continually comment on the working version of SPD 3. It must be mentioned that it was through the Working Group for the preparation of programme documents that consultation was arranged with representatives of other regions which are not directly affected by SPD 3, but who could comment on the manner of resolving certain problems proposed in SPD based upon their experience.

*The Public* was introduced to the second working version of the document, which was placed on the heavily visited Internet pages of MLSA and City Hall. In this manner, input was obtained from other institutions, especially from the non-profit sector.

The Evaluation Team commented on the revisions of the programme document in the form of recommendations for individual working versions of SPD. Through discussion of these recommendations, the *Working Group for Evaluation* became indirectly involved in the consultation process.

### **Evaluation conclusions:**

- The structure of institutions which shared in the preparation of SPD 3 is broad and guaranteed adherence to the principles of partnership during the formulation of strategy and drafting of the SPD 3. The broad participation of partners is a good foundation for the future implementation of the programme itself, as shown by experience of EU member states.
- The consultation process took place on a sufficiently broad basis, with the participation of representatives of all relevant institutions, through various work groups, and both internal and external comment procedures. The public had the opportunity for expression through the Internet.
- Consultation with the SPD 2 Prague programme team should be intensified in the preparation of the Programme Complement for both SPD.

## **V.2. Relevance of defined priorities and measures and their consistency**

### **Adequacy and quality of defined priorities and measures within the scope of priority axes**

The approach to the description of individual priority axes in the SPD document varies in a certain manner<sup>1</sup>. While in the descriptions of certain priorities attention is given more to the general characteristics of the problems and possible resolutions (priority 1, 2 and 5), for other priorities description is concentrated solely on the objectives of the priority (priority 3 and partially 4) without the repetition of information contained in the analysis.

In all priorities the relation to the SWOT analysis is maintained, particularly with regard to the identified weaknesses which the priority and measures objective to overcome. Also positive is the fact that the strengths will be further developed through the priorities and the opportunities and threats expressed in the SWOT analysis will be respected.

For each priority a global objective is presented with a brief general characteristic of the roads to its fulfilment. This contributes to lucidity and to emphasising the relation between the description of priority content and the established global objective. On the other hand however, in certain cases of priority description (priority 1, 2 and 3, measure 1.1 and 4.3) a partial purpose is designated as an objective, which leads to doubts regarding the clarity of the priority focus. There also are not clear ties to global and specific objectives. As previously stated (see Ex-ante evaluation - chapter IV), it is absolutely essential to maintain consistent and EC methodology recommended terminology and in accordance with this to revise the formulation of priority descriptions and measures.

On the positive side, an overview of ties to the National Action Plan of Employment and the objectives of the Strategic Plan for Prague is presented in the end of the description of each priority.

More specific detail information on priority axes is given in the description of the measure(s) for the individual priority. This detail within the measures however, is not so great as to make clear what activities will be implemented. Part of the description of measures also defines the target group to whom assistance will be provided. In some cases the structure of target group is not in accordance with the description of the measure.

#### **Priority axis 1 - Active employment policy**

It follows from the description of the priority axis that its objective is to quickly get the unemployed back to work and to anticipate and prevent unemployment through the effective use of existing and new instruments of an active employment policy with emphasis on prevention and an individualised approach to clients. The development of employment services will also be supported and their partners involved in the implementation of individual measures.

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<sup>1</sup> The subject of assessment does not include priority 6, which focuses on technical assistance

*The priority* is described in an adequate manner, making clear the purpose. The declared requirements for speed in finding jobs for the unemployed and preventing unemployment implies that this concerns short-term unemployed persons or persons threatened with unemployment. This essentially differentiates the activities which will fulfil this priority axis from the activities of priority axis 2, Social integration. It is also necessary to understand the risk groups handicapped on the labour market mentioned in the priority text (long-term unemployed, persons with partial disabilities, citizens over 50, mothers with small children, persons without or with low levels of qualifications, school graduates) as groups which are not directly threatened with social exclusion but which might have potential problems with extended unemployment, and therefore it is necessary to provide them with individualised, preventive assistance within the scope of regular or innovative instruments of the Active Employment Policy. For this reason long-term unemployed persons should not be included here, or it should be specified in what manner they differ from the target group which will obtain support under measure 2.1 (Integration of specific groups of the population threatened with social exclusion).

The character of the measure corresponds to the *target groups*, both individuals - service clients and groups of individuals - service providers (staff of labour offices and co-operating institutions). In the SPD document these two types of groups are identified correctly. Among the service clients however, aside from the unemployed, those threatened with unemployment, and job applicants, which are all correctly included in the target group according to the objectives of the measure, there are also "persons threatened with social exclusion" and persons "returning to the labour market". Evidently there is overlap here with measure 2.1 and possibly overlap with measure 5.1. It is therefore necessary to harmonise the groups of service clients with the objectives of measure 1.1 and eliminate possible overlaps.

## **Priority axis 2 – Social integration**

Priority axis 2 is focused on the social integration of specific groups of the population threatened with social exclusion. Within the measure 2.1 activities will be carried out supporting the individuals, and supporting the development of systems and institutions and NGOs sector in the area of social inclusion services. A global grant will be used for the development of the non-profit sector.

In the section devoted to the *description of the priority*, there is a general characterisation of the problems having narrower and broader relationships to social inclusion, these being social protection, employment, education, and housing. Considering that the priority description should provide information on the purpose of assistance, we recommend moving the general characterisation of the problems from the text of the priority to the analytical section and concentrating only on the manner of solution which has been selected as priority.

*The description of measures* gives a general overview of the manner of resolving social inclusion, which reacts on the established global objective of the measure. The description is not entirely in accordance with the structure of the specific objectives of the measure. The description emphasises support of groups and individuals, while in the structure of objectives it may be interpreted that support of organisations and systems is prioritised. Another discrepancy is that

the objective pertaining to the "availability of services through community planning", is not reflected in the description of the measure. The text should therefore be adequately expanded (see also Ex-ante evaluation - chapter IV.1).

A wide range of persons is included among *target groups*. The majority of these encounter various forms of barriers, which hinder their participation on the labour market and in society. Questionable is the inclusion of the group of "seniors" and "victims of natural catastrophes". Resolution of their problems corresponds more to assistance of a purely social or humanitarian type, not activities financed by ESF. If support for these groups is intended to resolve only certain aspects of their problems which might meet the requirements of ESF co-financing, then this should be indicated in the description of the measure.

### **Priority axis 3 – Development of lifelong learning**

The description of priority 3 gives comprehensive information on its objectives. A positive aspect is that great emphasis is placed on the mutual relationship between initial and continuing education, and their interrelation with the labour market, employment policy and social policy. Clearly following from this is also the strengthening of social partners in meeting this priority. Included in the description of the priority is a characterisation of the level of initial education which should gradually be achieved. This well elaborated description of the priority creates a quality foundation for the implementation phase.

It is clear from the description of the priority that the objective focuses primarily on the development of the system, with only partial support of individuals. This is evident in the statement that it is necessary to create conditions enabling persons with certain disabilities or to the contrary exceptionally gifted persons greater opportunity to participate in mainstream education. Also mentioned is the necessity to support those who for various reasons did not complete elementary education. For tertiary education system the issue is clearly the development in such direction so that tertiary education becomes more and more a part of the common European space of higher education.

Greater attention should be given to the description of continuing education. It is entirely useless to repeat the information contained in the analysis (this concerns an entire three paragraphs which are absolutely identical to the paragraphs of 2.2.2.2).

The priority will be met via two measures. Lucidity of their description would be improved by structuring the description according to types of support: support of system development or support of individuals. For *measure 3.1* focusing on initial education it is necessary to drop from the description and objectives the provision on developing schools as institutions to become local centres of culture and sports. The reasons were given in the Ex-ante evaluation – chapter 4.

Including the adults into the target group is in accordance with the specific objectives, provided the measure retains the objective of greater use of schools for adult education (see Ex-ante evaluation - chapter IV) and provided the adults are educated in these schools. If however the

measure is aimed solely at preparing suitable educational programmes and systems, then the adults must be dropped from the target group.

The description of *measure 3.2* is concrete and detailed, elaborating the objectives given in the priority description. It is not suitable however to include an entirely identical paragraph from the priority description.

It may be inferred from the description that this is exclusively a systemic measure, which is supported by the introductory statement that “the measure is aimed at developing the offerings of continuing education in a systemic manner and introducing key system mechanisms...”. This does not correspond however to the placement of doctorate study students, public administration officials, research experts, employment services staff, human resources managers, entrepreneurs and employers, and experts of the regional employer and trade associations into the target group. A target group defined in this manner would give the impression that of concern is the support of individual, i.e. the training of the persons mentioned, which is not however included in the specific objectives. It is essential that the description of the measure be clear from this perspective, that it correspond to the definition of the target groups, and that a unified concept of target groups be respected throughout the entire document.<sup>2</sup>

#### **Priority axis 4 – Adaptability and entrepreneurship**

The opening paragraph of the priority 4 description states that the priority is focused at supporting those elements of the Prague economy “which are unique for the entire CR and which can influence development in the entire republic”. These elements are tourism, and research and development, in particular its co-operation with the business sphere. The priority is also aimed at supporting the adaptability of employees and employers without any regard to the field and branch of their activity. This is proper and thus opens up possible participation to a wide spectrum of small and medium businesses and newly emerging firms. The identification of adaptability and entrepreneurship with these three areas corresponds to the analysis contained in the SPD 3 document.

In the priority description sufficient attention is devoted to the adaptability of employees and employers, co-operation of research and development with the business sphere, while tourism is entirely overlooked. This section must be added to the description. To the contrary, we recommend that the description of the legislative framework of research and development be moved to an appropriate part of the analysis. There is no reason why the priority description should deal with existing characteristics of the system, whether these characteristics be positive or negative. The priority description should truly be narrowed down to a description of what the priority will resolve, what it would like to achieve.

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<sup>2</sup> For system measures the target groups are organisations which will take part in improving the system. In the case of measure 3.2 this will be organisations sharing in the development of continuing education courses supply, the creation of continuing education methodology, the development of consulting and information services, and the integration with employment policy. Also included will be staff of these institutions, provided they take part in training, study visits, and similar activities, but not if they are merely formulating the training programs curricula, criteria for certification, etc..



*Measure 4.1* is described with a suitable level of detail, stating that it will primarily focus on SMEs small and medium firms, and particularly on newly emerging firms. Adaptability should be strengthened even through the development of trade organisations, professional associations, and chambers of commerce. Support of the development of professional associations and chambers of commerce will be concentrated on increasing the level of information provided to employers. This should be supplemented with the objective to support the development of trade unions.

Subjects of the target group are defined correctly, but further specification would be advised to make it absolutely clear that the measures pertain exclusively to SMEs.

*Measure 4.2* is aimed at the co-operation of research and development centres with the business sphere and the support of innovation. It is stated in the description that support should also be focused on the development of mechanisms enabling the human resources development in these areas. It is not clear whether this actually concerns the support of systems or the direct support of people working in science and research and those in the business sphere who are responsible for innovation.

The description of measures should be expanded to clarify its objectives, and to harmonise the definition of the target group. Particularly unclear is the placement of students and employees in the target group.

The description of *measure 4.3* is relatively detailed, introducing a list of specific objectives. In spite of this however, it is not entirely clear. There is ambiguity for example whether the objective is the creation of a “system for improving communication and language skills in the tourism industry”, as stated in the description, or simply the improvement of these skills, i.e. the provision of courses in these areas to be attended by employees and entrepreneurs in the tourism industry.

The target group is specified in relation to the objectives of the measure. Subject to consideration is whether public administration, associations and professional affiliations should be further specified to make it entirely clear that the measure concerns only that part of public administration or professional associations actively involved in the tourism industry.

Within the scope of the priority axis it is necessary to clarify the relation between measures 4.1 and 4.2. Both of these measures contain training related to introducing new technologies.

### **Priority axis 5 – Equal opportunities for women and men**

The solving issues of equal opportunities for women and men through this priority axis is aimed at various aspects of reconciling family and professional life. From the description of measures and structure of specific objectives (which of course do not always correspond - see below) it is possible to infer that the issue of reconciling family and work roles is not merely narrowed down to questions of suitable work opportunities and accompanying measures, but also to more general conditions for equality through the acceptance of these roles by women and men. This approach is

correct and corresponds to the level of employment of women in Prague, which is characterised by an overall high economic activity rate and by a significant share of women with higher qualifications.

**The priority description** should be defined what will be resolved within its scope. This requirement is not yet met. The current text is (aside from the passage concerning women's organisations) concentrated on explaining the various forms of flexible jobs and employment conditions which might be used by persons caring for dependent family members. The character of the text is more suited for the analytical section, where we recommend it be moved and replaced with a specification of the priority objectives.

**Measure 5.1** specifically states which aspects of family and professional life will be reconciled. Great emphasis in the description is placed on employment, return to employment, the female entrepreneurs, assertion of women in research, and concurrently providing accompanying measures and services. This description is not entirely in accordance with the established specific objectives, which on one hand it exceeds (areas concerned: development of services and family care facilities; support for women returning to the workforce including education; support for female entrepreneurs - see Ex-ante evaluation - chapter IV.1), and on the other is narrower. The description is narrower than the established objectives. The description does not mention objectives aimed at the cultivation of attitudes and public awareness. Establishment of this type of objective is correct and the description of the measure should therefore be adequately expanded. Perhaps then the structuring of objectives and content of measures may be considered balanced.

From the measure description it follows that a component will be the support of women returning to the labour market. This aim is correct, however it must be treated to prevent possible overlaps of projects and target groups between measures 5.1 and 1.1 (see also the section of Ex-ante evaluation concerning priority axis 1).

**The target group** is comprised primarily of women who will directly receive support. In this regard it is not clear why male entrepreneurs and employers are included along with female entrepreneurs, while on the other hand there is no inclusion of women working in research, whose careers could be improved by the creation of conditions in accordance with the third specific objective. If the inclusion of these groups is intended as an expression of the equality of roles in the care of family and in employment, then equal treatment of both genders should be emphasised primarily in the case of care for dependent family members, i.e. the target group should be defined as "persons caring for dependent family members" and not as "women caring for dependent family members". As for support in employment and entrepreneurship, this should be targeted directly for women to eliminate barriers which are encountered specifically by women.

Correctly included in the target group are groups of persons and organisations which obtain assistance as part of the system facilitating the reconciliation of work and family life and promotion of equal opportunities. Also included here should be employees of state and local government affected by the equal opportunity agenda as well as organisations constituting a supportive component of the system such as facilities for the care of families and dependants.

Considering that the description of the measure does not provide sufficient information to clearly indicate the manner in which the measure will be achieved and what role will be played by individual groups, who will be a direct recipient, who will be supported as a component of the system, and who will merely be the object of informative activities, it is not possible to judge in certain disputable cases whether a group is included rightly or not.

#### **Evaluation conclusions:**

- Although the quality of description for the priority and measures is not the same, a single joint recommendation may be made. Greater lucidity and intelligibility of priorities and measures descriptions could be achieved by structuring based upon whether support is for the system or individuals. It is also necessary to respect the unified concept of target groups in all measures. Attention should be given to editing the text to avoid the repetition of identical paragraphs in various sections of the document.
- The basic content objective of priority axis 1 is sufficiently described. The description of measures and formulation of target groups should eliminate possible overlaps with priorities 2 and 5.
- The description of priority 2 is poorly concentrated on the aims and should in this sense be reformulated. The description of measure 2.1 generally reacts to the established global objective of the measure, but in details is not in accordance with the structure of the specific objectives. Therefore, it should be expanded to include a description of objectives concerning community planning and with this improve the accessibility of services.
- Priority axis 3 is described in sufficient detail, although it would be beneficial to structure this description according to whether support is for a system or individuals. Again it is necessary to consider the structure of the target group. The description of this priority axis is well concentrated on the priority aims.
- The description of priority axis 4 concentrates on clarifying its aims, with the exception of the passage devoted to the legislative environment and the financing of research and development. We recommend that this passage be moved to analysis and information added that the priority is also focused on the development of tourism. It is again necessary to consider the definition of target groups in individual measures.
- Priority axis 5 is correctly focused on reconciling professional and family life, which corresponds to the needs and conditions of the situation in Prague. The priority description does not provide information however on its content aim and should be revised. Description of measure 5.1 does not correspond at all to the declared structure of specific objectives. This should be rectified by both revising and expanding the objectives themselves (adding objectives aimed at developing family care services and facilities; support of women returning to employment including education; support of female entrepreneurs), and revising the content of the description of measures (adding the section dealing with the cultivation of attitudes and general consciousness). The description of measures should be more elaborate, or supplemented with planned types of activities to be used to achieve the measures, so that it is possible to judge the legitimacy of inclusion of certain questionable target groups. The target group should be expanded to include women employed in research, organisations providing family care services, and employees of state administration and local government.

### V.3. Involvement of horizontal themes

Horizontal themes in SPD 3 are given a separate section (3.5) which defines four horizontal themes. These are equal opportunity, sustainable development, information society, and support of local initiatives. It is stated that their fulfilment will be considered during the selection of projects, that they will be monitored, and assessed.

The horizontal themes are *well chosen*, their description is brief, yet concise. A positive aspect is that within the scope of each horizontal theme, it is explicitly requested that the programme projects incorporate these themes to sufficient degree. The description of sustainable development includes the demand that space be created in projects for a “better understanding of the principles of sustainable development, and for the teaching and dissemination of good practices for sustainable development”. Likewise it is declared that the theme of information society be present in a corresponding manner in all projects. Emphasis is placed on “programme projects to utilise ICT when suitable, and to teach programme participants to use ICT as an important work resource and a room for providing and disseminating information”. Even within the scope of the horizontal theme on local initiatives it is stated that the projects should include local institutions which may be expected to continue to provide project activities after programme completion.

The horizontal theme of equal opportunities is dealt with directly by priority 5 - equal opportunities for women and men. From the description of the horizontal theme it is clear however, that equal opportunities are conceived more broadly, and are not merely identified with the equality of men and women but also of other social groups (ethnic minorities, physically disabled persons, elderly people). It would therefore be beneficial to elaborate, either in the description of priorities or of horizontal themes, a notion of how other priorities might contribute to fulfilling the objectives of this more broadly conceived idea of equal opportunity.

Providing for horizontal themes is also more closely conveyed in priority 3 and in two measures of priority 4. In priority 3 the relationship to sustainable development is more closely specified. In its description it is stated that an important component will even be environmental education, which will be prepared in the Programme Complement as a separate activity.

The description of measure 4.2 deals with the relationship to three horizontal themes. It is correctly noted that the implementation of one of the specific objectives will directly address equality of women and men. This is the objective aimed at improving the position of women in science and research. Aside from this it is promised that the measure will be implemented with regard to sustainable development and the development of information technologies. The description of measure 4.3 mentions its contribution to addressing two horizontal themes, sustainable development and information society.

The horizontal themes are described in an adequate manner in SPD 3. It would be beneficial to supplement those priorities and measures where horizontal themes are not mentioned, so that a unified approach is maintained in all parts of SPD 3. Than it will also be possible to determine the different influence of individual priorities.

Even if it is declared that programme impact on horizontal themes will be *monitored*, the proposed system of monitoring indicators does not at present provide the necessary prerequisites. The sole exception is equal opportunity for women and men, which will be monitored through indicators on the number of persons supported. These indicators will separately show the numbers of men and women. Information on meeting the equal opportunity objectives will also be provided by all indicators related to the priority 5.

A detailed desegregation of indicators for individual measures will be carried out in the Programme Complement. Nevertheless it is necessary to include the indicators for monitoring horizontal themes into the core indicators in SPD document. This is the only way to ensure a unified approach to monitoring horizontal themes in all relevant measures.

#### **Evaluation conclusions:**

- SPD defines four horizontal themes which will permeate all priorities. Sufficient attention is devoted to their description, and it is declared that contribution to these themes will be considered in the selection of projects.
- Horizontal themes involvement is given in priority 3 and in two measures of priority 4. It would be beneficial to complete the descriptions of priority 1, 2 and 5 in the same manner.
- Indicators for horizontal themes monitoring are only drafted in the case of equal opportunities for women and men. Monitoring for the remaining horizontal themes, i.e. sustainable development, information society, and local initiatives, must be ensured through the specification of core indicators to ensure a unified approach to their monitoring within all measures.

#### **V.4. Proportions of types of measures and activities**

One of the requirements of the programme evaluation methodology is an assessment of the proportions in which the programme anticipates to support individuals, systems, and accompanying measures. It is also useful to assess the character of the measures, which may either concentrate on solving problems ex post or preventing them before they occur. The manners of solution may apply either standard and proven methods or new approaches and innovations.

To assess the proportions between types of measures, the Evaluation Team has elaborated an overview table. The table verifies whether given types of activities are represented in individual measures.

**Table 2: Intended support and character of measure**

Priority	Measure	OBJECTIVE OF SUPPORT			CHARACTER OF MEASURE			
		Support of individuals	System support	Accompanying measure	Degree of prevention		Level of innovation	
					Preventive measure	Curative measures	New Innovative measure	Standard measure
P 1	1.1	*	*	*	*	*	*	*
P 2	2.1	*	*	*	*	*	*	*
P 3	3.1	*	*	?	*	-	*	*
	3.2	-	*	-	*	-	*	*
P 4	4.1	*	?	-	*	-	*	*
	4.2	*	*	-	*	-	*	*
	4.3	*	*	-	*	-	*	*
P 5	5.1	*	*	*	*	*	*	*

**Note:**

- \* the given objective or character is represented in the measure
- the given objective or character does not appear in the measure
- ? cannot be estimated

From the objectives and descriptions of the priorities of SPD 3, it is clear that it contains both support provided to individuals, while a substantial part of the programme is devoted to systems development support. Accompanying measures which assist in overcoming related barriers hampering individuals access to the main stream of assistance, thus increasing its effectiveness. Most measures concurrently include the first two types of assistance. Major predominance of one type of assistance only occurs in measures 3.1 and 3.2 which are with few exceptions system oriented. The parallel direction of assistance to individuals and systems is in the majority of measures adequate for achieving the established global objective of the given measure. This corresponds to the current situation concerning capacities and institutional backing of particular services, where the expansion of the number of clients or application of new services is not possible without adequately increasing the skills of employees of these types of services, providing necessary know-how, expanding information systems, fostering co-operation and a network of partner institutions and organisation, etc. A shortcoming in the description of programme priorities however, is that it is not always clear to what degree both types of assistance will be combined. Therefore, in most cases the relation between individual types of measures cannot be estimated in terms of percentage share. It is only possible to verify whether they are represented in individual priority axes or not.

As far as accompanying measures are concerned, the SPD document indicates that they will be provided to greater extent under priority 2 and 5. In these priorities they constitute an essential component of the declared comprehensive approach to disadvantaged clients.

Preventive approaches are clearly represented in the programme structure for given priority axes (system support measures are in this case included among preventive measures, since they create a higher quality and capacity of services for the future). Preventive aspects appear in all measures, but it is not possible to precisely estimate the share they will be awarded.

#### **Evaluation conclusions:**

- Most of the measures are simultaneously focused on supporting individuals and supporting system development. It is not possible however to precisely determine the ratios in which both types of support will be provided. Attention devoted to the development of systems is important at the current phase of institutional development in the CR to expand the absorption capacity to utilise ESF assistance in the future and ensure adequate effectiveness of its results.
- Although it is difficult to estimate the share of preventive and innovative activities, it is clear that they are represented in most programme measures.

## **VI. FINANCIAL FRAMEWORK AND QUANTIFICATION OF OBJECTIVES**

#### **Evaluation questions:**

- whether co-financing from national sources has been ensured and whether the planned co-financing share from private sources is adequate,
- Whether the allocation of funds among priorities and measures is justified in a suitable manner,
- in what manner are the objectives quantified and how feasible is this quantification

In the preparation of the financial framework there was adherence to all relevant EC regulations, including the recommendation for monofund financing of programmes. SPD 3 will be co-financed solely from ESF funds. The share of national and European resources in the total funding of the programme is set in accordance with pertinent EC regulations at 50% for both sources of financing.

The financial framework is prepared in the form of tables, which in a lucid manner show how a total of 51.9 MEUR will be allocated in separate years. The equivalent in Czech crowns is also listed. **A gradual increase in annual funding amount** is proposed, with the first year of the programme receiving 23.9% of total funds. In 2005 this amount will increase to 33.4%, and in the final year of the programme 42.7% of total funds will be allocated. This mechanism of gradual funding increase is rightly proposed since the Prague region does not yet have, nor could it have sufficient experience with the implementation of a programme of this type. We may anticipate a gradual increase in absorption capacity, which corresponds to the manner of funding allocation for individual years.

## **VI.1. Co-financing from national and private sources**

National sources have been ensured for the required amount of fifty percent. A positive aspect is that this funding will not only come from the state budget, but also from the regional budget (Prague municipal budget). This regional co-financing amounts to 12% of the total national funding and expresses not only interest in the given programme but also a vested interest in its implementation.

Based upon EC recommendations the participation of private funding is anticipated in all priorities except priority 6 - Technical assistance. For priorities to be implemented through public institutions or the non-profit sector, the share is set accordingly at 2% of the overall funding of the particular priority, i.e. priorities 1, 2 and 5. This is essentially a symbolic contribution amount, but even this amount could be an obstacle for the participation of certain organisations. It should also be made possible to include contributions in the form of activities performed into the private financing.

Where participation with the business sector is expected, the share of the private sector is raised proportionally. In the case of priority 3 this share is set at 5%, for priority 4 it constitutes a total of 15% of overall funding. Shares are not explicitly justified in the SPD document, but they may be considered rational. In the case of priority 3 however, which is focused on lifelong learning, it should be reconsidered whether there will be sufficient involvement of employers and entrepreneurs among the target groups, i.e. representatives of the business sector, to meet this share of private financing. It was good to list in the document the general considerations which led to establishing the mentioned shares. It should also be described in what manner the specific shares of private funding for individual projects are in accordance with competition rules and public support rules.

### **Evaluation conclusions:**

- The financial framework is established in accordance with all relevant EC recommendations. It is lucidly prepared in table form, and the global grant for Priority 5 is shown separately. Private financing for all priorities is designed with the exception of priority aimed at technical assistance.
- National public co-financing will be divided between funding from the state budget and funding from the regional budget. This not only expresses corresponding interest of local government in the programme, but is also a guarantee of its interest in implementation itself.
- Private funding will share in financing individual priorities depending on the anticipated share of private business participation. These shares are set rationally and range from 2% of overall costs to over 5% and up to 15% in the case of priority 4 focused on adaptability and entrepreneurship. In the case of priority 3 we recommend reconsidering the proposed five percent threshold and possibly lowering it.



## VI.2. Allocation of funds among priorities and measures

To assess the allocation of funds among priorities and measures the Evaluation Team prepared Table 3 - Financial framework of priorities and measures.

**Table 3: Financial framework of priorities and measures**

PRIORITY	Share of overall programme funds in (%)	MEASURE		
		Order	Share of overall priority funding in (%)	Share of overall programme funds in (%)
P 1	14.0	1.1	100	14.0
P 2	20.0	2.1	95	20.0
	G.G. 1.0		5	G.G. 1.0
P 3	29.0	3.1	50	14.5
		3.2	50	14.5
P 4	26.0	4.1	40	10.4
		4.2	40	10.4
		4.3	20	5.2
P 5	5.0	5.1	100	5.0
P 6	5.0	6.1	90	4.5
		6.2	10	0.5

*Note:*

G.G. – Global grant

### Allocation of funds among priorities

The financial framework allocates the overall volume of funds among individual priorities. Allocation within priorities is only indicative and is not a part of the financial framework. It is mentioned however in the descriptions of individual measures. Allocation of funds is the result of a broad **consensus** reached among representatives of ministries, social partners, and experts who shared in the compilation of SPD. The base for funding allocation is not further specified, it is merely stated that the decisions were based on the current situation and needs of Prague. It is established that the share of funds through which projects located in SPD 2 territory will be implemented is 35% of the total funding amount. The share of the global grant in total funding is 1%.

Although the EC recommended that emphasis be placed on active employment policy, this recommendation was not reflected in the overall share of **priority 1**, which focuses on this area. The share of this priority reaches a mere 14% of total funding. This share is based upon the conclusions of analysis which clearly shows that the problem of unemployment is not as serious Prague as in other parts of the republic. As presented in the SWOT analysis, among the strengths of the Prague labour market is relatively low unemployment and a high economic activity rate. In addition to this, unemployment will be favourably affected by all of priority 4, which concentrates

on strengthening the adaptability and competitiveness of firms located in Prague, and even partially by priority 2 and 5. The positive impact of priority 3 will mainly become evident over the long run.

The largest share of funds, 29% of total funding, is earmarked for **priority 3** - Development of lifelong learning. This highest concentration of funds within the scope of the programme is rightfully justified by the fact that there is a large concentration of universities in Prague, along with other education and training institutions that provide nation-wide services. Undoubtedly the positive effects gained through the implementation of this priority will spread throughout the entire CR.

Only a slightly smaller share of funds is intended for **priority 4** - Adaptability and entrepreneurship. This priority has a relatively broad span and will be implemented through three measures which concentrate on the support of those activities which play an important role in the Prague economy. Supported within this framework will be the adaptability of employees and employers to changes in economic and technological conditions, the introduction of innovation and co-operation of research and development centres with the business sphere, and the development of the tourism industry. If the other priorities are rather "mono-thematic", then this priority is miscellaneous, which aside from the aforementioned also explains its considerable share in programme funds. Just as in the case of the preceding priority, there is the rightful assumption here that positive effects will spread far beyond the capital city.

**Priority 2** – Social integration will receive 20% of total funding. This third highest share is justified by the marked concentration of problem groups in the capital city and the fact that the measures aimed at these groups are relatively demanding financially.

The smallest share is allocated to **priority 5** – Equal opportunities for women and men. This share was clearly established with regard to the fact that Czech society is for the time being not very sensitive to this problem and a relatively low absorption capacity is anticipated. Taken into consideration were the experiences of certain member states, which particularly noted this low absorption capacity for this part of the programme in spite of having devoted attention to this problem for a longer time than the Czech Republic. In future programme periods however, the significance of measures with such focus should be increased, particularly with regard to the need for greater involvement of accompanying measures which are typically demanding financially, but constitute an essential component of assistance.

For **priority 6** – Technical Assistance more resources are allocated than the limit established by EC regulation 1685/2000. In SPD the planned share may be considered appropriate. It is necessary to take into consideration the fact that the new member states do not have suitable implementation capacity and the need for technical assistance will be far higher in comparison with other member states. It will also be higher in comparison with programmes designed to support investment in infrastructure, since the preparation, evaluation, selection and monitoring of programmes and projects aimed at developing human resources is administratively more demanding. Another reason is the fact that the demands of technical assistance do not decline in direct relation to a shortening of the programme period, but remain the same, while the absolute

amount of funds for technical assistance are reduced relative to the lower volume of overall funding.

It may be assumed that demands for technical assistance will not evolve evenly over time. There will clearly be more demands during the first and third year of the programme. Nearly 43% of total funding is earmarked for the third year. It may be assumed that this is proportional to the demands of this period on technical assistance. Certain doubts are raised however by the technical assistance availability for the first year of the programme. This year will be very demanding in terms of technical assistance provided primarily to those submitting projects, but also for project assessment and selection. The allocation for the first year however is 24% of funds, which may not be sufficient. It is therefore worthy of consideration whether the annual five percent share of this priority should be increased for the first year at the expense of the following year.

### **Indicative allocations of funds among measures within the priorities**

The indicative allocation of funds among measures only concerns three priorities which will implement more than one measure. From the overview given in table 3 it is clear that the shares of individual measures was established based upon the conviction of equal significance of measures and equal financial requirements of projects. Therefore, identical shares are specified for measures 3.1 and 3.2, likewise for measures 4.1 and 4.2. A lower share for measure 4.3 is justified due to the narrow focus of this measure, which concentrates on resolving questions exclusively associated with the development of the tourism industry.

Within priority 6 (technical assistance) 6,90% of funds are allocated to measure 6.1 and 10% of funds to measure 6.2. We recommend to consider increasing the share of funds for this measure considering that it encompasses activities which are relatively heterogeneous and particularly financially demanding. This concerns information and publicity activities for example, but also maintenance and development of the monitoring system, and evaluation. It is necessary to ensure that these activities not only be carried out to the extent necessary, but that they be of high quality. The quality of evaluation will affect the quality of the programme in subsequent periods, in which the positive and negative experiences from implementation of the current programme should be reflected.

The allocation of funds within priorities is termed indicative in SPD since revisions and shifts of funding for measures within the scope of individual priorities may be done during the course of programme implementation. In this respect, it is necessary sufficiently in advance to create mechanisms to for smooth transfer of funds between measures within a priority. Problems may arise when the intermediate bodies for individual measures of a priority are different institutions. It is also necessary that the monitoring process ensure prompt discovery of the inability to utilise funds within the particular measures.

### **Evaluation conclusions:**

- The allocation of funds among individual priorities and measures was carried out based upon a broad consensus among all programme partners. Specific shares correspond to the significance of individual priority areas with regard to the needs of human resources

development in Prague, which are to a certain degree specific considering the needs in other parts of the republic.

- The share of priority 6 dealing with technical assistance exceeds the financial framework established by EC regulation. This share is justified however, considering the necessary extent of technical assistance to be available for smooth start of the programme, and its effective implementation, monitoring, and evaluation.
- Allocation of funds among measures is merely indicative, nonetheless we recommend to consider increasing the share of measure 6.2 within the priority 6.

### **VI.3. Realism of the quantification of objectives**

The quantification of objectives is carried out through the quantification of select indicators of output at the level of individual priorities and at programme level. The methodology requires quantification of global and specific objectives. Considering the relation between objectives and indicators defined in Working Paper No. 3, this clearly involves indicators of the impact characterising global objectives and indicators of results characterising specific objectives. Operational objectives are reflected in output indicators. It is clear that the quantification of results and impacts was neglected in SPD.

Lack of experience with quantification and a shortage of relevant source materials makes it very difficult to meet fully this requirement. We therefore recommend supplementing the quantification of impact at the programme level in the form of initial values of macroeconomic indicators relevant to the programme (most recent available statistical data). Further we recommend adding estimated quantification of select indicators of the results at the level of individual priorities. A summarisation of these data at the programme level is not possible.

The SPD does not list any premises from which quantification is based, there is only overview of source materials which served for unit costs estimation of certain activities. We consider it important for these premises to be further specified in SPD or Programme Complement. Their clear definition will make it easier to identify the causes in those cases where the estimation will considerably differ from the reality. This will also lay a good foundation for further improvement of the ability to quantify objectives in subsequent programme periods.

The Evaluation Team does not have at its disposal the premises upon which the calculations were based, it is therefore not possible to comment of the realism of these quantifications. To provide an overview of estimations, a table was prepared presenting the quantification of outputs and inputs of the programme and individual priorities listed in the SPD document.

**Table 4: Overview of the quantification of input and output indicators at the programme and priority level**

Quantified indicator	P	P 1	P 2*	P 3	P 4	P 5
<b>Inputs (in MEUR)</b>						
ESF budget	51,9	7,266	10,380	5,398	13,495	2,595
Total budget	103,8	14,532	20,760	10,104	26,990	5,190
<b>Outputs (numbers)</b>						
Supported persons	27,800	6,120	6,050	4,422	9,513	1,700
Supported institutions	2,100		295	171	1,600	14
Supported projects	800		250			25
Enrolment in courses		5,200				
Created and supported jobs		870				
Persons in created and supported jobs		920				
Supported products				441	770	

Note:

P – programme, P1 – priority 1, P2 – priority 2, P3 – priority 3, P4 – priority 4, P5 – priority 5

\* - the quantification of objectives and funds includes the global grant

Indicators of *inputs* are in accordance with the financial framework with the exception of priority 3, where there is a mistake in the volume of funds, both in total and in the amount of ESF co-financing. This oversight must be eliminated.

From the overview it is also clear that a unified approach was not maintained in rounding off the *output* indicators. It would be beneficial on the programme level to maintain rounding to the hundreds and on the priority level list numbers accurate to the tens. It is also necessary to resolve inconsistencies in the number of projects supported, where the number shown at the programme level does not correspond to the number shown in priorities.

From the table it is clear that in all cases it was not possible to estimate similar indicators for all priorities. The greatest number of estimates of target values were carried out for priority 1 (number of persons enrolled in courses, number of supported jobs, persons placed in created and supported jobs), where it is possible to rely upon statistically monitored data related to the implementation of individual instruments of active employment policy. Even though similar activities will likely be used in other priorities (priority 2, 4 and 5), estimating the number of persons supported is difficult since the unit costs of the support will vary depending on the type of measure. The SPD document lists a relatively broad range of information sources (both statistics and partial data on the average costs of select types of activity), upon which estimate objective calculations were based. The calculations are not explained however, and therefore cannot be commented upon.

Whether the estimates of output indicators are realistic cannot be judged without additional information on the structure of persons supported, whether this involves service providers or service clients. Costs associated with their support differ. In the case of service providers, the costs associated with their training will obviously be lower and it would therefore be possible to

train a greater number of persons for the same funding than in the case of service clients, particularly clients from disadvantaged groups. Also lacking is information which would at least allow for a general estimate of how much support will be devoted to system development and to support of individuals. Also unclear is the methodological relation between the estimated number of supported institutions and supported persons.

Estimates of the number of supported persons should be carried out separately for service clients, the number of women among these, and service providers.

#### **Evaluation conclusions:**

- The quantification of objectives should be understood as approximate, founded primarily on expert estimates, since we must keep in mind that this is the first programme of its type to be implemented in Prague.
- In accordance with EC methodology, we recommend adding an estimate of impacts at the programme level in the form of initial value of relevant macroeconomic indicators and an estimated the target values of selected result indicators at the priorities level.
- It is also necessary to add the premises upon which the quantification of output indicators was based, and to separately show the number of supported service clients, the number of women among these, and the number of service providers. It would be beneficial to maintain a unified approach to rounding off data. It is also necessary to list the correct value of input indicators for priority 3 and to explain the difference between the number of projects supported shown at the programme level and the sum of all priorities projects.
- Based upon the information available, it is not possible to assess the realism of the quantification of objectives in the form of output indicators at the priority level.

## **VII. ANTICIPATED SOCIO-ECONOMIC IMPACT OF THE PROGRAMME AND ENSURING SYNERGY WITH OTHER OPERATIONAL PROGRAMMES**

#### **Evaluation questions:**

- anticipated impact in relation to global and specific objectives
- whether there is synergy between both SPDs prepared for the Prague region
- preliminary evaluation of additionality of ESF funds in relation to expenditures on national policy

### **VII.1 Anticipated impacts of the programme**

Positive impacts of the programme are evident in two basic forms, the form of direct effects and indirect effects. *Direct effects* will be monitored through the proposed system of indicators of programme impact. As correctly stated in SPD, it is clear that the values of these indicators obtained at the end of the programme period will be influenced by SPD as well as a number of other, relatively strong factors operating outside the framework of the programme. The amount of impact will directly depend not only on the allocated amount, i.e. 103.806 MEUR, but also the

quality of the implemented projects, which will to greater or lesser degree affect the effectiveness of the funds expended.

A preliminary quantification of programme impact is not yet possible due to similar reasons already mentioned in respect to the quantification of objectives. Added to this is also the absence of suitable econometric models. At present, it is only possible to state that an increase in the volume of funding for the implementation of individual measures enables a significant expansion of the number of persons and organisations to be assisted within the scope of individual target groups. Also important will be the improvement of systems themselves, especially lifelong learning, employment services and social services. In comparison with the current situation, SPD enables the application of several innovative approaches, and places a greater emphasis on partnership and local conditions utilisation.

SPD brings a substantial expansion of means for the Prague region in the area of human resource development. Based upon documents currently available, a more detailed evaluation of the dimension of SPD assistance is only possible in the case of active employment policy. The average annual contribution of SPD will enable a five-fold increase in current expenditures on active employment policy in Prague<sup>3</sup>. This increase is substantial, but should also be assessed in regard to the current level of active employment policy in Prague. If the share of active elements in overall expenditures on employment policy<sup>4</sup> is 43% on average throughout the state, then in Prague the share of active measures is a negligible 4.5%. SPD 3 thus opens a broad space in Prague for more effectively assisting job applicants, improving preventive measures, improving services for individual target groups, and developing requalification programmes and assisting unemployed persons with higher qualification levels, the numbers of which are growing in Prague.

In this regard it is also necessary to point out the problem of employment services capacity in Prague, which staff will need to be provided by adequate knowledge and skills for individual work with clients, for constructing and utilising information and analysis systems, for building ties with partner institutions and organisations performing specialised services or supporting the employment of a certain target group of clients. An appropriate share of priority 1 of SPD 3 is devoted to these purposes. It is essential in advance however, to form notions of the anticipated demands which will be placed on labour office staff and co-operating institutions in SPD implementation. Based upon this it is necessary to formulate a concept of the training, study visits, etc. so that this concept should start immediately after the start of the programme. Otherwise, there is the danger that absorption capacity will remain low.

**Impact monitoring** is ensured in SPD through a proposed set of programme indicators. This structure is assessed in Ex-ante evaluation - chapter VIII, in which certain revisions are proposed. Considering that the recommended revisions are essential, the following text will only deal with those indicators which should constitute the final set of indicators.

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<sup>3</sup> The current level of budget expenditures for the year 2002 on active employment policy in Prague was 30 mil. CZK (see SPD 3, chapter 2.4.3). Of the total funding for SPD3 (103.8 MEUR) 14% is devoted to priority 1, which is closest in content to active employment policy. This represents an annual average of around 150 mil. CZK.

<sup>4</sup> Including share of expenditures on unemployment benefits

It is not designated in the SPD document which indicators will pertain to individual priority axes. This assignment may be made. Considering the relatively strong ties between priority areas, this could only be a general assignment. To monitor impact on the labour market, the proposed indicator is the level of unemployment. The long-term unemployment indicator also reflects the impact of the programme on social inclusion. The impact on lifelong learning will be monitored through the participation in continuing education indicator. To monitor the impact on adaptability and entrepreneurship, the proposed indicators express the share of self-employment and the SMEs share on the total employment.

However, *the monitoring of impact on horizontal themes* with the exception of monitoring the impact on the equality of men and women is not designed in SPD, it is entirely clear that the programme will positively affect these themes. Contributions to the theme of sustainable development are made by that priorities including training courses with environmental components. Because of this, we may expect more responsible attitudes not only of the population and households, but also of employees and employers who in their duties should apply these principles in their jobs and in their organisations.

Also supported through the programme will be the transition of Czech society to a society founded on knowledge and information. Contributing to this over the long run will be not only improvement of the lifelong learning system itself, but also requalification courses which will prepare the workforce for using information and communication technologies. Working in the same direction will be measures aimed at adaptability and entrepreneurship, as well as improving lifelong learning system. Implementation of the programme is inconceivable without major inclusion of local initiatives.

Considering the position of Prague as the capital city, the spread of positive effects from the implementation of this programme to other regions will also be exceptionally significant. A significant factor in the spread of these effects is the high number of commuters to Prague, both students and workers.

Even if the *indirect effects* are not quantifiable and thus monitorable through indicators, their significance will be very important. They are primarily seen in methodological contributions. There will not only be enhanced programme preparation methods, but also knowledge and experience with evaluation procedures, which will undoubtedly contribute to the improvement of future SPD programmes, as well as improvements in the preparation and implementation of regional policies. Additional positive impact will appear in the spread of the principles of partnership and co-operation of all major regional actors. Strengthening of implementation capacities in individual priority areas will contribute to a more effective public funds utilisation.

#### **Evaluation conclusions:**

- Programme impact in the form of direct effects of assistance to individual target groups and development will be significant with respect to the extent of SPD funds. A necessary precondition however is the preparedness of implementation structures and adequate technical assistance.



- Programme contributions will also be evident in major effects in the areas of horizontal themes, which are equality of men and women, sustainable development, information society, and local initiatives.
- No less significant will be indirect effects associated in particular with improved methodology of programming, monitoring, and evaluation.
- Preliminary quantification of impact will not be possible however until the next programme period. At the current time it is only possible to ensure quality monitoring of these impacts, thus creating a basis for future quantification. A system of indicators is proposed in SPD for monitoring global impact of the programme in individual priority areas.

## **VII.2. Synergy between SPDs prepared for the Prague region**

Aside from the SPD for Objective 3, there is also the SPD prepared for Objective 2, which does not cover the entire area of Prague, but a select area defined by NUTS 4 in which 31% of Prague's population lives in an area representing 41% of the city. The territory covered by SPD 2 is especially characterised by a large number of damaged and unused areas, lack of urban integration, unsuitable technical infrastructure and transportation service, along with air pollution and noise pollution.

The interrelation of SPD 2 with SPD 3 is declared in SPD 2 in the section dealing with the description of priority 2 with the statement that “specific activities of this priority will be conceived and implemented in close co-operation with projects and programmes of other priorities, including the SPD for Objective 3 (pg. 40 SPD 2). SPD 2 returns to this relationship once more with regard to measures 2.1 and 2.3. For measure 2.1 - Partnership of the public, private, NGO sectors, and science and research it is only generally stated that activities within the priority will be closely co-ordinated with activities of SPD 3. A more specific conception of co-ordination is expressed only within the measure 2.3 – “Development of strategic services to support information society in Prague”, where it is assumed that the preparation of the projects will be co-ordinated with nearly all activities of SPD 3, especially with the “objective of fulfilling priority 1 - Active employment policy, priority 2 - Social integration and equal opportunity and priority 5 - Equal opportunities for women and men” (see SPD 2 - pg. 46).

A more detailed but somewhat differing conception of mutual links is expressed in SPD 3 in chapter 7. Here it is declared that SPD 3 shall ensure through its measures 1.1, 2.1, 4.1, 4.2 and 4.3 support of the five measures of SPD 2, namely 1.3, 1.4, 2.1, 2.2, and 2.3. The mutual links between SPD 3 and SPD 2 however is not more closely specified.

From this overview it is clear that SPD 3 assumes a far broader interrelation of these two programme documents, assuming a relation to two measures under priority 1 (in SPD 2), entirely unconsidered in SPD 2, and relation to all three measures of priority 2 (in SPD 2), while SPD 2 assumes relation to only two measures. Incongruities also arise in that SPD 3 assumes links to measures encompassed in priority 4 (in SPD 3), while SPD 2 anticipates links to priority 5 (in SPD 3). Considering the character of SPD 2 territory, it is far more logical to expect correlation as given in SPD 3, i.e. relation to priority 4 (in SPD 3) which is focused on adaptability and

entrepreneurship. Of course links to priority 5 (in SPD 3) is not dismissed, but its significance will clearly be less just with regard to the character of specific objectives of this priority, which obviously has a relatively strong orientation on systems. Both documents agree that additionality of programmes will occur in priorities 1 and 2 (in SPD 3).

The interrelation of both programmes should be designated by contact measures, which at the moment are not thoroughly thought out or harmonised. It is essential that both programme teams work together on this section in programme complements. Relations which can be a source of synergy effects must be specified so that it is entirely clear which measures of both SPD are interrelated. Summary statements are not enough, particularly when incongruous.

Ensuring synergy effects however is not the sole reason why *completion of relations* is so important. Another no less important reason is the fact that in the financial framework of SPD it is stated that 35% of total SPD 3 funding will be used for measures implemented in SPD 2 territory. Understandably it is possible to adhere to this requirement even if measures financed by SPD 3 are not correlated to measures financed by SPD 2. In this case however, not only would there be no desired synergy effect, but it may be assumed that the effectiveness of isolated expenditures would be lower. It is therefore necessary to unequivocally and in time clarify all relevant links, not only at the level of priorities, but also at the level of measures. The elaboration of relations at the level of measures must be part of the Programme Complement.

#### **Evaluation conclusions:**

- The relationship to SPD 2 is not sufficiently elaborated and co-ordinated with the conception contained within SPD 2. SPD 3 anticipates relation through defined measures of priority 1, 2 and 4 to two measures of priority 1 and to all three measures of priority 2 of SPD 2. SPD 2 however assumes that there will only be correlation to its two measures of priority 2. SPD 3 anticipates links to priority 4 while SPD 2 expects links with priority 5.
- It is essential to co-operate with the SPD 2 programme team to harmonise and specify the conception of links between the two programme documents to clearly create a source of synergy effects. It is necessary in the Programme Complement to elaborate in detail the links between relevant measures of both SPDs.

### **VII.3. Preliminary assessment of the additionality of SPD 3**

According to regulation 1260/99 it is required that SPD 3 demonstrate additionality in the use of ESF funds. It is necessary to document that future planned expenditures on employment policy will not be lower than would correspond to average annual expenditures on employment policy over the same period in the past.

The SPD document gives a detailed overview of expenditures on employment policy over the last three years (1999 - 2001), which is an adequate for the length of the planned programme period. Also included are funds which were dedicated to these purposes from Phare through the Palmif programme, although not significant in amount (only 0.4% of total expenditures). Further, there is a summarised table showing the average annual planned expenditures broken down into

individual employment policy instruments with national and ESF funds shown separately. Here it is noted that ESF funds include both SPD 3 and HRD OP resources so that calculations may be applied to overall expenditures on employment policy at the national level.

While the data for the past period is carried out lucidly and correspond to the actual development of costs in employment policy, the planned average annual figures for 2004 - 2006 appear unrealistic. The calculations of planned values are not accompanied by any explanation or established premises. National expenditures on employment policy according to these figures should double over a very short period, while certain items are to increase five-fold or tenfold<sup>5</sup>. This is much higher than would correspond to the demands for co-financing ESF programmes from national sources. Considering the tightness of the state budget and anticipated reform of budget expenditures, such an increase does not appear viable.

Also unclear is the calculation of ESF funding expended on average over a one year programme period, which does not correspond to the financial plans of SPD or HRD OP.

#### **Evaluation conclusions:**

- In accordance with the requirements of the appropriate EC regulation, the SPD devotes attention to the additionality of the programme to active employment policy. There is a quality overview of expenditures over the past three years (1999 - 2001).
- The medium-term projection of expenditures on active employment policy is unrealistic however, considering the strain on public budgets and the necessity of state policy expenditure reform. The calculation of additionality for SPD 3 must be reworked, and it is necessary to describe the premises upon which the calculation is based.

## **VIII. SYSTEMS OF PROGRAMME IMPLEMENTATION, MONITORING, AND EVALUATION**

### **VIII.1. Programme implementation**

#### **Evaluation questions:**

- whether bodies are determined, responsible for programme implementation, and their authority clearly defined
- what is the quality of control mechanisms, and the transparency and control of financial flows
- whether the programme adheres to EC regulations in the area of competition rules

Implementation structure is dealt with in chapter 9 of the SPD document. It is stated that the conditions of management at the level of measures, the types of final beneficiaries, the procedures for project selection and measures for monitoring and control will be further elaborated in the Programme Complement.

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<sup>5</sup> This growth cannot even be affected by expected inflation, since the consumer prices index continues to drop over the recent period and was less than 2% in 2002.

**The Managing Authority** of SPD 3 was by Government Resolution appointed to be MLSA. The SPD document lists a specific body which will carry out this function - the National ESF unit, along with defined areas of activities for which it bears responsibility. Certain responsibilities are transferred contractually by the Managing Authority to the **Intermediate Bodies**. The SPD document gives an overview of the activities for which the **Final Beneficiaries** will be responsible. The Evaluation Team has summarised the information contained within the text and chart in the following table.

**Table 5: Overview of intermediate bodies and final beneficiaries according to individual priorities and measures**

Priority	Measure	Intermediate body	Final beneficiary
P 1	1.1	Employment Services Administration	Prague Labour Office
P 2	2.1	City of Prague NROS – Global grant	- NROS – Global grant
P 3	3.1 3.2	City of Prague	-
P 4	4.1 4.2 4.3	City of Prague	-
P 5	5.1	City of Prague	Prague Labour Office

*Note:*

NROS – Foundation for the civil society development

As is clear from the overview, responsibility for the greatest number of priorities/measures will lie with the City of Prague, more specifically Prague City Hall. It is also necessary to eliminate a certain incongruity between the text and the chart in the SPD document. In the chart it states that the final beneficiary of measure 5.1 will be the Prague Labour Office but in the text this fact is not mentioned. Consideration should be given as to whether Prague City hall will have sufficient capacity to be the intermediate body for a total of four priorities and seven measures, respectively.

The SPD document also determines a body which will perform the function of *secretariat* of the Managing Authority and will provide technical assistance to the Managing Authority and Intermediate Bodies. This body will be the National Training Fund, which has a rich experience in implementing pre-accession programme assistance.

In accordance with appropriate regulations the **Paying Authority** is the Ministry of Finance, National Fund department. Based upon concluded contracts, this department shall delegate certain payment activities to a section of the MLSA entrusted with the function of Payment Unit. The specific section of the MLSA is not determined in the SPD document.

The SPD document defines the composition of the *Monitoring Committee*, along with a specification of its decision making competence. The SPD document also gives an overview of the principles by which project selection is governed.

There is no information contained in the SPD document for the evaluation of transparency and control of financial flows. It is merely stated that financial flows and their control will be governed by a document was drafted by the Ministry of Finance.

Compliance with the competition rules and public support rules should be documented by a statement from the Office for the Protection of Competition. Respect for these rules must also be ensured in the selection of projects. At present this requirement is not included in the principles for project selection.

#### **Evaluation conclusions:**

- The programme document gives a clear overview of the current state of provisions for SPD 3 implementation. The critical bodies have been established, i.e. the Managing Authority, Paying Authority, and Payment Unit, while a concept is also presented for establishing the Monitoring Committee. The competence of individual bodies is fully in accordance with pertinent EC regulations.
- The function of the secretariat of the Managing Authority will be performed by the National Training Fund, which has extensive experience with the implementation of pre-accession assistance. It will also provide technical assistance.
- An intermediate body was established for all priorities, and even a Final Beneficiary for certain measures. It is necessary to specify the title of the intermediate body if only City of Prague is to be listed. We recommend reconsidering whether the capacity of Prague City Hall will be sufficient to become the Intermediate Body for a total of 7 measures.
- The implementation structure will be elaborated in more detail in the Programme Complement.

## **VIII.2. Monitoring system and indicators**

#### **Evaluation questions:**

- whether competence and responsibility are clearly defined within the scope of the monitoring process
- whether the structure of indicators is adequate for the objectives of priorities and measures (degree that objectives and priorities are covered by indicators, whether indicators enable monitoring of the three levels of objectives - global, specific, and operational)
- whether core indicators are established, and whether a unified methodology is utilised for their calculation
- whether the system of data collection is described in a clear manner, how frequently data collection is anticipated, how the credibility of data is ensured

## **Organisational framework of monitoring**

The basic framework for monitoring is briefly described in the document. There is a declaration of the responsibility of the Managing Authority for carrying out monitoring with the possibility of transferring certain responsibilities to the Intermediate Bodies and Final Beneficiaries. Also established in the responsibility of the Managing Authority for introducing the unified MSSF monitoring system for all subjects monitoring programme fulfilment. It is assumed that the Managing Authority will prepare more detailed operation guidelines according to the methodological instructions of the European Commission.

There is a very detailed and exact account of the manner of preparing the *annual and final implementation reports* on the programme implementation. Defined are the responsibilities and roles of individual bodies for preparing, discussing, and approving reports and their submission to the European Commission. Also detailed is their further submission to the Paying Authority, the central inspection body, and other partner institutions (especially the ministries and regional bodies of NUTS 2 Prague)

It is declared that the Managing Authority shall ensure the *function of the unified MSSF monitoring system* in sections pertaining to ESF. This general objective should be elaborated in great detail in the Programme Complement. It is necessary to take into account that the ESF monitoring basis will be only one component of the entire MSSF, which will be centrally administered by the Ministry for Regional Development. It is therefore necessary to ensure and continually verify the quality of data collection, data processing, and flexibility of the monitoring system based upon experience with programme implementation and to assess this system as needed. It will also be necessary to aggregate data from various programmes financed by ESF (HRD OP, SPD, part of JR OP). For this it will be necessary to create expert capacities at the level of the Managing Authority. Elaboration of these aspects and specification of the manner of function of the unified monitoring system should be given attention in the Programme Complement.

## **Monitoring indicators**

Indicators for monitoring are defined in chapter 6 of the SPD document. Correctly defined are four types of indicators, indicators of inputs, outputs, results, and impact. Individual types of indicators however are *missing determined data sources and periodicity* of collection.

For monitoring the overall outputs of the programme, it is necessary to establish *core indicators* for inputs and outputs which will be consistently defined and monitored in all priorities and measures, to ensure statistical accountability from the level of measures up to the programme level. The SPD document may declare the creation of core indicators, however from the analyses of the indicator tables for individual priorities and the programme it is clear that these indicators were not determined explicitly and were not kept within the all priority axes. A more detailed breakdown of the supported persons indicator, which is part of the core indicators, is only given

on the programme level. It should be defined however, in the section describing the core indicators. Not even the names of indicators are consistent in all cases.

If we overlook a certain incongruity between the description of the core indicators and the structure of output indicators at the programme level, the SPD document has defined the core indicators to include indicators of funding expenditures (input indicators), and numbers of supported persons, institutions, and projects (output indicators). Also included here is an indicator for the "number of newly created products", which has the character of a result indicator, which is not normally included in the core indicators. The content of this indicator is not specified and it is therefore unclear what is meant by the term "product". In this regard it is not clear why an indicator of this type, if selected as common, is not also monitored for priority 1 and priority 5.

From the table of indicators at the programme level it may be inferred that the common core indicator concerning the number of persons supported will be consistently further broken down into sub-groups: men and women, age groups (15 – 24, 25 – 49, 50 +) and disadvantaged groups (disabled people, low qualified, or unemployed for over 12 months). This breakdown is not in accordance with the structured indicators recommended by EC Guidelines. Contrary to Guidelines the SPD does not monitor indicators of employed persons, self-employed persons, unemployed persons, and inactive persons. Considering that the group of inactive persons is not homogeneous and may include students as well as persons suffering social exclusion, its inclusion among monitored indicators is not essential. It is likewise clear that for monitoring social exclusion it is much more advantageous to separately monitor disabled people and persons with low qualifications, which is a condition met by SPD indicators. A serious shortcoming however is that SPD neglects monitoring of the employed, self-employed, and unemployed. At least two of these groups if not all will always be supported within the scope of individual priorities. Separate monitoring is therefore significant for properly assessing the impact of the programme on individuals and likewise for assessing effectiveness of funds expended. Both of these aspects are very important with respect to directing assistance in the future.

It is also necessary to unify the concept of long-term unemployment with EC methodology, which sets the definition of long-term unemployment for young persons up to 25 years of age (over 6 months) and for other unemployed persons (over 12 months).

In certain priorities, in addition to the indicator of persons supported in the sense of service clients, there is also an indicator monitored for "supported persons providing services and providing services support". As components of the system, these persons no longer need to be further broken down into sub-groups. Their monitoring in SPD is rational, since the quality and expansion of many services in the areas of the labour market, education, social inclusion, and equal opportunities is dependent on adequate training of the providers of services. Consistent terminology of indicators is not maintained in individual priorities as it should be. In priority 1 the conception of this indicator should be broadened since in accordance with the objective of the priority support will be provided not only to employees of labour offices but also co-operating organisations.

**Indicators at the programme level** – Included among output indicators is the “number of new products supported”. The creation of new products is more a result of projects and it is not clear what significance their monitoring would have at the phase of acquiring support, i.e. approval of projects. We recommend that this indicator be dropped.

Selected as indicators of global impact of the programme are the majority of indicators characterising the overall situation in Prague based upon data from public statistical sources. An exception is the indicator “share of persons dependent on social assistance benefits”, the monitoring of which would be interesting, but of course credible data would be difficult to obtain. Other vagueness is associated with the indicator of “number of newly accredited educational programmes” and “number of technologically oriented MSP”. The character of these indicators corresponds more to the level of priorities and it is not clear how data on the level of programme impact would be acquired. We therefore recommend that these two indicators be dropped from the indicators of programme impact. Following these revisions the structure of the indicators will correspond to the demands for monitoring programme impact and their measurability and information value will be guaranteed.

**Indicators for priority 2** are adequately established both for the objectives of this priority and the requirements placed on the core indicators.

**For priorities 1, 4 and 5** one of the result indicators suggested in SPD document is the “number of implemented projects”. This indicator must be in coincidence with the indicator listed for monitoring outputs “number of projects supported”. It should apply that only those projects which are implemented receive support.

**For priority 3** the only output indicators are those related to continuing education. Indicators for initial education (priority 3.1) were obviously left out by oversight. It is necessary to add these, or generalise the present indicators so that they also cover initial education.

**Indicators for priority 5** - Defined among outputs is an indicator of the “number of supported women’s institutions”. Such definition narrows the number of institutions monitored, is not justified, and should be expanded.

Indicators of results should monitor the fulfilment of specific objectives. In this regard there is no clear relation between the objective of the priority intended to reconcile professional and family life and the established result indicator of “number of persons trained who gained employment in a sector where there is gender inequality”.

Indicators of impact for the priority should not include “share of women who received programme support”. This is an indicator of output rather than impact, which should show the pure effects and their sustainability.

The Programme Complement should harmonise the core indicators between HRD OP, SPD, as well as that part of JR OP which deals with human resource development and is co-financed by ESF.



### **Evaluation conclusions:**

- The SPD document establishes the general responsibilities of individual bodies within the framework of the monitoring process. The preparation of annual and final reports is described in detail.
- The general responsibilities of the Managing Authority are established for the functioning of the monitoring system. The concept for the data collection, data processing, database access, and possibilities for the flexible revision of indicators should be elaborated in more detail in the Programme Complement. Attention should also be given to the creation of adequate expert capacities at the level of the Managing Authority.
- In accordance with the monitoring methodology there are four types of indicators defined in the SPD. The basic approach to their construction is correct. Shortcomings arise however, in the classification of certain indicators, inconsistent definitions, and the use of indicator names. It is necessary to specify and unify indicators and determine sources and periodicity for data monitoring.
- The SPD document should clearly describe which indicators have been established as common core indicators, why they have been selected, and what their internal structure is. Indicators of employed, self-employed, and unemployed persons must be added to the core indicators.
- A positive aspect is that indicators also monitor persons, service providers, who have received support and new skills, since this corresponds to the great emphasis placed in the SPD on the development of systems. However, the terminology should be unified and in the section devoted to the description of indicators the content of this indicator should be explained.
- Indicators at the programme level should be defined more precisely and those impact indicators which do not correspond to the programme level or which cannot be monitored through available data should be dropped.

### **VIII.3. System of evaluation**

#### **Evaluation questions:**

- whether authority is clearly defined
- whether there is a clear description of the evaluation process during the course of the programme period
- whether sufficient resources are allocated to ensure programme evaluation is of due quality and extent

The SPD document briefly clarifies the purpose of evaluation and specifies individual types of evaluation which will apply to the given programme period. This description however, is not complete and not entirely accurate.

In the description of *authority and organisation of the evaluation process* there is due emphasis on the condition that assessors be independent. Not mentioned however, is the manner in which this process will take place and how authority will be delegated. It is merely stated that responsibility for insuring evaluation lies with the Managing Authority. Also mentioned is the Working Group for Evaluation of Programmes for the Human Resources Development and

Employment. The Programme Complement should clearly define the organisational framework for carrying out evaluation and the roles of individual bodies therein, including the Monitoring Committee. A starting point may be the strategy of evaluation prepared for the programme period of 2004 - 2006.

Also unclear in the SPD document is whether, considering the short programme period, only Ex-ante and Ex-post evaluation will be carried out. There is no mention of *final evaluation*, which is also important for the CR since it has great significance for the quality of the programme in future. The character of a final evaluation is also not entirely accurately described in the SPD document. The final evaluation is the product of independent evaluation, but its results may be used in the final report submitted by the Managing Authority. It is therefore necessary to emphasise that the final evaluation is not prepared by the Managing Authority but by an independent evaluators.

In the text it is necessary to unambiguously formulate the responsibility for preparing the *Ex-post evaluation*. The European Commission is responsible for the Ex-post evaluation, in co-operation with the Managing Authority, which also arranges and finances it.

Ensuring adequate programme evaluation will certainly be a difficult task considering that an evaluation system in the Czech Republic must first be constructed. It will be necessary to arrange for the compilation of required examinations and evaluation studies, as well as the methodology, instruments, and co-ordination procedures which are already common in member states. It will also be necessary to verify the monitoring system, the adequacy and quality of proposed indicators, and the evaluation to what degree they provide the necessary information for evaluation and how they might eventually be modified. At the end of the current programme period it will be necessary to arrange an Ex-ante evaluation of the future programme. It is therefore necessary for all of these purposes to devote sufficient funds of at least 0.25% of total funding for the programme.

#### **Evaluation conclusions:**

- The SPD document accents both the responsibility of the Managing Authority for ensuring evaluation and the independence of the evaluators. Not clearly defined however is the delegation of authority, the organisational framework of the evaluation, and the role of individual bodies. Inaccuracies which must be eliminated occur in relation to the final evaluation and responsibility for Ex-post evaluation.
- To ensure programme evaluation in all necessary phases, it will be necessary to elaborate the required methodology and carry out a structured examination of individuals, organisations, implementation structures, to verify monitoring indicators, etc. For these purposes it is necessary to ensure sufficient funds.

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In spite of certain objections intended to contribute to an improvement in the quality of the programme, its internal cohesion, and its provisions for quality monitoring and evaluation, we

consider the programme adequately focused on the needs of the Prague region. Its significance will exceed the region itself, effects will spread to other regions of the CR due to the specific position of Prague as a centre in which considerable research and educational capacities are concentrated.

Through its scope, the programme represents a great opportunity for the development of human resources in the region. At the same time however, it will be very demanding on the implementation structures and preparedness of the project drafters.

## **LIST OF ABBREVIATIONS**

CR	Czech Republic
EC	European Commission
EC	European Community
ESF	European Social Fund
EU	European Union
HRD OP	Human Resources Development Operational Programme
ICT	Information and Communication Technology
IT	Information Technology
JR OP	Joint Regional Operational Programme
MEUR	million EUR
MRD	Ministry of Regional Development
MLSA	Ministry of Labour and Social Affairs
MEYS	Ministry of Education Youth and Sports
MSSF	Monitoring System for Structural Funds
NAEP	National Action Plan for Employment
NUTS	Nomenclature Units of Territorial Statistics
SMEs	Small and Medium enterprises
SPD 2	Single Programming Document for Objective 2
SPD 3	Single Programming Document for Objective 3
SWOT	Analysis of Strengths, Weaknesses, Opportunities, and Threats

**ANNEX - TABLE OF OBJECTIVES**

<b>SPECIFIC /OPERATIONAL AIMS OF MEASURE</b>			
<b>Specific aims of program/global aim of priority</b>	<b>Specific aims of priority/global aim of measure</b>	<b>Specific aims of program/global aim of priority</b>	<b>Specific aims of priority/global aim of measure</b>
<b>PRIORITY 1</b>	Increasing the effectiveness of active employment policy with an emphasis on groups threatened on the labour market and elimination of barriers to equal opportunity on the labour market	Strengthening the role of active employment policy in finding jobs for job applicants and job seekers	<p>Limiting growth in the numbers of registered, long-term unemployed, focus on the unemployed (economically inactive) and those threatened with long-term unemployment</p> <p>Expansion of preventative consulting and information services to prevent unemployment</p> <p>Development of new forms of employment and creation of conditions of the equality of men and women</p> <p>Improving the targeting and effectiveness of currently existing active employment policy instruments for applicants, expanding focus to include those interested in employment, employees threatened with unemployment, and people returning to the labour market, and introducing new instruments for active employment policy</p> <p>Support of closer ties between labour market institutions, social partners and their affiliations, educational institutions, schools, municipal and non-government non-profit organizations, and employers in the implementation of active employment policy</p> <p>Creation of a system supporting the employment of youth to acquire practical work skills</p> <p>Increasing the level of qualifications for employees of the labour office and cooperating organizations, integrating and improving the quality of information and monitoring systems</p>
<b>PRIORITY 2</b>	Improving the social environment through the support of groups threatened by social exclusion	To reduce the inequality in access to participation in social life	<p>Enhance and develop key skills, abilities, and habits that would allow the members of risk groups to integrate socially and on the labour market; provide such people with access to education and training</p> <p>Support entities and organizations providing social integration programmes to socially excluded persons and to persons at risk of social exclusion</p> <p>De-institutionalisation of social care and development of services offered in the natural environment of the client</p> <p>Take measures to meet the quality standards required from social services; introduce a system of training for workers in social services</p> <p>Support of social services reacting to the negative consequences of current demographic and socio-economic development</p> <p>Acquisition, analysis, and distribution of detailed information on the social terrain</p> <p>Encourage a community planning system in order to make the services more available to persons at risk with social exclusion</p>
		<b>MEASURE 1.1</b>	<b>MEASURE 2.1</b>

	Specific aims of program/global aim of priority	Specific aims of priority/global aim of measure	SPECIFIC /OPERATIONAL AIMS OF MEASURE
<b>PRIORITY 3</b>	<p>Development of quality lifelong learning with the goal of preparing a highly qualified, flexible, and informed labour force, able to apply the principles of sustainable development</p>	<p>Improving the system of initial education</p>	<p>Improving the educational process at primary schools, secondary schools, and higher vocational schools, including and improvement of conditions for the training of students with special educational needs</p> <p>Expanding the function of schools as a significant component of civil society and greater use of schools for adult education</p> <p>Developing the initial education and continuing education and training of teachers and other school workers</p> <p>Expand and diversify the offer of training at universities</p> <p>Enhance distance training and combined forms of study</p> <p>Improve IT and environmental literacy of students in primary schools, secondary schools, and higher vocational schools</p>
		<p>MEASURE 3.1</p>	<p>To use the scientific and research capacities in the capital city to create a system of further education, providing for the continuing education and professional training of adults, based on the forms, methods, and approaches founded on developing the competence of individuals in direct relation to the needs of the labour market with the support of the public budget</p>
		<p>MEASURE 3.2</p>	<p>Complete construction of the 'infrastructure' for the development of continuing education according to the specific needs of the labour market in Prague</p> <p>Improve access to information and opportunities for continuing education, provide orientation among further education choices through a functional consulting and information system in Prague</p> <p>Establish a system of formalised cooperation between supply and demand in the area of educational activities with the goal of improving and better targeting continuing education</p> <p>Found a system of support for innovative activities and development of research in the area of continuing education</p> <p>Develop course offerings for continuing education (new programs, distance learning, e-learning, improved anticipation of employer needs)</p> <p>Increase the professional and pedagogic competence of professors, consultants, teachers, methodologists and managers working in the sphere of continuing education</p> <p>Incorporate an environmental perspective into continuing education, both on the level of preparing educators and participants in continuing education</p>

<sup>1</sup> Infrastructure is understood as sets of measures insuring economic and systemic function

PRIORITY 4	Specific aims of program/global aim of priority	Specific aims of priority/global aim of measure	SPECIFIC /OPERATIONAL AIMS OF MEASURE
	<p>Development of the business environment, improving the adaptability of Prague organisations to the quickly changing economic conditions through increasing qualification of employees, with special regard to the utilisation and development Prague's innovative potential and improvement of tourism services, and auxiliary services, expanding access to entrepreneurship</p>	<p>MEASURE 4.1</p> <p>Insuring effective management of organisations and a qualified and flexible labour force, which would guarantee a high and stable level of employment in Prague, thus permanently insuring the competitiveness of the Prague economy</p>	<p>Mastery of specialised knowledge and skills necessary for coping with professional, structural and technological changes by employers and employees, guaranteed through professional associations</p> <p>Increasing efficiency of managing organisation, including the management of human resources in organisations</p> <p>Utilisation of new forms of employment</p> <p>Retaining current jobs and stimulating new jobs, including self-employment</p> <p>Improving the degree to which employees and employers are informed through the establishment of specialised information and consulting centres and their partnerships</p> <p>Certification of personnel and firms according to standards acknowledged by the European Union, orientation on quality</p> <p>Development of educational programmes aimed at EU accession, especially for small enterprises</p> <p>Implementation of programmes for co-operation of small and large firms in the region</p>
		<p>MEASURE 4.2</p> <p>A strategic objective is the development of human resources within the scope of the innovative process, which must be understood as a whole in relation to education, research, development, transfer of technology, product, and market. The goal is to consolidate scientific and technological development and innovative activities through effective management, greater involvement of young people in the innovation process, and creation of a network of industrial cooperation, increasing competitiveness and employment.</p>	<p>Provide employers and employees with knowledge enabling them to cope with problems during the introduction of new technologies, thus contributing to their competitiveness</p> <p>Establish a basic system for educating undergraduate and doctorate students and young scientific workers to provide them with essential knowledge for the foundation of new technologically oriented firms</p> <p>Create the basis of a system for the education of management employees in the areas of science and research, industrial plants, and professional organisations, providing them with expert knowledge for the management of the innovation process</p> <p>Create and further develop an information system to more quickly put the results of research and development into practice</p> <p>Develop joint innovative programs between universities and the business sphere, including mechanisms of transfer between universities and firms</p> <p>Create the basis for a functioning system of training and consulting centres and entrepreneurial incubators which contribute to the fulfilment of the aims mentioned above</p>
		<p>MEASURE 4.3</p> <p>Contribute to the further development of tourism industry potential, namely by improving qualifications of workers in tourism industry</p>	<p>Improve the quality of tourism industry services, create a safe tourist environment</p> <p>Improve communication and language skills in tourism industry services and related fields</p> <p>Be able to identify in time new trends in the tourism industry and respond to them</p> <p>Train the entities operating in the tourism industry to work as partners, including networking</p> <p>Improve the knowledge and utilisation of information technologies in the field of providing a comprehensive information service to tourists and visitors in Prague</p> <p>Familiarity with the latest know-how in the area of tourist and visitors safety, learn how to use the know-how</p>



	Specific aims of program/global aim of priority	Specific aims of priority/global aim of measure	SPECIFIC /OPERATIONAL AIMS OF MEASURE
<b>PRIORITY 5</b>	Provide equal opportunity for women and men on the labour market	Support the practical (de facto) implementation of the principle of equal opportunities for women and men both in family and work life	<p>Influencing the structures, environment, and organisation of work so that equal opportunity is afforded for persons caring for dependent family members in comparison to other actors on the labour market</p> <p>Weakening prejudices stemming from current attitudes towards women</p> <p>Support career opportunities for women in research and development, based on analysis underlying reasons</p> <p>Bridging the lack of knowledge about the position of women in research and development</p> <p>Increasing general awareness of the significance of women in social and professional life</p> <p>Support of alternative employment possibilities, including work from home (use of IT)</p>