Investice do vaší budoucnosti

Annual Implementation Report for the Operational Programme Research and Development for Innovation 2009



MINISTERSTVO ŠKOLSTVÍ, MLÁDEŽE A TĚLOVÝCHOVY

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OP Výzkum a vývoj pro inovace

CONTENTS

SUMMARY 4

1 IDENTIFICATION OF THE OPERATIONAL PROGRAMME 6

1.1 OVERVIEW OF THE PRIORITY AXES 9
1.2 OP RDI DOCUMENTS 11
1.3 OP RDI IMPLEMENTATION 14
1.4 CURRENT SOCIO-ECONOMIC ANALYSIS 16

2 OVERVIEW OF OP RDI IMPLEMENTATION 19

2.1 PROGRESS ACHIEVED AND ITS ANALYSIS 19
2.1.1 INFORMATION ON THE MATERIAL PROGRESS OF OP RDI 19
2.1.2 OVERVIEW OF THE ANNOUNCED CALLS 24
2.1.3 INFORMATION ON OP RDI FINANCIAL DATA 25
2.1.4 INFORMATION ON THE BREAKDOWN OF FUND UTILISATION 27
2.1.5 INFORMATION ABOUT AID BY TARGET GROUPS 28
2.1.6 REPAID OR REPEATEDLY USED AID 28
2.1.7 QUALITATIVE ANALYSIS 28
2.2 INFORMATION ON CONFORMITY WITH THE COMMUNITY LEGAL REGULATIONS 31
2.3 MAJOR PROBLEMS THAT OCCURRED AND MEASURES ADOPTED FOR THEIR ELIMINATION 34
2.4 CHANGES THAT MAY OCCUR IN RESPECT OF THE OPERATIONAL PROGRAMME 35
2.5 POSSIBLE MATERIAL MODIFICATION 36
2.6 COMPLEMENTARITY WITH OTHER INSTRUMENTS 36
2.7 MONITORING MEASURES AND CONTINUOUS EVALUATIONS 37

3 IMPLEMENTATION BY PRIORITY AXES 40

3.1 PRIORITY AXIS 1 – EUROPEAN CENTRES OF EXCELLENCE 40
3.1.1 MAJOR PROBLEMS THAT OCCURRED AND MEASURES ADOPTED FOR THEIR ELIMINATION 43
3.2 PRIORITY AXIS 2 – REGIONAL R&D CENTRES 43
3.2.1 MAJOR PROBLEMS THAT OCCURRED AND MEASURES ADOPTED FOR THEIR ELIMINATION 46
3.3 PRIORITY AXIS 3 – COMMERCIALISATION AND POPULARISATION OF R&D 47
3.3.1 MAJOR PROBLEMS THAT OCCURRED AND MEASURES ADOPTED FOR THEIR ELIMINATION 49
3.4 PRIORITY AXIS 4 – INFRASTRUCTURE FOR UNIVERSITY EDUCATION RELATED TO RESEARCH 49
3.4.1 PROGRESS ACHIEVED AND ITS ANALYSIS 50
3.4.2 MAJOR PROBLEMS THAT OCCURRED AND MEASURES ADOPTED FOR THEIR ELIMINATION 52
3.5 PRIORITY AXIS 5 – TECHNICAL ASSISTANCE 52
3.5.1 PROGRESS ACHIEVED AND ITS ANALYSIS 52
3.5.2 MAJOR PROBLEMS THAT OCCURRED AND MEASURES ADOPTED FOR THEIR ELIMINATION 54

4 MAJOR PROJECTS 55

5 TECHNICAL ASSISTANCE 60

6 INFORMATION AND PUBLICITY 62

7 EXCHANGE OF EXPERIENCE AND TRIED PROCEDURES 66

LIST OF ABBREVIATIONS 70

LIST OF TABLES, FIGURES, AND CHARTS 71

ANNEXES 72

SUMMARY

The global objective of the Operational Programme Research and Development for Innovation (OP RDI) is to strengthen the research, development and innovative potential of the Czech Republic (CR), thus contributing towards the growth of competitive strength and the creation of highly-qualified jobs so that the CR's regions can become significant points of concentration for these activities in Europe. In accordance with the Resolution of the Government of the CR No. 175/2006 of 22 February 2006, the performance of the functions of the Managing Authority (MA) for the OP RDI is ensured by the Ministry of Education, Youth and Sports (MEYS). Within the MEYS structure, the EU Operational Programme Management Section was entrusted with performing the MA functions for the OP RDI. No Intermediate Bodies have been designated to act on behalf of the MA.

The overall allocation for the OP RDI is EUR 2,436,095,160, of which EUR 2,070,680,884 consists of the contribution from the European Regional Development Fund (ERDF), i.e. 85% of the overall allocations, and EUR 365,414,276 consists of co-financing from the CR's national budget, i.e. 15% of the overall allocation.

The implementation structure for the OP RDI continued to be developed over the course of 2009, which resulted in a significant increase in the number of workers. In addition, documents key to the functionality of the operational programme were created and updated. In particular, changes were made directly to the text of the Operational Programme and the Implementing Document. Key documents for the applicants and beneficiaries were also created and updated, specifically the Manual for Applicants and the Manual Beneficiaries, including the annexes to them. In relation to the changes to the implementation structure and the progressive more specific definition of internal procedures, the Operational Manual for the OP RDI was also updated. The other documents that were approved include the Communications Plan and the Evaluation Plan for the OP RDI.

Great progress was also made in the creation and modification for all levels of the monitoring system, which now covers almost the entire scope of implementation. The launch of the electronic submission of monitoring reports and payment claims and the live transfer of data between the MA Information System (IS) and the accounting system are being prepared in 2010. Over the course of 2009, the interpretations of the definitions of the monitoring indicators were specified more precisely and 2010 will see the publication of the methodology for reporting the values attained by the monitoring indicators.

As of 31 December 2009 calls had been published for all of the priority axes of the OP RDI. The financial volume of the accepted projects significantly exceeded the allocation for the published calls. With the exception of Priority Axis 3, applications for financial support were submitted for all published calls. In the case of Priority Axis 3, for which calls were not published until the end of 2009, it is expected that the first applications will be submitted during the first half of 2010.

As far as Priority Axes 1 and 2 are concerned, there were also major projects submitted and it is expected that they will be submitted to the European Commission (EC) in mid-2010. The projects accepted for Priority Axes 1 and 2 have started the complex but precisely defined evaluation cycle, including the participation of an international panel of evaluators. Consultations were provided to applicants and beneficiaries by the employees of the MA OP RDI on a regular basis.

Priority Axis 2 saw the greatest material and financial progress. A large number of the projects that were accepted significantly exceed the allocation for the applicable call. These projects underwent a comprehensive evaluation and, in November 2009, the first Decisions on the Provision for Financial Support were issued and the first payments on account were

consequently provided. The other projects that received a positive evaluation were added to the file of reserve projects. The approval of additional projects for Priority Axis 2 and the provision of further payments on account are planned for the first and second quarters of 2010. Especially the timely approval of major projects in Priority Axis 1 will be of mainstay importance for further progress in implementation and the successful attainment of the rule of N+3 (N+2). One condition for the successful use of financial resources is the approval of managing and control systems, the settings for which were the subject of a compliance audit It was not until after certain deficiencies were rectified that the managing and control systems were prepared for approval by the European Commission towards the end of 2009. As of the date this report was prepared, they had been approved.

The level of informedness of both the professional as well as the general public about the programme became significantly higher in 2009. A number of seminars were organised for applicants and beneficiaries. Separate meetings and other specific activities were held in relation to major projects. A number of activities were put into practice with regard to publicity for the OP RDI.

This Annual Report was prepared in accordance with Article 67 of Regulation No. 1083/2006 (General Regulation) and the provisions of Regulation No. 1828/2006 (Implementing Regulation) and it uses the structure for the annual report as designated in Annexe XVIII to the Implementing Regulation. As such, it will be submitted by the MA to the OP RDI Monitoring Committee for appraisal and approval and then consequently sent to the European Commission by 30 June 2010.

The data included in this report are specified in the status that existed as of 7 January 2010. If any data item is associated with a different date, this fact is specified for the applicable data item.

OPERATIONAL PROGRAMME	**Respective Objective:** The OP RDI contributes towards attaining the "Convergence" objective, which, in accordance with Article 3 (2)(a) of the General Regulation, is designated for speeding up the convergence of the least developed member states and regions by improving the conditions for growth and employment through increasing quality investment in material and human capital; developing innovation and a knowledge society; improving the ability to adapt to economic and social changes; and protecting and improving the environment and administrative performance.
	Respective Qualified Region: CZ02 Central Bohemia; CZ03 Southwest; CZ04 Northwest; CZ05 Northeast; CZ06 Southeast; CZ07 Central Moravia; CZ08 Moravia-Silesia
	Programming Period: **2007-2013**
	Programme Number (CCI): **2007 CZ 161 PO 012**
	Programme Name: **Operational Programme Research and Development for Innovation 2007-2013**
ANNUAL IMPLEMENTATION REPORT	**2009**
	Date Annual Report approved by the Monitoring Committee: **16 June 2010**

1 IDENTIFICATION OF THE OPERATIONAL PROGRAMME

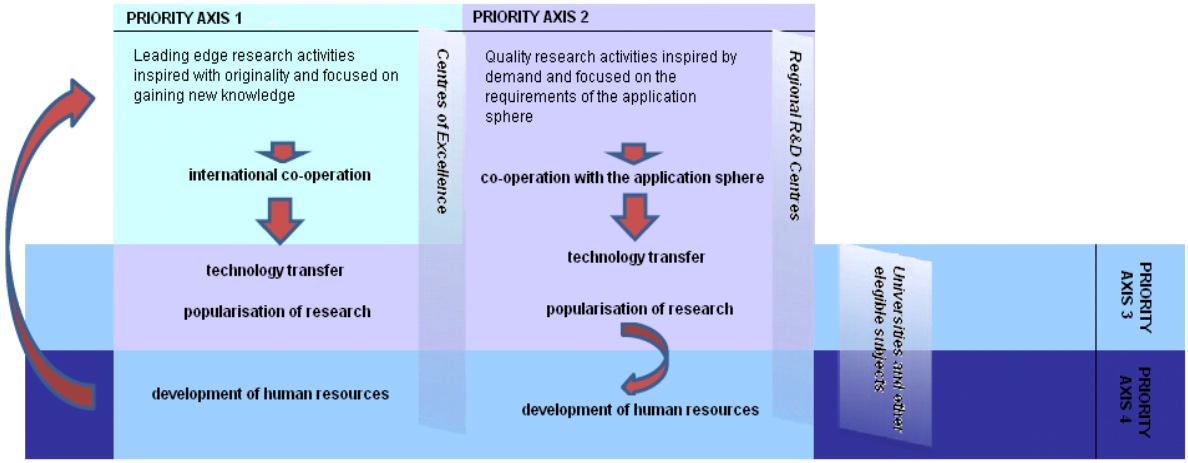
The OP RDI is one of the operational programmes that contribute towards fulfilling the objectives of the Lisbon Strategy and attaining a balanced level of regional development in the CR in accordance with the objectives of European Regional Policy. Together with the Operational Programme Enterprise and Innovations (OPEI) and the Operational Programme Education for Competitiveness (OPEC), the OP RDI forms a coherent system of interventions, which has the goal of ensuring the long-term sustainable competitive strength of the Czech economy and the target regions within the framework of Convergence.

The global objective of the OP RDI is to strengthen the research, development and innovative potential of the CR, thus contributing towards the growth of competitive strength and the creation of highly-qualified jobs so that the CR's regions can become significant points of concentration for these activities in Europe.

The global objective encompasses a significant portion of the "Competitive Czech Economy" Strategic Objective of the National Strategic Reference Framework (NSRF) and conforms fully with the Community Strategic Guidelines (CSG) 2007-2013, namely with the guideline "Improving knowledge and innovation for growth", the action "Increase and improve investment in research and technological development" and also partially the action "Facilitate innovation and promote entrepreneurship". The global objective of the OP RDI also falls within the overall framework of the reform steps contained in the National Reform Programme (NRP) of the CR as regards microeconomics.

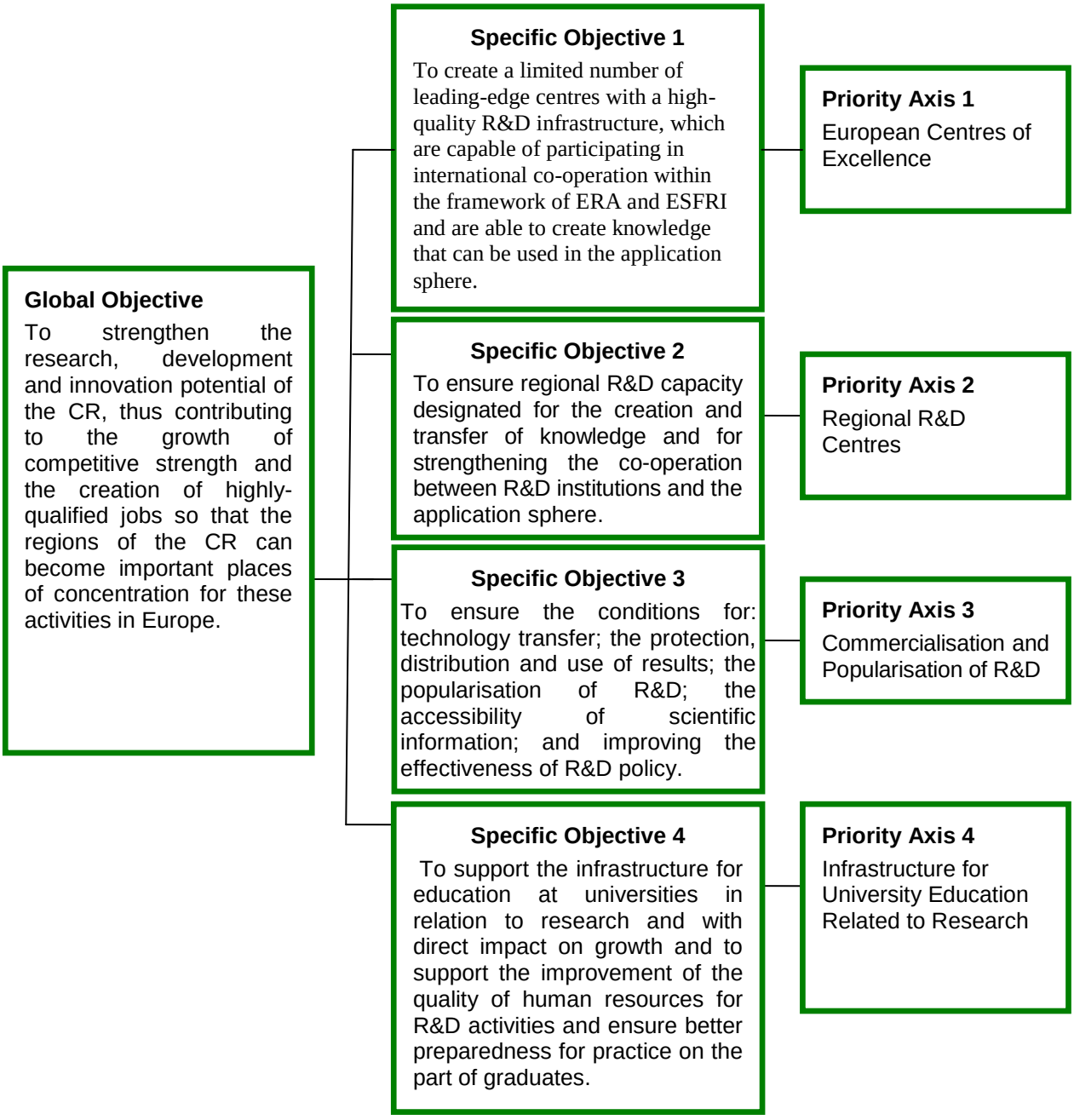
The strategic framework for the OP RDI is based on analyses of the current situation as regards science and research (R&D), a SWOT analysis and an analysis of the relationship between research, technology transfer and competitive strength. It can be described as a two-layer strategy supported by three cross-sectional objectives. The following image provides a schematic version of the strategy:

Image No. 1 Selected OP RDI Strategy



This strategic framework is carried over into **four specific objective**s. These objectives are presented in the following diagram.

Image No. 2 OP RDI Objectives and Priority Axes



The allocation in 2009 amounted to EUR 282,245,851. The following table presents the overall financial allocation for each priority axis over the entire programming period.

Table No. 1 Financial allocation for the individual priority axes for the entire programming period (in EUR)

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

Source: Operational Programme Research and Development for Innovation 2008

1.1 Overview of the Priority Axes

Priority Axis 1 – European Centres of Excellence

Priority Axis 1 contains only one area of intervention – 1.1 European Centres of Excellence, which is aimed at supporting the creation and development of high-quality R&D with emphasis placed on international co-operation, on co-operation with the application sphere and on the production of leading-edge applicable R&D results. The global objective of the area of intervention is to create a limited number of centres of excellence, well-equipped R&D centres with modern and, in certain justified cases, a unique R&D infrastructure and of a critical size, interconnected networks of partnerships with prestigious R&D centres abroad, so that they can contribute to the interconnection and greater integration of the leading Czech R&D teams with the leading international research organisations and European research infrastructures.

During the period of 2007-2013, 33.1% of the overall allocation for the OP RDI, i.e. approximately EUR 806 million, has been allocated for this priority axis.

Priority Axis 2 – Regional R&D Centres

Priority Axis 2 consists of Area of Intervention 2.1 – Regional R&D Centres The global objective of Area of Intervention 2.1 is the establishment and development of R&D workplaces with quality equipment focused on applied research and with developed co-operation and strong ties to partners in the application sector (enterprises – SMEs in particular and other subjects), whose activities will strengthen the competitive strength of the region and its potential to export goods, services and know-how.

During the period of 2007-2013, 33.1% of the overall allocation for the OP RDI, i.e. approximately EUR 806 million, has been allocated for this area of intervention.

Priority Axis 3 – Commercialisation and Popularisation of R&D

During the period of 2007-2013, 10.3% of the overall allocation for the OP RDI, i.e. approximately EUR 251 million, has been allocated for this priority axis.

Priority Axis 3 will be realised by means of two areas of intervention:

- ✓ 3.1 Commercialisation of the results of research organisations and the protection of their intellectual property
- ✓ 3.2 Promotion and awareness of the R&D results

Area of Intervention 3.1 – *Commercialisation of the results of research organisations and the protection of their intellectual property* is focused on supporting the commercialisation of results of R&D in research institutions, in particular by means of supporting commercialisation and protection systems and the use of intellectual property rights, including the establishment and development of transfer technology centres within the framework of research institutions.

Approximately EUR 114 million has been allocated to this area of intervention for the 2007-2013 period.

Area of Intervention 3.1 – *Promotion and awareness of the R&D results* is concerned with strengthening the promotion of R&D and its popularisation; improving the system for providing information and the accessibility of information on R&D results; improving the evaluation system for research organisations by means of using foreign experience with the goal of contributing towards more effective public support for R&D.

Approximately EUR 137 million has been allocated to this area of intervention for the 2007-2013 period.

Priority Axis 4 – Infrastructure for University Education related to Research

Priority Axis 4 contains only one area of intervention: 4.1 – Infrastructure for university education related to research. It is aimed at supporting the development of a high-quality infrastructure for universities with the goal of increasing the capacity of tertiary education and creating the conditions required for improving the quality of education and R&D. The primary objective of this priority is to improve the material conditions for preparing university students, in particular from the perspective of their preparedness for research and development and for practising their basic creative skills in order to ensure their future value in the field of R&D.

During the period of 2007-2013, 20% of the overall allocation for the OP RDI, i.e. approximately EUR 487 million, has been allocated for Priority Axis 4.

Priority Axis 5 – Technical Assistance

During the period of 2007-2013, 3.5% of the overall allocation for the OP RDI, i.e. approximately EUR 85 million, has been allocated for this PA.

Priority Axis 5 will be realised by means of three areas of intervention:

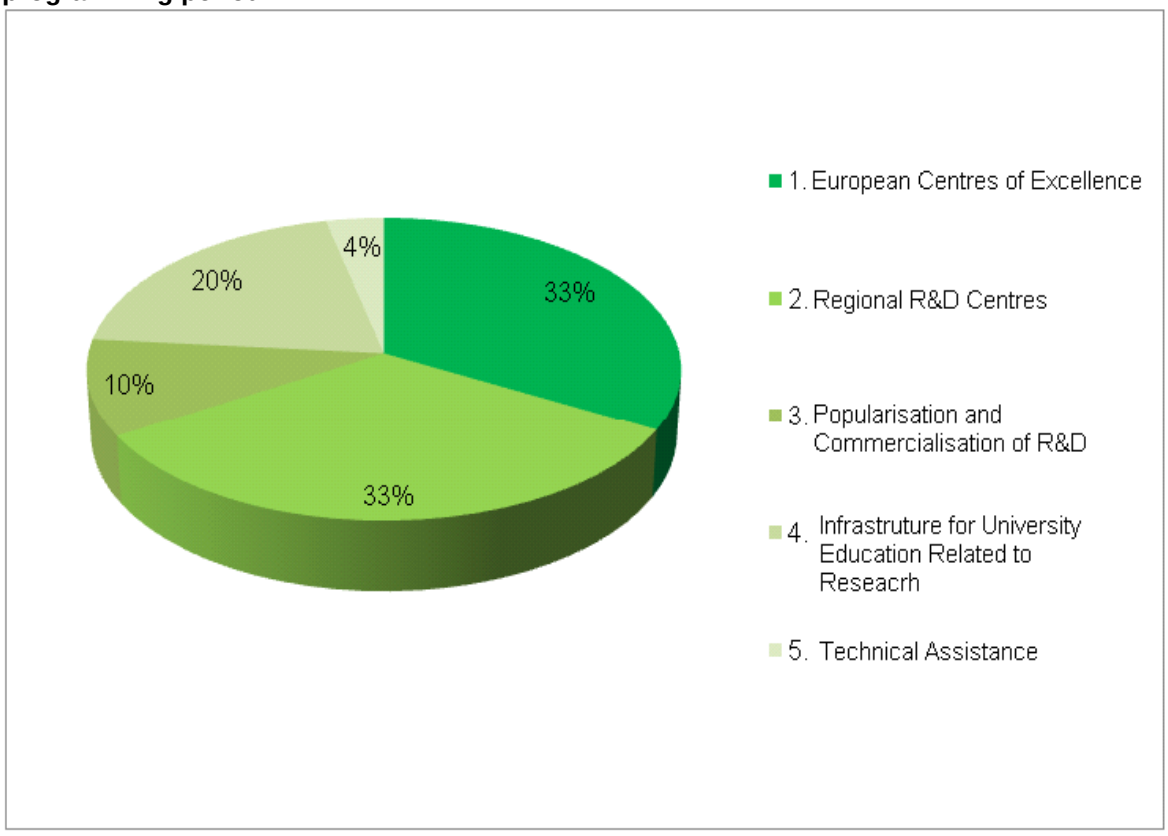
- ✓ 5.1 OP RDI Administration
- ✓ 5.2 Awareness and publicity of the OP RDI
- ✓ 5.3 Absorption capacity of the OP RDI

Area of intervention 5.1 – OP RDI Administration is aimed at ensuring the preparation, management, implementation, evaluation, monitoring, reviews and audits of the OP RDI pursuant to the General Regulation and national legal standards. The allocation for this area is equal to 87% of the overall allocation for Priority Axis 5 of the OP RDI, i.e. approximately EUR 74 million.

Area of Intervention 5.2 – Awareness and publicity of the OP RDI is aimed at providing timely, comprehensive and accurate information about the OP RDI whereby it is required that the resources that are spent are sufficient and efficient The allocation for this area is equal to 3% of the overall allocation for Priority Axis 5 of the OP RDI, i.e. approximately EUR 2.5 million.

Area of intervention 5.3 – Absorption capacity of the OP RDI is aimed at supporting activities focused on the development of absorption capacity; cross-sectional expert informational and consultancy services; specific professional practice and training; the detection and promotion of the best solution; the establishment of networks, etc. The allocation for this area is equal to 10% of the overall allocation for Priority Axis 5 of the OP RDI, i.e. approximately EUR 8.5 million.

Graph No. 1 Distribution of the allocation for the individual priority axes for the entire programming period



Source: Operational Programme Research and Development for Innovation 2008

1.2 OP RDI Documents

General Documents

The OP RDI is based on a number of European and national strategic documents as regards research, development, innovation and regional development. As far as European strategic documents are concerned, the OP RDI is founded in particular on the Community Strategic Guidelines; the Lisbon Strategy and its revised version; the objectives defined in Barcelona in 2002; the EU's perspective budget for the 2007-2013 programming period; and a number of other documents published by the EU organs. This includes such documents as the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions entitled "Implementing the Community Lisbon Programme: More Research and Innovation –

Investing for Growth and Employment: A Common Approach"; the Communication from the Commission to the 2006 Spring European Council entitled "Time to Move up a Gear: The New Partnership for Growth and Jobs"; the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions entitled "*Putting Knowledge into Practice: A Broad-Based Innovation Strategy for Europe*"; the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions entitled "Improving Knowledge Transfer Between Research Institutions and Industry Across Europe: Embracing Open Innovation"; the Green Paper entitled "The European *Research* Area*: New Perspectives*"; and others.

The ties that the OP RDI has to the Community Strategic Guidelines can be identified primarily with regard to General Guideline 1.2 "Improving knowledge and innovation for growth", in particular point 1.2.1 "Increase and improve investment in research and technological development" and point 1.2.2 "Facilitate innovation and promote entrepreneurship". Fulfilment of this general guideline is attained through investments in the technological infrastructure for R&D, both through the establishment of centres of excellence as well as through the establishment of regional infrastructure that creates the conditions for increasing competitive strength. Additional fulfilment is achieved by means of the support provided for the commercialisation of R&D results, the strengthening of international co-operation on the part of Czech R&D, more effective public aid for R&D and investments in the university infrastructure with the goal of improving the preparedness of graduates and their value, which also strengthens the ability of the application sphere to absorb new knowledge.

With regard to national strategic documents, the OP RDI ties on to the National Development Plan for 2007-2013; the National Strategic Reference Framework of the CR for 2007-2013; the National Lisbon Programme – National Reform Programme of the CR; the Economic Growth Strategy; the National Innovation Policy of the CR for 2005-2010; and the National Research and Development Policy of the CR for 2004-2008.

In the case of the National Development Plan, the OP RDI contributes towards fulfilling the measures contained in the priority axis "Increasing the competitive strength of the Czech economy" through supporting innovation and a knowledge-based economy; strengthening research capacity; technological development and the infrastructure for entrepreneurship and innovation networks, including the use of new information technologies.

In the case of the National Strategic Reference Framework, the OP RDI contributes towards the fulfilment of the strategic objective "Competitive Czech Economy" and, in particular, the priority "Support of R&D Capacity for Innovation", where the OP RDI, together with OPEI represent the core interventions. At the same time, it also shares in meeting the "Open, flexible and cohesive society" and "Attractive Environment" strategic objectives. It also contributes towards the technological development of the Convergence objective regions, which is a part of the strategic objective "Balanced territorial development".

As far as the National Reform Programme of the CR is concerned, the OP RDI fully ties in with the priority measures Research and Development, Innovation and also helps towards fulfilling the priority measure of Education. The OP RDI contributes significantly towards fulfilling the fourth pillar and, in particular, the fifth pillar of growth in the Economic Growth Strategy. The OP RDI creates the conditions required for strengthening R&D and innovation by means of developing networks of research workplaces, both as leading centres of excellence as well as regional capacities for applied R&D. Furthermore, it supports the protection and use of intellectual property rights and the commercialisation of R&D results, the promotion of R&D and the overall level of informedness with regard to R&D results.

The OP RDI is in coherence with the National Innovation Policy of the CR for 2005-2010 with regard to the realisation of all of its strategic objectives: to strengthen R&D as a source of innovations; to create functional partnerships between the public and private sectors; to ensure human resources for innovation; and to improve the effectiveness of state administrative performance in relation to research, development and innovations. The OP RDI is also entirely consistent with the National Research and Development Policy of the CR for 2004-2008, whereby investments made into the R&D infrastructure will contribute towards attaining the objectives of the policy.

Documents on the implementation of the OP RDI

The actual implementation is supported and codified within several documents. The primary document is the Implementing Document for the OP RDI, which is directly linked to the Operational Programme. Its contents elaborate in detail the information on the implementation of the OP RDI. The OP RDI Implementing Document consists of an introductory section, which briefly characterises the purpose of the document and defines the terminology that is used. The main section of the document describes OP RDI strategies, including the global strategic objective and the specific objectives; elaborates on the individual priority axes at the levels of the specific areas of intervention; and specifies the conditions for the implementation of the individual priority axes contained within the OP RDI. The information in the Implementing Document describes the parameters for the Operational Programme's areas of intervention in a manner that makes it possible to manage, implement, monitor and evaluate the attained results in an effective manner.

Both documents undergo an updating process, and thus move forward towards a qualitatively higher level. This primarily involves modifications in the form of providing more specific terminology and definitions in an effort to make the text of the documents as precise as possible.

The mainstay document for applicants is the Manual for Applicants, which provides information on the focus of the Operational Programme, its individual priority axes; specifications for projects within the individual priority axes; the general conditions for the preparation and implementation of projects and the preparation of project applications. The Manual for Applicants, including the annexes thereto, has been modified several times in relation to the publication of calls within the individual priority axes. New Manuals were prepared for Priority Axis 3 and Priority Axis 4. In relation to the Manual for Applicants, the first version of the Manual for Beneficiaries was published and subsequently updated. The objective of the Manual for Beneficiaries is to ascertain that beneficiaries (or partners as applicable) proceed in accordance with the rules during the project implementation process so that they are able to document their processes appropriately and thus ensure the successful implementation of projects.

Key documents were also created in the areas of publicity and evaluation. The European Commission approved the Communication Plan (CoP), which represents the framework communications strategy for the OP RDI. The OP RDI CoP defines the objectives for the dissemination of information and the publicity for the OP RDI, including the target groups, the communications tools that are used and the processes for assessing their effectiveness. At the same time, it also establishes the framework schedule for realising individual information and publicity measures as well as an indicative budget. The CoP will regularly be updated to contain more details by means of communicant plans prepared at a higher level of detail. A comparable document was created and approved for the evaluation of the programme. The OP RDI Evaluation Plan (OP RDI EP) serves as the baseline document for improving the management of the OP RDI during the different implementation phases and for improving evaluation capacity. THE OP RDI EP is built on the NSRF Evaluation Plan. It has been

prepared for the entire programming period of 2007-2013, with the condition that it can be updated over the course of the programming period as required. The activities for each year are elaborated in more detail in the OP RDI Annual Evaluation Plan.

The Operational Manual, which describes all of the processes associated with the implementation of the OP RDI and defines the procedural steps for its management, the distribution of power and the responsibilities within the organisational structure of the Managing Authority, was updated twice during 2009, taking into account the development and more precise definition of processes at the Managing Authority level.

Table No. 2 Summary of modification to the implementation documents made during 2009

Document	Date Modified
OP RDI Operational Manual	Version 1.0, valid as of 1 January 2009
	Version 2.0, valid as of 1 May 2009
	Version 3.0, valid as of 15 July 2009
Manual for OP RDI Applicants	Version 1.0, valid as of 15 December 2008
	Version 1.1, valid as of 2 March 2009
	Version 1.2, valid as of 15 April 2009
	Version 1.3, valid as of 20 April 2009
	Version 2.0, valid as of 1 June 2009
	Version 2.1, valid as of 16 June 2009
	PA 1 and PA 2: Version 2.2, valid as of 24 September 2009
	PA 3: Version 1.0, valid as of 15 December 2009
	PA 4: Version 1.0, valid as of 21 September 2009
	PA 4: Version 1.1, valid as of 21 October 2009
Manual for OP RDI Beneficiaries	Version 1.0, valid as of 13 July 2009
	Version 2.0, valid as of 6 November 2009

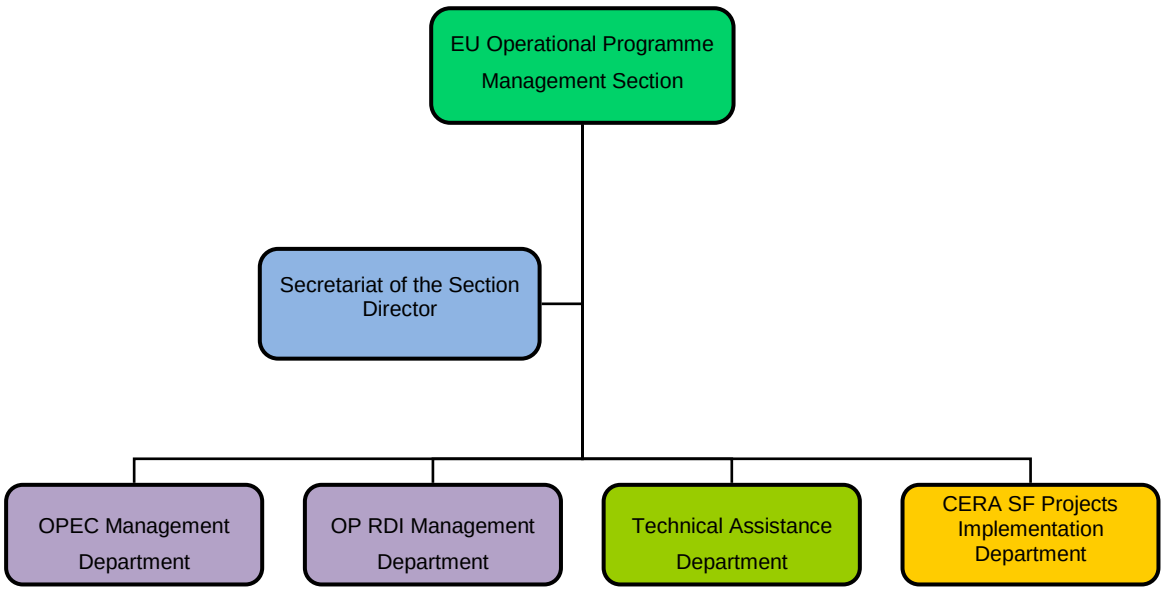
Source: OP RDI MA

1.3 OP RDI Implementation

In accordance with the Resolution of the Government of the CR No. 175/2006 of 22 February 2006, the performance of the functions of the MA for the Operational Programme Research and Development for Innovation is ensured by the MEYS. Within the MEYS structure, the EU Operational Programme Management Section was entrusted by the minister with performing the MA functions for the OP RDI.

The organisational structure of this section is depicted in the image below:

Image No. 3 Organisational Structure of the Managing Authority for the OP RDI



Source: Operational Programme Research and Development for Innovation 2009

All of the activities associated with implementation are ensured by the MEYS. No Intermediate Bodies have been designated to act on behalf of the MA.

The co-ordination of MA obligations is ensured by the OP RDI Management Department (a department established within the EU Operational Programme Management Section). This department performs the MA's obligations in accordance with Article 60 of the General Regulation. Its structure is broken down into the following divisions:

- ✓ *OP RDI Co-Ordination Division* – main areas of responsibility: strategic management; co-ordination of the preparation of programming and implementing documents; definition and interpretation of the methodology for the OP RDI implementation procedures; preparation and revision of the Operational Manual; financial management for the programme; co-operation in implementing TA; and co-ordination of the preparation of supporting materials for audits at all levels;
- ✓ *OP RDI Implementation Division* – main areas of responsibility: preparation of calls; ongoing monitoring of OP RDI project implementation; programme monitoring and evaluation; programme publicity; information system management; safeguarding the priority axes; communications with the European Commission and other relevant institutions; Monitoring Committee activities; preparation of supporting documentation for the conceptual materials of the government and other organs; etc.;
- ✓ *OP RDI Major Projects Division* – main areas of responsibility: co-ordination of major projects, communications with applications; and supervision over the proper administration of major projects.
- ✓ *OP RDI Administration Division – ensures primarily the administration of projects, including communications with applicants.*

The implementation of projects in Priority Axis 5 is ensured by the Technical Assistance Department, which is responsible for using the technical assistance resources.

The MEYS departments of Group III (Research and Higher Education Group) and Group I (State Secretary's Group – First Deputy Minister for financial, legal and official

administration) provide co-operation to the Managing Authority, notably as regards the preparation of the material contents for selected calls and the evaluation of the results and impact of the Operational Programme. Department 18 – Department of the Chief Accountant and Accounting Methodology performs the functions of the financial unit in accordance with the "Methodology for the financial flow and control of programmes co-financed from the Structural Funds, the Cohesion Fund and the European Fisheries Fund for the programming period of 2007-2013" as published by the Ministry of Finance. Department 17 – Budget Administration and Methodology for Management Control Department primarily ensures the realisation of the budget administrator's agenda for the OP RDI implementation structure within the MEYS framework.

The Audit Body – Central Harmonisation Unit of the Ministry of Finance performs the function of the audit authority on the basis of the Resolution of the Government of the Czech Republic No. 760 of 11 July 2007. The activities of the ministry, as the designated audit body (DAB), which are associated with the performance of audits for the OP RDI, are ensured by Department M1 – Internal Audit Department of the Ministry of Education, Youth and Sports, the OP RDI DAB Division – M13.

According to a Decision of the Minister of Finance issued on the basis of the Resolution of the Government of the CR No. 198 of 22 February 2006, the National Fund Department of the Ministry of Finance was entrusted with performing the PCA functions for the SF/CF. This authority does not delegate any of its competencies to an Intermediate Body.

The National Coordination Authority for the National Strategic Reference Framework is an important link in the implementation of the programme. On the basis of the Decision of the Government of the CR of 22 February 2006 (Resolution No. 198), its functions are performed by the Ministry for Regional Development.

During 2009, the implementation structure at the MEYS was completed. This became apparent in the sizable increase in the number of employees at the Managing Authority for the OP RDI (34 employees in 2008), whereby as of 31 December 2009 there are 62 full-time internal employees and 23 part-time employees (which is recalculated as 73.5 positions with 85 persons). The existing personnel capacity enables the problem-free functionality of the implementation process with a clear division of competence between individual employees and divisions within the departmental structure. When filling the employment positions, emphasis is placed on the qualifications and experience of the applicants, their level of motivation, specialisation and professional growth within the implementation system. One positive fact is that it was possible to hire experts, who have the required experience with the preparation and implementation of operational programmes, for the leading positions thereby creating the necessary prerequisites for a quick start to the operational programme and its smooth implementation with the minimum possible level of risk.

1.4 Current Socio-Economic Analysis

A critical weak point of R&D in the CR continues to be the low level of expenditure on R&D in comparison with the other countries of the EU-27 and the associated limited production of R&D results and, in the long run, also limited possibilities for the changes that are required to its structure. At the same time, expenditure is very fragmented and the R&D capacity is concentrated very little, which makes it impossible to establish R&D workplaces of a critical size and to attain the necessary quantity and quality of R&D results. A lack of stimulation and insufficient motivation to co-operate with enterprises on the part of public R&D workplaces, combined with an unsatisfactory focus on the needs of the application sphere, leads to a low level of relevance of applied R&D results and a low level of efficacy with regard to expenditure. Insufficient co-operation with the application sphere and a low level of support for the commercialisation of R&D results is also reflected in the low capacity and quality of

services at transfer technology centres at research institutions and universities. Unsatisfactory material conditions for quality R&D at the majority of workplaces limit the ability to produce leading-edge results and to ensure quality training for the next generation. This situation also decreases the possibilities for cooperation with the application sphere, in particular with regard to applied research. The development of the Czech economy continues to run into a lack of graduates in the natural sciences and especially from technical fields, which results in particular from limited possibilities for practical training (availability of instruments, computer equipment, limited library capacity) in addition to the objective downsizing of the capacity at universities.

On the other hand, the CR does have quality scientific staff and scientific R&D teams in selected fields that are internationally competitive and who are active in research organisations in the Convergence regions. As a result of legislative reforms, interest in co-operating with the application sphere is increasing on the part of research institutions and universities. Interest in studying at universities is increasing simultaneously.

In the Czech Republic 2009 saw the strengthening manifestations of the culminating economic and financial crisis. This resulted in the unceasingly increasing level of pressure on the thus far relatively fragmented development of knowledge-based competitive strength. As can be seen from the conclusions of the 2009 Strategic Report for the CR,[1] the NSRF objectives and priorities continue to be valid and, along with them, the positioning of the OP RDI with which it is linked. The existing situation might however help the quicker generation, introduction and use of innovations in economic activities, whereby an important source of innovations is research and development. With its focus on the development of excellence in R&D and its emphasis on applied research transfer technologies and the development of university education with a long-term perspective, the OP RDI creates appropriate prerequisites for overcoming the negative trend that have been identified and even for overcoming the economic crisis. This is assisted by the fact that enterprises are aware of the strategic role that R&D play and are currently decreasing the expenditure designated for R&D only after all other options for reducing business costs have been exhausted. From the short-term perspective, R&D subjects should be supported by the state, primarily through reduced deductions for social and health insurance, tax relief for purchased R&D and shortened depreciation period for instruments, machinery and equipment.[2].

The slowly receding economic crisis might however negatively influence the implementation of projects and their sustainability in coming years. In relation to economic problems, companies will strive to reduce their costs, whereby it is possible to also expect a decrease in the costs for purchasing R&D results from public research institutions and universities and a lover level of interest in implementing joint R&D projects. In the most marginal case, this could become apparent in the reduced benefits brought by realised projects. Primarily, the level of transfer technologies could decrease as well as the development of joint R&D projects in the created capacities. The influence that a decrease in private R&D expenditure in the created capacities should however most likely not be dramatic, as private R&D expenditure aimed at public R&D is fairly low (in 2007, it was equal to only 7.2% of the R&D expenditure realised by the governmental sector. The possible negative impact of the economic crisis on the implementation and sustainability of projects will however be taken into account at the time projects are prepared and evaluated during the current programming period. The aforementioned facts and circumstances will be taken into account during the

[1] Supporting documents for the 2009 Strategic Report for the CR – Final Report, BermanGroup in cooperation with Cassia Development and Consulting; 2009

[2] Pazour, M., Mráček, K., Kučera, Z.: Podnikový výzkum a vývoj v období hospodářské recese – trendy a očekávání, *(Business Research and Development in Economic Recession – Trends and Expectations);* ERGO Vol. 4, No. 4, Technological Centre of the Academy of Sciences of the CR, 2009; Accessible at: http://www.strast.cz/dokums_raw/200911ergowww_11.pdf

next period, during which the most successful OP RDI projects that meet certain criteria (e.g. co-financing from private sources) will continue to be supported from national sources.

2 OVERVIEW OF OP RDI IMPLEMENTATION

2.1 Progress Achieved and its Analysis

Table No. 3 Overview of the most significant events for 2009

Date	Event
1/1/2009	Issue of the first version of the OP RDI Operational Manual
30/4/2009	End of acceptance of applications in the first call of Priority Axis 2
14/5/2009	3. Session of the OP RDI Monitoring Committee
14/5/2009	Approval of the OP RDI Evaluation Plan for the period 2007-2013
14/5/2009	Issue of an updated version of the OP RDI Implementation Document
1/6/2009	Announcement of call in Priority Axis 1 – European Centres of Excellence
15/6/2009	Announcement of call in Priority Axis 2 – Regional R&D Centres
13/7/2009	Issue of the first version of the OP RDI Beneficiary's Manual
23/7/2009	Issue of the first version of the OP RDI Communication Plan
17/8/2009	Announcement of call in Priority Axis 4 – Infrastructure for University Education related to Research
16/11/2009	End of application acceptance in the first call of Priority Axis 1 and in the second call of Priority Axis 2
24/11/2009	Description of the first Decisions for granting financial support in projects in Priority Axis 2 – Regional R&D Centres
2/12/2009	4. Session of the OP RDI Monitoring Committee
10/12/2009	Payment of the first four deposit payments for the approved projects of Priority Axis 2
15/12/2009	Announcement of call 1.3 – Centres for Popularisation, Promotion and Media of R&D and call 2.3 – Information Infrastructure of R&D (Area of Intervention 3.2)

Source: OP RDI MA

2.1.1 INFORMATION ON THE MATERIAL PROGRESS OF OP RDI

2009 was the breakthrough year in OP RDI implementation The first calls were announced in Priority Axis 1, 3 and 4 and the second call in Priority Axis 2; key documents necessary for efficient implementation were issued and updated; the final completion of administrative capacity was performed; the evaluation process of the first announced call in Priority Axis 2 was commenced and completed and the first Decisions on granting financial support were issued.

The most significant progress in implementation was reported in Priority Axis 2. Acceptance of project applications was commenced which subsequently underwent an intensive evaluation process and the process of shaping project parameters began. By the end of 2009, four applicants who were granted a Decision on the provision of financial support went through this process.

Intensive sessions of the working groups were carried out in preparation of the content focus of the prepared call of Priority Axis 3. There were two calls announced in Area of Intervention 3.2 at the end of the year aimed at popularisation and support of the information infrastructure of R&D. A call focused on the support for the infrastructure of Universities was prepared and announced in Priority Axis 4, with a continuous acceptance of project applications until the end of 2010. However, implementation of Priority Axis 5, where nine projects were approved is the furthest. In the case of one of the projects under Priority Axis 5, the implementation was completed which resulted in a gradual performance of the target values of the monitoring indicators.

A prerequisite for the management of OP RDI was the establishment of key support documents for the entire programming period. It mainly concerned the approval and update of the Operational Manual, an update of the programming documentation, establishment and approval of the Communication Plan, Evaluation Plan and other documents. During 2009 there was also a significant strengthening of the administrative capacity of the MA OP RDI.

When recruiting new staff, there was an emphasis on the high quality of human resources with considerable experience in various areas of implementation. The process of improving and streamlining the OP RDI management will run intensively, even in the coming years

The tables below show the ongoing implementation of the monitoring indicators listed in the OP In regards to the delays in the OP implementation and the low rate of the approved projects in 2009, it resulted in the ongoing performance of the values only in the context of monitoring indicators.

And, in the case of certain projects in Priority Axis 5 (Technical Assistance), monitoring indicators of output were implemented.

Table No. 4 Context indicators at the level of OP RDI

NCI Code EU Code / Lisbon Indicator Type	Indicator Title	Unit of Measure	Source	Value	2007	2008	2009	Target Value 2015	Total
11.05.00 context	Increase of the total number of recognised R&D results for all workplaces in the Convergence regions	Qty	RIV	Achieved	0	0	0	0	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	8,000	8,000
11.04.00 Lisbon context	Share of total R&D costs on GDP	%	CSO	Achieved	1.53	1.47	N/A	N/A	N/A
				Initial	1.42	1.53	1.47	N/A	1.42
				Planned	N/A	N/A	N/A	2,20	2,20
14.01.00 context	Total number of employed persons in R&D per 1,000 employed persons in the national economy	Per mile (%)	CSO	Achieved	9.99	10.15	N/A	N/A	10.15
				Initial	9.1	9.99	10.15	N/A	9.1
				Planned	N/A	N/A	N/A	10.8	10.8
14.01.02 context	Total number of employed persons in R&D per 1,000 employed persons in the national economy – women	Per mile (%)	CSO	Achieved	7.4	7.34	N/A	N/A	N/A
				Initial	5.1	7.4	7.34	N/A	5.1
				Planned	N/A	N/A	N/A	6.3	6.3
13.10.00 context	Summary innovation index (SII)	value	EIS	Achieved	0.39	0.40	N/A	N/A	N/A
				Initial	0.26	0.39	0.40	N/A	0.26
				Planned	N/A	N/A	N/A	0.36	0.36

Source: R&D indicators for 2008, CSO 2009

Table No. 5 Impact indicators at the OP RDI level

NCI Code EU Code / Lisbon Indicator Type	Indicator Title	Unit of Measure	Source	Value	2007	2008	2009	Target Value 2015	Total
11.05.01 impact	Increase of the total number of recognised R&D results per supported workplace	Qty	MA IS	Achieved	0	0	0	0	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	2,000	2,000
14.05.10 impact	Increase of the number of	Qty	CSO	Achieved	1,000	1,000	1,000	N/A	1,000

	doctorate study graduates in the Convergence Regions			Initial	1,000	1,000	1,000	1,000	1,000
				Planned	N/A	N/A	N/A	1,700	1,700
11.03.00 Core 6 impact	Total number of newly created jobs in R&D	Qty	IS A/B	Achieved	0	0	0	0	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	2,500	2,500
11.03.02 Core 6 impact	Total number of newly created jobs in R&D – women	Qty	IS A/B	Achieved	0	0	0	0	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	840	840

Source: MSC2007 as of 7 January 2010

Table No. 6 Output indicators at the OP RDI level

NCI Code EU Code / Lisbon Indicator Type	Indicator Title	Unit of Measure	Source	Value	2007	2008	2009	Target Value 2015	Total
1. European Centres of Excellence									
11.07.00 output	Number of Centres of Excellence	Qty	MA IS	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	5	5
11.06.00 output	Number of supported R&D projects (start-up grants) implemented in the supported centres	Qty	MA IS	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	5	5
11.08.00 output	Centres equipped with unique R&D infrastructure of national importance	Qty	MA IS	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	3	3
11.05.11 output	Reconstructed, extended and newly developed capacity	m^2	MA IS	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	60,000	60,000
2. Regional R&D Centres									
11.10.00 output	Number of equipped regional R&D centres	Qty	MA IS	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	20	20
11.11.00 output	Number of operational regional R&D centres	Qty	MA IS	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	20	20
11.06.00 output	Number of supported R&D projects (start-up grants) implemented in the supported centres	Qty	MA IS	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	20	20
11.05.11 output	Reconstructed, extended and newly	m^2	MA IS	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0

	developed capacity			Planned	N/A	N/A	N/A	60,000	60,000
3. Commercialisation and Popularisation of R&D									
13.20.00 output	Number of supported projects and mechanisms for commercialisation	Qty	MA IS	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	20	20
13.21.00 output	Number of projects in the visitors centres and science learning centres for the popularisation R&D	Qty	MA IS	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	5	5
13.25.00 output	Number of supported projects for the information infrastructure for R&D	Qty	MA IS	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	2	2
4. Infrastructure for University Education related to Research									
11.05.10 output	Number of supported projects – Infrastructure of R&D	Qty	MA IS	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	20	20
11.05.11 output	Reconstructed and developed capacities	m^2	MA IS	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	70,000	70,000
5. Technical Assistance									
48.01.00 output	Number of supported projects of Technical Assistance	Qty	MA IS	Achieved	0	0	1	N/A	1
				Initial	0	0	0	1	0
				Planned	N/A	N/A	N/A	15	15
48.05.00 output	Number of created studies and reports (incl. Evaluations)	Qty	MA IS	Achieved	1	1	8	N/A	8
				Initial	1	1	1	0	1
				Planned	N/A	N/A	N/A	20	20
48.03.00 output	Number of committee sessions (monitoring, advisory and administration)	Qty	MA IS	Achieved	0	2	4	N/A	4
				Initial	0	0	2	4	0
				Planned	N/A	N/A	N/A	16	16
48.11.00 output	Number of conducted training, seminars, workshops and other similar activities	Qty	MA IS	Achieved	0	5	22	N/A	22
				Initial	0	0	5	0	0
				Planned	N/A	N/A	N/A	50	50

Source: MSC2007 as of 7 January 2010 – TA Monitoring Report

Table No. 7 Results indicators at the OP RDI level

NCI Code EU Code / Lisbon Indicator Type	Indicator Title	Unit of Measure	Source	Value	2007	2008	2009	Target Value 2015	Total
1. European Centres of Excellence									
11.08.10 result	Number of research staff who utilise the existing infrastructure	Qty	IS A/B	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	2,500	2,500
11.08.20 result	Number of magistrate and doctorate study programmes utilising the existing	Qty	IS A/B	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0

	infrastructure			Planned	N/A	N/A	N/A	500	500
11.07.10 result	Number of cooperation projects in the application sector with Centres of Excellence	Qty	IS A/B	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	30	30
11.08.30 result	Share of new infrastructure capacities utilising other authorities	%	IS A/B	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	30	30
11.03.00 result Core 6	Total number of newly created jobs in R&D	Number	IS A/B	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	1,000	1,000
11.03.02 result Core 6	Total number of newly created jobs in R&D – women	Number	IS A/B	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	340	340
2. Regional R&D Centres									
11.07.20 result	Number of cooperation projects in the application sector with the regional R&D centres	Qty	IS A/B	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	100	100
11.08.15 result	Number of students of all grades who utilise the existing infrastructure / participate in the activities of the centre	Qty	IS A/B	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	400	400
11.03.00 result Core 6	Total number of newly created jobs in R&D	Number	IS A/B	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	1,500	1,500
11.03.02 result Core 6	Total number of newly created jobs in R&D – women	Number	IS A/B	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	500	500
3. Commercialisation and Popularisation of R&D									
13.20.10 result	Number of bodies utilising the services for the support of commercialisation	Qty	IS A/B	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	500	500
13.21.10 result	Number of visitors in the supported visitor	Qty	IS A/B	Achieved	0	0	0	N/A	0

	centres and science learning centres			Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	30,000	30,000
13.24.00 result	Number of bodies utilising the information infrastructures services of R&D	Qty	IS A/B	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	65	65
4. Infrastructure for University Education related to Research									
11.05.20 result	Number of students benefiting from the newly reconstructed infrastructure	Qty	IS A/B	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	50,000	50,000
11.05.21 result	Number of students benefiting from the newly reconstructed infrastructure; students of doctorate study programmes	Qty	IS A/B	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	5,000	5,000

Source: MSC2007 as of 7 January 2010

2.1.2 OVERVIEW OF THE ANNOUNCED CALLS

In 2009 a total of 7 calls[3] were carried out in all priority axes, with the exception of Priority Axis 3, with a total allocation of EUR 1,751,929,997. On 15 January 2010, a total of 135 applications for financial support totalling EUR 3,335,487,456 were received, which is 137% of the total allocation of public resources for the OP RDI. As part of Priority Axis 4 and 5, a continuous form of collection and evaluation of the project applications was chosen. In the case of other priority axes, these are rounds of calls.

The maximum intensity within the announced calls, provided from the resources of the European Fund for Regional Development, is 85%. The remaining 15% is covered by national public resources. The support is provided in the form of a subsidy. The provided support does not constitute public support pursuant to Article 87 of the Treaty on the Establishment of the EC. Provided resources will be purposely earmarked to cover eligible projects costs.

Detailed information on the current calls is presented in Table No. 7 and Chapter 3 Implementation in accordance with the individual priority axes.

Table No. 8 Overview of announced and continuous calls in 2009

Call order	Call opening date	Closing date for the call	Priority Axis/Area	Allocation for the Call	Project applications submitted		Projects with an issued decision/signed contract	
			Aid sub-area	in EUR	Qty	in EUR	Qty	in EUR
1.	1/3/2009	30/4/2009	2.1	227,272,727[4]	44	891,588,289	4	89,610,487
2.	4/8/2009	16/11/2009	1.1	643,939,394	15	1,085,969,649	0	0
3.	18/8/2009	16/11/2009	2.1	416,666,667	59	1,129,786,868	0	0
4.	15/9/2009	31/12/2010	4.1	378,787,879	8	200,334,732	0	0

[3] In accordance with the Recommended procedures for the preparation of the Annual Report on the performance of the OP; these are the calls carried out in 2009. The date of the start of the call means the beginning of the acceptance of the application. Therefore, the two announced calls are not included under Priority Axis 3 with an allocation of EUR 113,636,364 which was announced on 15 December 2009 but the date of acceptance was set to 1 March 2010 or 1 May 2010.

[4] Based on MC OP RDI decision in December 2009, the total allocation was raised to 239,772,727 EUR (CZK 6,3 billion).

5.	1/6/2008	continuous	5.1	74,179,096	7	23,792,767	7	23,792,767
6.	1/6/2008	continuous	5.2	2,557,882	1	1,893,939	1	1,893,939
7.	1/6/2008	continuous	5.3	8,526,352	1	2,121,212	1	2,121,212
Total	**---**	**---**	**---**	**1,751,929,997**	**135**	**3,335,487,456**	**13**	**117,418,406**

Source: IS MA as of 7 January 2010, exchange rate at 26.40 CZK/EUR
Note: Allocation for the call is represented by the total resources

2.1.3 INFORMATION ON OP RDI FINANCIAL DATA

The following table shows the financial progress of the OP RDI The figures here are of the first four deposit payments that were paid by the MA of the beneficiaries. The table contains deposit payments from the EC, the amount can be seen in the table showing the performance of N+3 (N+2).

Table No. 9 Priority axes based on the source of funding (financial contribution from SF/CF and from national public resources in EUR)

---	Expenditure paid by the beneficiary and included in payment applications sent to the MA	Applicable contribution from public sources	Costs paid by the body responsible for the payments of the beneficiaries	Total amount received from the EC
Priority Axis 1 – European Centres of Excellence	0	0	0	61,685,583.53
Of which: EFRD type expenditure	0	0	0	
Priority Axis 2 – Regional R&D Centres	0	13,814,696	13,814,696	61,685,583.53
Of which: EFRD type expenditure	0	11,742,492	11,742,492	
Priority Axis 3 – Commercialisation and Popularisation of R&D	0	0	0	19,195,211.79
Of which: EFRD type expenditure	0	0	0	
Priority Axis 4 – Infrastructure for University Education related to Research	0	0	0	37,272,255.91
Of which: EFRD type expenditure	0	0	0	
Priority Axis 5 – Technical Assistance	0	0	0	6,522,644.78
Of which: EFRD type expenditure	0	0	0	
Grand total		**13,814,696**	**13,814,696**	**186,361,279.56**

Source: MSC2007 as of 7 January 2010, rate at 26.40 CZK/EUR.

Financial Plan of the OP RDI

The Financial Plan of the OP RDI is based on the financial plan of the allocation of the Czech Republic for the objective Convergence in the period 2007-2013. For the OP RDI, there is an

allocation of the total financial resources set at 8% of the resources designated for the objective. The total financial allocation of the OP RDI is EUR 2,436,095,160 of which EUR 2,070,680,884 is the EFRD contribution (85%) and EUR 365,414,276 comes from the state budget of the Czech Republic (15%). The following table shows the OP RDI financial plan for the individual priority axes and Areas of Intervention.

Table No. 10 OP RDI Financial Plan in accordance with the priority axes and Areas of Intervention

Priority Axis / Area of Intervention	Fund	EU contribution in EUR	Public funds total in EUR	Share of total OP allocation in %
1. European Centres of Excellence	EFRD	685,395,373	806,347,498	33.1
1.1 European Centres of Excellence	EFRD	685,395,373	806,347,498	33.1
2. Regional R&D centres	EFRD	685,395,373	806,347,498	33.1
Regional R&D Centres	EFRD	685,395,373	806,347,498	33.1
3. Commercialisation and popularisation of R&D	EFRD	213,280,131	250,917,802	10.3
3.1 Commercialisation of the results of research organisations and protection of their intellectual property	EFRD	96,945,525	114,042,141	4.7
3.2 Promotion and awareness of the R&D results	EFRD	116,334,606	136,875,661	5.6
4. Infrastructure for University Education related to Research	EFRD	414,136,177	487,219,032	20.0
4.1 Infrastructure for University Education related to Research	EFRD	414,136,177	487,219,032	20.0
5. Technical Assistance	EFRD	72,473,830	85,263,330	3.5
5.1 OP RDI Administration	EFRD	63,052,231	74,179,099	3.0
5.2 Awareness and publicity of the OP RDI	EFRD	2,174,199	2,557,900	0.1
5.3 Absorption capacity of the OP RDI	EFRD	7,247,399	8,526,331	0.4
Total	**---**	**2,070,680,884**	**2,436,095,160**	**100.0**

Source: Operational Programme Research and Development for Innovation 2008

Implementation of the N+3 and N+2 rule

In line with the Inter-institutional Agreement of 17 May 2009, Article 48, an allocation for 2007 was transferred into the financial allocation for 2008. The allocation for 2008 from the EFRD, after the transfer of the allocation for 2007, came to EUR 526,469,181. However, this financial allocation has not yet been utilised because there have been no applications for payment yet, which would be subsequently certified. The approval of projects in excess of the total allocation for 2007 and 2008 should occur at the end of the first and second half of 2010. The drawing allocation should not be jeopardised for the following reasons:

- ✓ Setting up a system of payments every three months allows for the rapid utilisation of the OP
- ✓ The volume of the proposed projects is in excess by more than a third of the allocation for the entire programming period.
- ✓ The implementation of a rather smaller number of projects in large volumes is expected, which makes the drawing of financial resources easier.
- ✓ There are limits set up for the end of the project implementation, so that submitted applications for payment can be administered on time and so that the rule N+2/N+3 can be met.
- ✓ The precise project evaluation and approval system minimises the possibility of problems in the implementation stage of the projects
- ✓ The first certification under the OP RDI is prepared for June 2010

Table No. 11 Implementation of the N+3/N+2 rule

Financial plan - year	Total allocation of EU resources	N+3 / N+2 limits	EC Deposit payments	Applications for interim/final payments submitted to the EC	EC Deposit payments + applications for payments submitted to the EC	EC Deposit payments + applications for payments submitted to the EC	Differences between limits and payments
	2007 - 2013	- cumulative *	- annual	- annual	- annual	- cumulative	- cumulative
	- annual	a	b	c	d=b+c	e	f=e-a
2007	0		-		-	-	-
2008	526 469 181,00		103 534 044,20		103 534 044,20	103 534 044,20	103 534 044,20
2009	282 245 851,00		82 827 235,36		82 827 235,00	186 361 279,56	186 361 279,56
2010	295 531 959,00			5 385 448,70	5 385 448,70	0,00	0,00
2011	308 824 129,00	526 469 181,00		0,00	0,00	0,00	-526 469 181,00
Celkem	**1 413 071 120,00**	**526 469 181,00**	**186 361 279,56**	**5 385 448,70**	**191 746 727,90**	**289 895 323,76**	**-236 573 857,24**

Source: IS MA as of 7 January 2010, rate at 26.40 CZK/EUR.
*Note to column "a": N+3 rule is applied for 2008-2010; N+2 rule is applied for 2011-2013.
N+3/N+2 rules meet in 2013

Table No. 12 Deposit payments in EUR since the beginning of the programming period until 31 December 2009

Priority Axis (PA)	Allocation percentage for PA	2008	2009	Total
1	33.1	34,269,768.63	27,415,814.90	61,685,583.53
2	33.1	34,269,768.63	27,415,814.90	61,685,583.53
3	10.3	10,664,006.55	8,531,205.24	19,195,211.79
4	20.0	20,706,808.84	16,565,447.07	37,272,255.91
5	3.5	3,623,691.55	2,898,953.24	6,522.644.78
Total	**100.0**	**103,534,044.20**	**82,827,235.36**	**186,361,279.56**

Source: MSC2007 on 7 January 2010

Cross Financing

In the framework of Priority Axes 1 to 4, a flexibility of the measures falling within the scope of the area of intervention of the ESF (i.e. cross-financing) will be used, provided these measures are necessary for the satisfactory performance of the operation and it is directly related to it (e.g. increasing the adaptability of workers and ensuring mobility for these capacities, identification of future occupational and skill requirements and the development of specific services for the facilities, etc.) so that it will comply with the provisions of Article 34(2) of the Council Regulation (EC) No. 1083/2006. The application of cross-financing will also comply with the "Guidelines for cross-financing for the programming period 2007-2013", issued at the national level. Specific measures will be taken to reflect developments in the OP RDI implementation.

2.1.4 INFORMATION ON THE BREAKDOWN OF FUND UTILISATION

Information on the breakdown of the use of funds is contained in a separate Annexe No. 3 of this report.

2.1.5 INFORMATION ABOUT AID BY TARGET GROUPS

The target groups of the OP RDI consist mainly of R&D institutions and Universities. Within Priority Axes 1 and 2, there are primarily research organisations and other authorities that comply with the terms of the Community Framework for the Public Support of Research, Development and Innovations. Priority Axis 3 is aimed mainly at research organisations and other authorities dealing with specialised activities in the area of popularisation and promotion of R&D, which satisfy the conditions of the Community Framework for Public Research, Development and Innovations. Priority Axis 4 is focused on public, state and private Universities and other authorities pursuant to Act No. 111/1998 Coll., on Universities[5], that comply with the current terms of the Community Framework for the Public Support of Research, Development and Innovations. The target group under Priority Axis 5 is MEYS as the Managing Authority of the OP RDI.

The sector support of OP RDI focuses mainly on the SCEA 73 Research and Development (73 NACE rev. 1.1, 72 NACE rev. 2) and 8030 Further and higher education (8030 NACE rev. 1.1, 8542 NACE rev. 2).

Programme activities are realised in the entire territory of the Czech Republic, with the exception of the NUTS II Prague region.

Geographically, we can expect a significant concentration of implemented projects in the centres of regional and supra-regional importance or in its surrounding area. This concentration is typical for the progressive trimester and quarter, where activities with high added value are realised and are qualitatively subjected to the qualification of human resources.

According to the defined types of territory with centralised state support, pursuant to the current Strategies for the Regional Development of the Czech Republic for the period 2007-2013, greater investment in the economically weaker regions or in the regions with above average unemployment cannot be anticipated. The exception is the Ostrava region, where research institutions are centralised and which is going through a relatively successful economic conversion.

A brief description of the focus of the projects that received the Decision to grant subsidies in the period before 31 December 2009 is listed in Annexe 1 of this report. The current list of OP RDI beneficiaries is available at http://www.msmt.cz/strukturalni-fondy/seznam-prijemcu-v-ramci-op-vavpi.

2.1.6 REPAID OR REPEATEDLY USED AID

In the course of the programme implementation in 2009, no reimbursement of financial resources to the beneficiaries occurred as a result of the violation of the rules of sustainability of operations or due to irregularities. Any reimbursement of financial resources to the beneficiaries will be governed by the terms set out in Article 98 of Regulation 1083/2006 “Financial corrections performed by the Member States”.

2.1.7 QUALITATIVE ANALYSIS

Given the focus of the Operational Programmes and the intensity of activities with high added value that are supported by OP RDI, we can assume slow material and financial progress, in which the dynamics will get stronger in the next OP RDI implementation stage.

The MA OP RDI created very good conditions for the smooth and efficient utilisation of public resources after the approval of all necessary documents. Cumulatively, in all priority axes of the OP RDI, 135 project applications of the total financial volume, in excess of EUR 3.3 billion of public resources, were accepted which represents approximately a 137% share of

[5] Act No. 111/1998 Coll., on Universities and on the amendment of certain laws (Act on the Universities), as amended.

the total allocation of the OP RDI for the programming period 2007-2013. Achieved results thus reflect the efforts of the MA OP RDI in the development of satisfactory absorption and administrative capacities that create good conditions for low risk implementation.

The biggest substantive progress was recorded within Priority Axis 2 Regional R&D Centre and Priority Axis 5 Technical Assistance. A total of 11 projects were approved under these priority axes in excess of EUR 110 million. One of the projects, for the support of the implementation documents development under Priority Axis 5 in the amount of EUR 498,105 was successfully completed.

During the last year, MA OP RDI coordinated a difficult evaluation process of 44 submitted applications with the requested allocation in excess of EUR 891 million. Domestic and external evaluators chose and recommended for approval 12 projects of the highest quality. Four of the most successful applicants were issued a Decision to grant subsidy in November 2009. The other eight projects had to undergo a so called clarification of parameters, with the aim to eliminate any possible risks during the project implementation. The issuance of the Decision in the case of the projects of the first call for Priority Axis 2 is planned for the first quarter of 2010.

The project acceptance period under the first call of Priority Axis 1 European Centres of Excellence was also completed at the end of the year. Of the total of 15 submitted projects, 5 submitted projects were major and a control of formalities and acceptance check was launched. The second call of Priority Axis 2, equally designated for standard and large projects, was run simultaneously. This call accepted 59 project applications (including 3 major projects) with a total financial value of more than EUR 1.1 billion. In Priority Axis 3, two calls focused on the promotion and information infrastructure of R&D in Area of Intervention 3.2 were intensively prepared through the sessions of expert working groups and were finalised and announced at the end of the year. Significant progress was also achieved in the support of the infrastructure of Universities, which is the focus of Priority Axis 4. The newly launched call of this priority axis, as well as the evaluation of the project applications, has a continuous nature. So far there has been 8 project applications with the requested allocation in excess of EUR 200 million.

Simultaneously, the approval process and the implementation system were completed, ensuring adequate staff training and implementation and preparation of documents necessary for the successful implementation and realisation of the OP RDI. Besides the OP, an Implementation Document for the OP RDI, Manual for Applicants and documentation for call (selection criteria, rules of eligible costs, monitoring indicators at the project level and other materials) were created as well as the methodology of project evaluation under Priority Axes 1 and 2.

In 2009, there was a drawing of the financial allocation of the OP RDI, with the exception of Priority Axis 5, in Priority Axis 2. A total of EUR 13.8 million, which is less than 2% of the total allocation for this priority axis, was reimbursed to the beneficiaries in this priority axis. Despite that, we can anticipate a massive increase in the utilisation of the financial resources in the coming years in relation to the calls of the other priority axes, which should culminate in 2011 and the following years. This relatively late and rapid development is caused by the late approval of OP RDI, the complex system of evaluation and the challenging nature of the projects. Although, the accurate evaluation and project approval system ensures that the projects selected are not only of the highest quality but they are also the most promising in terms of financial analysis and sustainability in order to avoid most problems in the project implementation stage. The current interest of the applicants shows that a sufficient number of project applications with an adequate funding level will be submitted under all the priority axes, which will allow the maximum drawing of the OP RDI financial resources.

Since only a negligible number of projects have been approved so far, we are not currently able to discuss the specific and actual contributions of the OP RDI in the performance of the NSRF objectives, the effect of horizontal EU topics and the progress performance in the implementation of the Lisbon indicators. However, we can expect the OP RDI to have a strong effect on all of the listed areas based on the increase of the number of supported projects in advanced stages of implementation.

In the case of the NSRF, we can anticipate a strong contribution in the performance of the priority axis "Competitive Czech Economy" and in particular "Support Capacity of RDI", where the OP RDI, together with the OPEI represent the core interventions. At the same time, the fulfilment of the strategic objective “Open, flexible and cohesive society”, priority “Education”, where the OP RDI complements the interventions realised through the OP EC (funded from the ESF). Projects supported by the OP RDI also contribute to the performance of the strategic objective “Attractive Environment”, particularly R&D activities that can stimulate the conditions for the development of the eco-industry and environmentally friendly technologies. It will also contribute to the technological development of the Convergence objective region, which is part of the strategic goal “Balanced development of the territory”.

Similarly, a growing influence on adherence to the principle of Equal Opportunities can be expected. Projects are evaluated to ensure equal access to the opportunities offered. Particular attention is paid to the situation and easier integration of women into the area of R&D and the support of gender balance. In the case of the relevant priority axes / areas of intervention of the OP RDI, the specifically monitored indicator of the number of women in R&D is in connection to newly created jobs in R&D.

The OP RDI is closely linked to the Priorities of applied research, development and innovations of the Czech Republic for the period 2009-2011, which are currently incorporated into the document National Research, development and innovations policy of the Czech Republic for the period 2009-2015. Two of the total of eight strategic directions of development (or out of seven directions supported under Priority Axes 1 and 2) are focused on the areas with a direct link to the support of sustainable development, an increasing effect of supported projects and due to the OP RDI the sustainable development can also be expected. The link to these priorities is reflected, *inter alia*, that the conformity of the project with the priorities is the qualifying criteria of Priority Axes 1 and 2 of the OP RDI.

The OP RDI implementation significantly contributes to the development of the partnership principle especially the development of the cooperation among research institutions, Universities and the business sector. Given the significant scope of the anticipated activities of projects in Priority Axes 1 and 2, these partnerships will also have a regional, national and international dimension. It will interlink important players in R&D across a variety of disciplines; synergy will be created and empowered through the network of contacts which will be a significant impetus for the generation of R&D results with a high added value. In all priority axes the emphasis is on forming partnerships and the active involvement of partners in the projects.

As stated above, in the relationship of the OP RDI and the implementation of the Lisbon strategy, the EC noted that the OP RDI may be used as a model for the focus of the operational programme funded from EU funds for the purpose of Lisbon strategy implementation. The OP RDI focus on the objectives of the Lisbon strategy is evident from the allocation for each priority theme.

Table No. 13 Realistic progress of the OP RDI

Area of Intervention	Allocation 2007-2013	Funds covered by Decision / Contract (addendum)		Funds reimbursed to beneficiaries		Certified funds submitted to EC	
	a) EUR	b) EUR	% b/a	c) EUR	% c/a	d) EUR	% d/a
1.1	806,347,498	0	0	0	0	0	0
2.1	806,347,498	89,610,487	11.1	13,814,696	1.7	0	0
3.1	114,042,141	0	0	0	0	0	0
3.2	136,875,661	0	0	0	0	0	0
4.1	487,219,032	0	0	0	0	0	0
5.1	74,179,099	23,792,767	32.07	0	0	0	0
5.2	2,557,900	1,893,939	74.04	0	0	0	0
5.3	8,526,331	2,121,212	24.88	0	0	0	0
Total OP1	**2,436,095,160**	**110,428,852**	**4.5**	**13,814,696**	**0.6**	**0**	**0**

Source: MSC2007 as of 7 January 2010, rate at 26.40 CZK/EUR.
Note: Funds apply to cumulative public funds, i.e. EU and national sources. Priority Axis 5 uses ad hoc data entered in MSC2007 in February 2007. All values of the table are cumulative.
*The share of all completed projects on the allocation is related to the total allocation for the period 2007-2013.

Table No. 14 Allocation for the priority themes (contribution from EFRD)

Priority topic	Allocation in EUR 2007-2013	% used in 2009 from the 2007-2013 allocation
01 Activities in the area of research and technological development in the research centres	318,840,696	0
02 Infrastructure for research and technological development and professional centres for specific technologies	1,310,093,166	0
03 Transfer of technologies and improvement of the network of cooperation among SMEs and other enterprises and Universities, institutions of post-secondary education of all types, regional authorities, research centres and scientific and technological centres	265,851,873	0
04 Assistance for research and technological development, in particular SMEs	9,694,551	0
07 Investment into the enterprises directly linked to research and innovations	9,694,551	0
12 Information and communication technology (TEN-ICT)	84,032,217	0
85 Preparation, implementation, monitoring and inspection	50,248,522	0
86 Evaluation and studies; information, and communication	22,225,308	0
Total	**2,070,680,884**	**0**

Source: MSC2007 as of 15 January 2010

2.2 Information on Conformity with the Community Legal Regulations

In 2009, no cases of non-compliance with the European Community legislation were detected during the implementation of the OP on the part of the Managing Authority or the beneficiaries obtaining aid from the operational programme.

The Managing Authority issues a system of controlled documentation including the whole system of the implementation of the ROP, which is in compliance with both Czech and European legislation. The controlled documentation system, in regards to both its contents and form, places emphasis on compliance with the rules of:

- ✓ Economic competition;
- ✓ Public procurement;
- ✓ Environmental protection;
- ✓ Support of equal opportunities.

Rules of Economic Competition

The funds for the implementation of the OP are regarded as public funds; for the provision of which relevant EU rules relating to public support and national legislation apply.

The basic rules defining public support are Articles 87 to 89 of the Treaty on the European Union. In accordance with these Articles, support provided in any form by the state or from the state funds that violates or may violate economic competition by giving preference to certain businesses or certain manufacturing sectors, is incompatible with the common market if it affects trade among the Member States. Exceptions to this basic rule are further specified in the Treaty on the European Union.

In the Czech Republic, the provision of public support is regulated by Act No. 215/2004 Coll., on the Adjustment of some relations in the area of public support and on the amendment of the act on the Promotion of research and development, as amended. The Office for the Protection of Competition acts on a national level in the area of economic competition and public support which is the only coordinating and advisory authority of the providers of the public support in the area of public support, and thus the Managing Authority of the OP RDI, with regards to the exclusive competence of the European Commission concerning the authorisation of public support.

Proper compliance with the rules of public support is incorporated into the setup of the OP RDI. The principle of project review, from the point of view of the correct application of public support rules, is taken into account within the process of the evaluation of subsidy applications.

With effect from 1 July 2009 an amendment of Act No. 130/2002 Coll., on the Promotion of research and development from public resources and on the amendment of certain related laws (Act on the Promotion of R&D), as amended occurred, which was in fact able to support projects in keeping with the OP RDI. Due to the delay in the actual preparation and approval of the operational programme itself and in connection with the first projects of the material priority axes, the beneficiaries or the Managing Authority of the OP RDI did not incur any issues with the implementation of the operational programme for the period from January to June 2009 due to the lack of regulations.

Public Procurement

In the case of public procurement, the OP RDI Programming Documentation stipulates that all applicants and beneficiaries are obliged to proceed in accordance with Act No. 137/2006 Coll., on Public Procurement, as amended, which reflects European Directives 2004/17/EC and 2004/18/EC regulating public procurement and is simultaneously in accordance with the additional rules of the OP RDI. Procurement is subject to review by the Managing Authority.

On the basis of carried out audits and experiences from the 2004-2006 period, the Ministry for Regional Development (NCA), in cooperation with the Ministry of Finance (PCA), acceded to establishing a basic minimum in the area of procurement that is not regulated by law. The objective of the document “Mandatory procurement procedures co-financed from EU funds, which are not subject to the provisions of Act No. 137/2006 Coll., on Public Procurement, in the programming period 2007-2013” is therefore to determine for all entities involved in the process of the Cohesion Policy implementation, a unified procedure in the area of procurement that is not regulated by the law. This document was approved by the Resolution of the Government of the Czech Republic dated 12 January 2009 under No. 48. These binding procedures serve also as the basis for the creation of a methodological instruction for the Territorial Tax Authorities when exercising control over public procurement.

Transparent public procurement ranks among the main principles of the implementation of operational programmes co-financed from the EU budget which, pursuant to EC legislation,

must be strictly complied with, reviewed and, in the event of its breach, adequate sanctions determined in the form of a re-payment of the corresponding part of the funds provided in the form of a subsidy. Therefore it was necessary to unify the matter concerned and to approach public procurement and sanctions in the case of non-observance of the fixed principles in a unified and transparent manner, irrespective of whether or not the contracts are subject to statutory regulations.

In 2009 a legislative-technical error occurred in the area of public procurement when a new exception from the obligation to award public procurement on the basis of the law in the case of the contracts for services in research and development was entered in the newly amended Act on Public Procurement. In regards to the substantive focus of the OP RDI, this amendment could have a lot of far-reaching consequences on R&D. However, the MA OP RDI was timely in its advice to all applicants and beneficiaries of the support from the OP RDI not to apply this exemption (under the penalty of ineligibility of the costs), as it was not in compliance with the relevant European directives. At the same time, the MA OP RDI, in cooperation with the MRD, initiated the deletion of the exemption from the Public Procurement Act. This exemption was subsequently deleted at the end of 2009. With regard to the timely capture of the legislative-technical error by the Managing Authority of the OP RDI and the MRD of the Czech Republic, the OP RDI implementation was not adversely affected according to the opinion of the MA OP RDI.

The Managing Authority of the OP RDI also issued for the purpose of the applicants and beneficiaries “Rules for the selection process of suppliers under the Operational Programme Research, Development and Innovations” which is based on the above Binding procurement procedures co-financed from EU sources and contain both the mandatory methodology section and the section on recommendations and information for the improvement of “best practice” of the contracting parties in public procurement.

Environmental Protection

The European Parliament and Council Directive 2001/42/EC of 27 June 2001 on the Assessment of the Effects of Certain Plans and Programmes on the Environment is reflected in the legal order of the Czech Republic by Act No. 100/2001 Coll., on the Assessment of the Effects on the Environment and on a Change of Certain Related Acts (Assessment of the Effects on the Environment Act), as amended.

The MA OP RDI proceeds in compliance with these legislative standards. In addition, the impact of the supported activities on the environment is taken into account during the project selection and evaluation.

Promotion of Equal Opportunities

The principle of the promotion of equal opportunities is applied in compliance with Council Regulation (EC) No. 1083/2006, Article 6 – Equality and Non-Discrimination of Men and Women.

This chapter of the Annual Report informs about the conformity of the legislation of the Czech Republic with the legislation of the European Union. A description of the incorporation of these key areas in the setting of the OP is given in the qualitative analysis of the Annual Report, i.e. in chapter 2.1.7.

2.3 Major Problems that Occurred and Measures Adopted for Their Elimination

During 2009 there were significant problems during the implementation of OP RDI which would require special measures to eliminate them; with the exception of the legislative-technical error in the amendment of Act No. 137/2006 Coll., on Public Procurement which was extended by the exemption from the obligation to proceed in accordance with the law when awarding contracts related to research and development. The consequences of this error, which occurred in the MA OP RDI, were however avoided due to the methodical guidelines of the MA OP RDI. During 2009, there was another amendment of the Public Procurement Act which corrected this legislative-technical error (see Chapter 2.2 above).

There have been several audits carried out in 2009, however no findings were reported that would require corrective action.

Compliance audit of the OP RDI

The audit was conducted from 9 February 2009 to 18 May 2009 and was focused on conformity assessment in accordance with Articles 58 to 61 of the Regulation (EC) No. 1083/2006 and Articles 12 to 26 of the Regulation (EC) No. 1828/2006. The task primarily concerned the assessment of the Management and control systems.

This audit included the tasks set within the planned audit for 2008 under the name "OP RDI System Audit – adjustment of the implementation structure", which was not realised due to the delay in the ratification of the operational programme.

The objective of the OP RDI compliance audit was to verify whether the MA is prepared for the report on the financial resources from the EFRD.

The audit team examined the configuration of the management and control systems and the procedures set out by the audited entity and, based on the conducted audit assessment, certain deficiencies were identified. Most of them were removed before the next audit. One of the reasons for the negative findings was the delay in the preparation of the operational programme during its initial period.

Implementation of measures audit from the OP RDI compliance audit

The audit was conducted in July and August 2009 and was focused on the implementation of measures from the OP RDI compliance audit. It assessed the conformity pursuant to Articles 58 to 61 of Regulation (EC) No. 1083/2006 and Articles 12 to 26 of Regulation (EC) No. 1828/2006,

The aim of the “Implementation of measures audit from the Compliance audit” was to verify the efficiency of the measures taken by the Managing Authority of the OP RDI and give assurance of the functional configuration of the managing and control systems pursuant to the legislation of the European Union.

After performing the audit, the audit team reached the conclusion that 22 findings were eliminated and 1 moderate finding, 7 findings with a low level of significance and 3 findings with little significance remain.

The overall conclusion of the audit was that the configuration of the management and control systems of the MA OP RDI is in compliance with the relevant legislation of the European Union and the reassurance on the readiness of the MA for the management of the financial resources from EFRD may be issued.

System audit – project selection and evaluation

This audit was commenced on 11 September 2009 and completed on 15 December 2009. Its objective was to verify the functionality, efficiency and effectiveness of the implementation of the management and control system for project selection and the evaluation process. During the performance of the audit, a total of 24 findings were reported of which none were identified as findings with a high degree of significance.

2.4 Changes that may Occur in Respect of the Operational Programme

In 2009 there have been no changes in the implementation of the OP RDI in relation to exchange risks due to the culminating of the economic recession or legislative changes. Even the reform of the research, development and innovations system of the Czech Republic, approved by the Government of the Czech Republic on 23 March 2008 and the amendment of Act No. 130/2008 Coll., on the Promotion of research and development from public resources, did not register the necessity of significant changes because the preparation of the OP RDI ended at the time of the reform approval and so the OP RDI could fully reflect changes in the area of R&D, which caused the reform in the first place.

However, during the ongoing implementation of the OP RDI, facts emerged that required revisions of the OP RDI texts. The proposed revisions were properly consulted with the National Coordination Authority and subsequently approved by the Monitoring Committee of the OP RDI. The main changes concerned mainly the implementation structure, monitoring indicators, certain definitions, concepts and issues of public support.

One of the changes is the proposed redistribution of the competencies in the context of the implementation structure. Recently the administration of the project applications is performed by CERA (Structural Funds Project Implementation Department) under Priority Axis 5 – Technical Assistance only. The integration of these different activities and expertise within a single department will ensure a high degree of information sharing and flexibility of changes in the case of project administration and supervision of their implementation. It can be assumed that if these activities and capacities were separated, it would lead to a significant loss of information, reducing the potential to enhance professional capacity and reducing the administrative flexibility. Administration of project applications of other priority axes of the OP RDI is ensured by the Department of the OP RDI (O 45), especially in the newly created Department of Project Administration in the OP RDI (O 453) and the Department of Large OP RDI Projects (O 452). The implementation agenda is ensured by the Implementation Department (O 451) and mainly includes the preparation of implementation documents, calls, monitoring and evaluations, communication, publicity and the guarantee of the evaluation process. Coordination activities are provided by the Coordination Department (O 450) and mainly represent methodical support, including the methodical preparation of documents, financial management, cooperation on the implementation of Technical Assistance and coordination of irregularities and risks.

Another change is the exclusion of the CzechInvest agency from the “System mechanisms for achieving synergy between the OP RDI and the OPEI” text, which was attributed the role of an implementation authority in order to maximise the synergy between the OP RDI and the OPEI. However, these mechanisms were created at a time when the Operational Programme RDI was not yet approved and the wording approved by the European Commission is not in compliance with Annexe 5 – System mechanisms for achieving synergy between the OP RDI and the OPEI. The implementation of the OP RDI, including the administration of project applications, is conducted exclusively within the Managing Authority of the OP RDI which is MEYS (this area of synergy is implemented through their coordination mechanisms, particularly through the mutual participation of the representatives of both

Managing Authorities and evaluation and selection committees, coordination of the Monitoring Committees, etc.).

The chapters of the OP RDI and the Implementation Document of the OP RDI containing the monitoring indicators reflect the changes of the updated National dial indicators and the optimisation of the information systems. Emphasis is placed on the most precise interpretation of individual indicators and their clarity. The precise adjustment of the system of indicators and the correct understanding of all present participants will significantly contribute to a more effective monitoring of the substantive progress of the OP RDI.

In regard to the issue of public support, the text was clarified in respect to the recommendations of the working groups carried out in compliance with the partnership principle during the calls preparation. The new wording of the text reflects the real possibilities of the implementation of all measures of the OP RDI, especially in Priority Axis 3. Other changes in the programme documentation were of a marginal character.

2.5 Possible Material Modification

In 2009, no significant material modifications occurred pursuant to Article 57 of the General Regulation. The RDI MA takes all steps to ensure the sustainability of operations in compliance with the said article.

2.6 Complementarity with Other Instruments

The OP RDI is mutually materially complemented with another two thematic operational programmes. They are OP EC and OPEI. These three operational programmes jointly address the weaknesses identified in the analysis of the current social and economic situation of R&D. The set of three interrelated operational programmes are essential for the fulfilment of the Lisbon strategy objectives for the strengthening of the knowledge of the economy, innovations and the role of R&D. Interventions implemented in these three operational programmes also represent important tools in achieving national policy objectives expressed in the R&D and Innovations System Reform of the Czech Republic. In addition to the substantive demarcation, the said programmes differ mainly in the source of the support (OP EC – ESF and OP RDI – EFRD) and by the boundaries set in accordance with the EC guidelines for public support of R&D (OP RDI – supports “R&D organisations in compliance with the definition of the Community Framework for state aid of the research, development and innovations” and OPEI – “business” sector).

To achieve the maximum effect resulting from the complementarity of these operational programmes, the applicants are made aware of the advantages and the added value of the linking OP RDI projects with the projects submitted in other programmes. Furthermore, the synergy and complementarity with other projects submitted within the OPEI and OP EC is also taken into account. The synergy of the OPEI consists mainly of activities in Area of Intervention 5.1. Cooperation platforms i.e. cluster projects, technological platforms, cooperation with enterprises that have received the support for the funding of RDI activities, etc. The OP EC focuses mainly on projects within the activities of 2.3. Human Resources in R&D and 2.4 Partnership and networks. In the case of a maximum synergy with projects in the OPEI and OP EC, the evaluated projects may receive up to a 10% bonus. More about synergies can be found in Annexe 2 (Form for reporting synergies among OPs).

Utilisation of the potential of DG Regio, EIB, EBRD or of individual EU Member States through the initiative JASPERS (Joint Assistance to Support Projects in European Regions) is expected for the preparation of major projects. In 2008 (6 November), the first session with JASPERS representatives was organised which resulted in the commencement of a successful cooperation which continued in 2009.

2.7 Monitoring Measures and Continuous Evaluations

There has been great progress in the development of the OP RDI monitoring system by the MA in 2009. The monitoring of the OP RDI implementation is carried out on three levels.

- ✓ financial monitoring, whose task will be to collect data and information concerning the expended financial resources;
- ✓ Material monitoring, which will monitor the substantive focus of projects in terms of technical, physical and analytical levels;
- ✓ Procedural monitoring, allowing real-time monitoring of the project implementation progress.

Monitoring committee

In accordance with Article 63 of the General Regulation, the Monitoring Committee (MC) was established, whose objective is to ensure the monitoring of the efficiency and quality of the assistance provided. The composition of the MC is based on the partnership principle and the principle of equal opportunities. The members of the MC are mainly the representatives of the MA OP RDI, the OPEI, the OP EC, the OP PC, the NCO, the PCA, representatives of other central government bodies such as the RDIC, delegated regional representatives, representatives of economic and social partners including NGOs and the EC representative in an advisory position.

Two sessions of the MC were held in 2009. The first session was conducted in Prague on 14 May 2009. Among other things, it discussed and approved the calls for Priority Axis 1, 2 and 4, including the annexes, the Annual Report for the OP RDI for 2008 and subsequent amendments to the documents used to implement the OP RDI. The second session of the MA OP RDI was carried out at the premises of the Ministry of Education, Youth and Sports in Prague on 2 December 2009. During the session, among other things, the calls for Priority Axis 3, Annual Evaluation Plan and Communication Plan of the OP RDI were discussed.

In addition, four *per-rollam* votes were carried out in 2009. The first one concerned the approval of the shifting of the end of the project application acceptance period under Priority Axis 1 (issued on 22 June 2009 and approved on 7 July 2009). The second concerned the amendments to the continuous call of Priority Axis 4 (issued on 20 August 2009, approved on 8 September 2009). The third one dealt with the extension of the project application submitting deadline under Priority Axis 1 (issued on 15 September 2009, approved on 15 October 2009) and the last, fourth *per-rollam* vote concerned the amendments to the call announced by the MIT (issued on 16 December 2009, approved on 4 January 2010).

Monitoring System

The OP RDI Monitoring System is part of the Central Monitoring System (MSC2007) that serves the Managing Authority for the monitoring of the OP RDI project implementation as well as the programme management tool. This system also serves the Payment and Certification Authority, Auditing Authority and other bodies of the implementation structure.

The OP RDI Monitoring System consists of two levels – Benefit7 (B7) and Monit7+ (M7+). Last year, the central configuration of these systems was adjusted for the purpose of the OP RDI.

The B7 application serves for the preparation of the project application, monitoring reports and applications for payment by the applicants/beneficiaries. The project application forms were created in accordance with the specifications of the priority axes and a total of eight calls were announced. Furthermore, forms for the monitoring reports preparation and applications for payment were incorporated into B7. Their preparation is almost at the end

and the launch of the IS is expected in the second quarter of 2010. Data from the applications and reports are automatically transferred to M7+.

Equivalent functionalities for the receipt of data from B7 and to allow other project administration by the MA were incorporated into the M7+. The most important incorporated module was “Evaluation”, in relation to the specifications of the OP RDI for the entry of formal evaluations, assessment of acceptability and material evaluation. Furthermore, in relation to B7, the modules for the receipt, administration and approval of the monitoring reports and applications for payment are being developed. Depending on the incorporation of the functionality concerning the applications for payment, the system M7+ is configured in the area of financial flows for successful payment administration. The linking of the M7+ system to the accounting system of MEYS EIS JASUCS is also related to the adjustment of the financial flows. Automatic transfers between the two systems are expected in March 2010. In the area of monitoring a series of systems was incorporated, which is used for programme administration purposes. The requested information is automatically transferred from Monit7+ to MSC2007.

The OP RDI uses the ESOP as an additional application for the purpose of the implementation studies preparation as well as the CBA for individual and large projects submitted to Priority Axes 1 and 2. It also serves for the transmission of electronic documents to the evaluators. Two forms for the implementation study preparation were created within the ESOP system and the CBA modified for individual and large projects. The CBA for large projects was adjusted in accordance with EC requirements.

Evaluations

In 2009, the Evaluation Plan of the NSRF was created in line with the OP RDI, setting out objectives of the evaluation activity for the entire programming period 2007-2013, which was subsequently approved by the OP RDI. All activities concerning the coordination of the evaluation activity at the level of programme management are listed in the EP of the OP RDI in relation to other bodies, the implementation plan of the project realisation, the provisions of the working group for the OP RDI evaluation including the appointment of its members.

Given that the initial stage of the OP RDI in this area, it is necessary to ensure the obligatory evaluation activities – documentation processing for the strategic evaluation and annual evaluation of issues.

The comprehensive strategic evaluation was conducted in the Czech Republic in 2009, based on obligations pursuant to Council Regulation (EC) No. 1083/2006 Article 29, paragraph 2, the strategic reports on the contribution of the operational programmes financed from the Fund of the Community Strategic Guidelines, the NSRF and the performance of the objectives of the cohesion policy is to be submitted to the European Commission before the end of 2009 and 2012. Convergence, Regional Competitiveness, Employment and European Regional cooperation. The coordination and preparation of the Strategic Evaluation Summary in 2009 was ensured by the EJ NSRF established under the NCA. The MA OP RDI provided assistance in the preparation of the evaluation based on the ongoing requirements of the NCA. This assistance was conducted in the form of participation in the sessions of the Evaluation Working Group and the form of communication with the processor of the evaluation (filling in the questionnaires, submission of the requested documentation, etc.).

Another implemented evaluation activity was the Annual Evaluation of issues, which was, based on the guidelines of the EJ NSRF, prepared in 2009 by 28 February 2009 and 5 October 2009. It was an internal evaluation, the output of which was given to the structure prescribed by the EP NSRF NCA. The output of the evaluation was used as one of the documents for the preparation of the Strategic Evaluation Summary 2009.

An integral part of the evaluation activities is also the strengthening of the internal evaluation capacity. In this area, the first activities of the participation of the evaluation employees of the MA OP RDI were implemented on educational events at home and abroad.

3 IMPLEMENTATION BY PRIORITY AXES[6]

3.1 Priority Axis 1 – European Centres of Excellence

Priority Axis 1 European Centres of Excellence responds to the large dispersion of R&D capacities. As a result, the R&D department does not achieve a critical size to ensure the stable achievement of high quality results. The result is the generally low efficiency of public support for R&D, which leads to insufficient production of internationally recognised and relevant results. In a small country such as the Czech Republic, it is necessary to concentrate on resources in the areas that have the greatest potential in terms of international competitiveness and which belong among the priorities of the Czech research. That is the reason why the priority axis focuses on the support of regions and scientific teams that have the sufficient quality and potential in order to create a critical size within clearly identified scientific areas and then materially, technically and personally equip these teams above standard so that they were able to maintain and further develop their position within the European research sector.

Priority Axis 1 is implemented through the only area of intervention – European Centres of Excellence. The global objective of the area of intervention is to create a limited number of Centres of Excellence, well-equipped R&D centres with a modern, and in certain justified cases a unique, R&D infrastructure of a critical size, interconnected networks of partnerships with prestigious R&D centres abroad, to contribute to the interconnection and greater integration of the leading Czech R&D teams with the leading international research organisations and European research infrastructures.

To achieve global objectives, the priority axis focuses on the promotion and strengthening of the development of the leading research teams, the establishment and development of unique R&D infrastructures, strengthening of the R&D integration and concentration in the given field of the Czech Republic, improvement of the R&D focus on the needs of the application sector, provisions of quality education to students (mainly doctorate study programmes) and young researchers (up to 35 years), accelerating the knowledge transfer of cutting-edge research into practice and increase the attractiveness of the region in terms of investments (both foreign and domestic) and the technological enterprise in the given field.

The area of intervention will be pursued through common projects. A limited number of larger projects (i.e. projects where the total costs per project exceeds EUR 50 million), which utilise a significant, but not complete allocation for this area of intervention, is assumed.

Progress Achieved and Its Analysis

On 1 June 2009, the first call 1.1 European Centres of Excellence with a total allocation of EUR 643,939,394 (CZK 17 billion) was announced under Priority Axis 1. The receipt of the applications was carried out from 4 August 2009 until 16 November 2009.

The goal of this call was to create a limited number of Centres of Excellence, i.e. research centres equipped with modern, often unique infrastructures, producing excellent research results internationally including the results applied in practice, thus creating strong strategic partnerships with prestigious research facilities (private and public) in the Czech Republic and abroad which contribute to greater integration of the Czech R&D teams with leading international research organisations and European research infrastructures. Furthermore, the call was focused on several major themes. It was mainly to create a unique R&D infrastructure, developing the best research teams, developing strategic partnerships,

[6] A description of typical projects within Priority Axis 2 comprises Annex 1 of the Annual Report. Regarding the phase of OP RDI implementation, the list of project is not relevant in Priority Axes 1, 3 and 4.

supporting young scientists and strengthening links with research centres within the application sector.

This call was focused on the following main activities:

- ✓ Reconstruction and expansion of R&D infrastructure, or economically justified construction of new capacities (including the necessary project documentation).
- ✓ Acquisition of instrumentation, laboratory and information processing equipment and infrastructure for research and technological development.
- ✓ Top R&D projects (funded through start-up grants) in cooperation with leading international partners with the relevance of market and economical development in the Czech Republic, with the aim to strengthen the partnerships and enhance the capacities for the international cooperation and the acquisition of resources from foreign grants (including parts of the salary costs of the team, etc.).
- ✓ Activities focused on strengthening the cooperation with leading international research partners and to strengthen the cooperation with the application sector and the public sector.

Information on the material and financial progress of the Priority Axis

A total of 15 applications (5 of them being large projects) were accepted, with a total requested allocation of financial support of EUR 1,085,969,649 (CZK 28.7 billion).

Given that the submitted applications have not yet been evaluated, there was no performance of values of the monitoring indicators or the financial progress in 2009.

Table No. 15 Output indicators Priority Axis 1

NCI Code EU Code / Lisbon Indicator Type	Indicator Title	Unit of Measure	Source	Value	2007	2008	2009	Target Value 2015	Total
11.07.00 output	Number of Centres of Excellence	Qty	MA IS	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	5	5
11.06.00 output	Number of supported R&D projects (start-up grants) implemented in the supported centres	Qty	MA IS	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	5	5
11.08.00 output	Centres equipped with unique R&D infrastructure of national importance	Qty	MA IS	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	3	3
11.05.11 output	Reconstructed, extended and newly developed capacities	m^2	MA IS	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	60,000	60,000

Source: MSC2007 as of 7 January 2010

Table No. 16 Result indicators Priority Axis 1

NCI Code EU Code / Lisbon Indicator Type	Indicator Title	Unit of Measure	Source	Value	2007	2008	2009	Target Value 2015	Total
11.08.10 result	Number of research staff who utilise the existing	Qty	IS A/B	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0

	infrastructure			Planned	N/A	N/A	N/A	2,500	2,500
11.08.20 result	Number of magistrate and doctorate study programmes utilising the existing infrastructure	Qty	IS A/B	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	500	500
11.07.10 result	Number of cooperation projects in the application sector with Centres of Excellence	Qty	IS A/B	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	30	30
11.08.30 result	Share of new infrastructure capacities utilising other authorities	%	IS A/B	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	30	30
11.03.00 result Core 6	Total number of newly created jobs in R&D	Number	IS A/B	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	1,000	1,000
11.03.02 result Core 6	Total number of newly created jobs in R&D – women	Number	IS A/B	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	340	340

Source: MSC2007 as of 7 January 2010

Table No. 17 Achieved material and financial progress of Priority Axis 1

Area of Intervention	Allocation 2007-2013	Projects with an issued decision / signed contract		Funds reimbursed to beneficiaries		Certified funds submitted to the EC	
	a) EUR	b) EUR	% b/a	c) EUR	% c/a	d) EUR	% d/a
1.1 European Centres of Excellence	806,347,498	0	0	0	0	0	0
Total	**806,347,498**	**0**	**0**	**0**	**0**	**0**	**0**

Source: MSC2007 as of 7 January 2010, rate at 26.40 CZK/EUR.

Qualitative Analysis

As part of the announcement of the first call, a total of 15 applications for financial support was accepted (5 of which were large projects[7]) with a total requested allocation of nearly EUR 1.1 billion. The required resources of the submitted projects thus exceeded the total allocation for Priority Axis 1 for the entire period of 2007-2013. This fact shows a good absorption capacity and creates space for the selection of quality projects.

[7] In 2008, the so-called pre-call, with the assistance of twenty leading international experts from 9 countries, selected 6 projects that have the potential to fulfil the difficult requirements given for this type of project and also have high potential in terms of the benefit for the competitiveness of the Czech Republic.

Formal evaluation and assessment of acceptability began for the applications received after the end of the call. Applications advancing into the next stage undergo a comprehensive evaluation by the domestic and foreign experts. The issue of the first Decision on the provision of the subsidy can be expected in the first half of 2010. In the case of large projects, subject to the approval process by the EC, the issue of the first Decisions will be expected several months later.

Although no resources of the allocation for Priority Axis 1 were utilised in 2009 (i.e. EUR 806,347,498), in relation to the expected project implementation it is expected that the utilisation of the allocation of the first call will be covered and in the future, with regard to the overlap of projects and the financial terms, there will not be a problem with the utilisation of the allocation for the entire programming period.

The influence of the priority axis on the performance of the Lisbon strategy objectives, EU horizontal themes and NSRF is identical with the situation described in Chapter 2.1 (qualitative analysis).

3.1.1 Major Problems that Occurred and Measures Adopted for Their Elimination

There were no problems that occurred during the implementation of Priority Axis 1 in 2009, for which specific measures would have to be taken.

3.2 Priority Axis 2 – Regional R&D Centres

Priority Axis 2 Regional R&D Centres (Priority Axis 2) responds to the lack of cooperation between the R&D institutions and the application sector, which would correspond to the increasing demand for usable R&D results in the private sector and application sector in general. It is therefore necessary to strengthen the capacity of application-oriented research entities with the potential to become sought after partners for cooperation with the application sector and capable of responding flexibly to the demands of the application sector. Priority Axis 2 provides with such regional R&D centres with the support so that it could develop into the research centres accepting the demand and a close long-term cooperation with the industry (in particular in the field of the contractual research and the provision of technological services). A key factor of the regional R&D centres activity is the training of human capacities for R&D (especially to a Masters or even doctorate level) ultimately leading to an increase of the number of qualified professionals with experience in cooperation with the application sector.

Priority Axis 2 consists of a single Area of Intervention 2.1 – Regional R&D Centres The global objective of the area of intervention is the establishment and development of R&D workplaces with quality equipment focused on applied research and with developed co-operation and strong ties to partners in the application sector (enterprises, in particular SMEs, and other subjects), whose activities will strengthen the competitive strength of the region and its potential to export goods, services and know-how.

To achieve global objectives, the priority axis focuses on the promotion of the thematically specialised centres (existing organisations of applied R&D, specialised university departments or divisions of the applied research of the Czech Republic) with high-quality research teams, strengthening the cooperation with the application sector in the form of joint R&D projects, increasing the number of students and young researchers (up to 35 years), accelerating the transfer of new knowledge and technologies into practice(especially into SMEs), improving the transfer of new knowledge from the application sector into the learning process and educational activities, the emergence of institutionalised platforms for the continuous and long-term cooperation among public research organisations and the application sector.

The area of intervention will be pursued through common projects. Thereafter a limited number of large projects is assumed that utilise a smaller portion of the total allocation for this area of intervention.

Progress Achieved and Its Analysis

In 2009, the receipt of the applications was initiated and completed in two stages under Priority Axis 2. The receipt of applications within call 1.2 for Regional R&D Centres was conducted from 2 March 2009 to 30 April 2009 and the total allocation for this call was EUR 227,272,727 (CZK 6 billion). Based on MC OP RDI decision in December 2009, the total allocation was raised to 239,772,727 EUR (CZK 6,3 billion). In the next call 2.2, the collection of applications was conducted from 17 August 2009 to 16 November 2009 and the total allocation was EUR 416,666,667 (CZK 11 billion).

The objective of both calls is to promote the establishment and development of R&D workplaces in the Czech Republic with quality equipment focused on applied research and with developed co-operation and strong links to partners in the application sector (enterprises, in particular SMEs and other relevant bodies and the end-users), whose activities will strengthen the competitive strength of the region and its potential to export goods, services and know-how.

These calls were focused mainly on the following main activities:

- ✓ Reconstruction and expansion of R&D infrastructure, or economically justified construction of new capacities.
- ✓ Acquisition of instrumentation, laboratory and information processing equipment and infrastructure for research and technological development.
- ✓ R&D projects mainly focused on the cooperation between the proposed regional R&D centre and the application sector (start-up grants) to create partnerships which will strengthen the capacity for collaborative research and contractual research.
- ✓ Activities aimed at strengthening cooperation between the proposed regional R&D centre with the application sector and the public sector.
- ✓ Activities aimed at strengthening the cooperation of the proposed regional R&D centre with leading international research partners.
- ✓ Other activities of the proposed regional R&D centre directed at the performance of the operational objectives of Area of Intervention 2.1 Regional R&D Centres.

Information on the material and financial progress of the Priority Axis

A total of 44 applications with a total allocation of the required subsidy of EUR 891,588,289 (CZK 23.5 billion) was accepted in call 1.2. On 24 November 2009 the first 4 were approved (the Decisions were issued on 24 November 2009) at total amount of EUR 89,610,487 (CZK 2.4 billion). Other decisions that will complete the entire calls allocation followed at the beginning of 2010.

A total of 59 applications (3 of which were large projects) with a total allocation of the required subsidy of EUR 1,129,786,868 (CZK 29.8 billion) was accepted in call 2.2. With regard to the completion of the application receipt in November 2009, no projects were so far approved for this call before the end of 2009.

Given that in both of the so far announced calls there are projects in the approval stage of the process and the approved projects are so far only at the beginning of the implementation process, there has been no fulfilment of the monitoring indicators values of Priority Axis 2.

The following tables show information on the monitoring indicators of Priority Axis 2 and the financial progress that was achieved by the approval of the first four projects and the reimbursement of the first four deposit payments back to the beneficiaries of the projects.

Table No. 18 Output indicators Priority Axis 2

NCI Code EU Code / Lisbon Indicator Type	Indicator Title	Unit of Measure	Source	Value	2007	2008	2009	Target Value 2015	Total
11.10.00 output	Number of equipped regional R&D centres	Qty	MA IS	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	20	20
11.11.00 output	Number of operational regional R&D centres	Qty	MA IS	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	20	20
11.06.00 output	Number of supported R&D projects (start-up grants) implemented in the supported centres	Qty	MA IS	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	20	20
11.05.11 output	Reconstructed, extended and newly developed capacities	m^2	MA IS	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	60,000	60,000

Source: MSC2007 as of 7 January 2010

Table No. 19 Result indicators Priority Axis 2

NCI Code EU Code / Lisbon Indicator Type	Indicator Title	Unit of Measure	Source	Value	2007	2008	2009	Target Value 2015	Total
11.07.20 result	Number of cooperation projects in the application sector with the regional R&D centres	Qty	IS A/B	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	100	100
11.08.15 result	Number of students of all grades who utilise the existing infrastructure / participate in the activities of the centre	Qty	IS A/B	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	400	400
11.03.00 result Core 6	Total number of newly created jobs in R&D	Qty	IS A/B	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	1,500	1,500
11.03.02 result Core 6	Total number of newly created jobs in R&D – women	Qty	IS A/B	Achieved	0	0	0	N/A	0

				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	500	500

Source: MSC2007 as of 7 January 2010

In 2009, the first four deposit payments with a total value of EUR 14 million, which is almost 2% of the allocation for this priority axis for the entire programming period, were reimbursed under Priority Axis 2. Although only 4 projects were so far approved, the total amount of the required subsidy of these projects is around 11% of the priority axis allocation for the entire programming period.

Table No. 20 Material and financial progress of Priority Axis 2

Area of Intervention	Allocation 2007-2013	Projects with an issued decision/signed contract		Funds reimbursed to beneficiaries		Certified funds submitted to EC	
	a) EUR	b) EUR	% b/a	c) EUR	% c/a	d) EUR	% d/a
2.1 Regional R&D Centres	806,347,498	89,610,487	11.1	13,814,696	1.7	0	0
Total	**806,347,498**	**89,610,487**	**11.1**	**13,814,696**	**1.7**	**0**	**0**

Source: MSC2007 as of 7 January 2010, rate at 26.40 CZK/EUR.

Qualitative Analysis

In 2009 there was a significant move within Priority Axis 2, mainly in regard to the approval of the first four projects and the reimbursement of the first deposit payments to the beneficiaries of those projects.

The activities leading to the maximum utilisation of the financial allocation and the achievement of the adjusted substantive progress continued in 2009. It is mainly the development of the implementation, ensuring adequate staff training and the implementation, preparation and update of documents necessary for the successful implementation and realisation of the OP RDI. In the third and fourth quarter of 2009, there was a successfully completed evaluation of all projects of call 1.2. The specially adjusted evaluation system is described in Chapter 7. The successful applicants were then participating in negotiation sessions where all project parameters were clarified. Four of those projects were later approved for financing (a Decision was issued). The first deposit payments were also sent for these projects within the due time. Detailed information on the so far approved projects are listed in Annexe 1. Judging by the results of call 1.2 and the submitted projects in call 2.2, we can expect that a sufficient number of quality projects will be submitted for this priority axis so it is possible to exhaust the allocation for the entire programming period. In the event that there are no major problems in the implementation stage of these projects, which the MA is attempting to prevent by their thorough evaluation and ongoing consultations, the rule N+3 (N+2) should not be jeopardised. The influence of Priority Axis 2 on the performance of the Lisbon strategy objectives, EU horizontal themes and the NSRF is identical with the situation described in Chapter 2.1 (qualitative analysis).

3.2.1 Major Problems that Occurred and Measures Adopted for Their Elimination

No problems occurred during the implementation of Priority Axis 2 in 2009, for which specific measures would have to be taken.

3.3 Priority Axis 3 – Commercialisation and Popularisation of R&D

|This priority axis focuses on the promotion of several horizontal, cross-cutting themes which are fundamental to the successful implementation of activities and maximize the results and impact of Priority Axis 1 and 2. Firstly, it will focus on the creation of the conditions for the successful commercialisation of the results of the R&D activities in the research organisations and for the improvement of the system for protecting intellectual property and fostering new technology-oriented companies. Secondly, the priority's objective is the improvement of the information system of R&D results, the availability of scientific information, to contribute to the promotion and popularisation of R&D, to enhance the evaluation system of research organisations using international experience and to contribute to the effectiveness of public R&D support.

Priority Axis 3 is divided into two areas of intervention, which are related but require different approaches:

- ✓ 3.1 Commercialisation of the results of research organisations and the protection of their intellectual property
- ✓ 3.2 Promotion and awareness of R&D results

The main objective of Area of Intervention 3.1 is the promotion of R&D results in research institutions, mainly through the support systems of commercialisation and the use and protection of intellectual property, Including the establishment and development of centres for the transfer of technologies within the research institutions. The area of intervention focuses on improving the quality of the development and expansion of the activities for the commercialisation of R&D results, including the development of centres for the transfer of technologies, enhancing the system of protection and use of intellectual property, improving the quality in the area of commercialisation of intellectual property for researchers and students and strengthening the systematic cooperation of R&D centres with the business sector and with the end-users of the results in general (with the application sector).

The main objective of Area of Intervention 3.2 is the strengthening and development of the promotion and popularisation of R&D, improving the awareness and availability of information for R&D, improving the evaluation system using international experience and contributing to a more effective public support of R&D. The area of intervention focuses on strengthening the positive perception of R&D to the general public and the increase of interest in R&D among the younger generation, promotion of access to sources of scientific information, the improvement of access to the results of the research activities for the public and enhancing the effectiveness of the system and quality of R&D institutions in the Czech Republic through new evaluation elements and strategic R&D policies.

Progress Achieved and Its Analysis

Two calls were announced within Priority Axis 3 by 15 December 2009 (however, application collection is planned for 2010). Both are focused on Area of Intervention 3.2 – Promotion and awareness of R&D results.

- ✓ Call 1.3 – Centres of popularisation, promotion and media coverage of R&D with an allocation of EUR 83,333,333 (CZK 2.2 billion).
- ✓ Call 2.3 – Information structures for R&D with an allocation of EUR 30,303,030 (CZK 800 million).

Information on the material and financial progress of the Priority Axis

Both calls were announced on 15 December 2009 in Area of Intervention 3.2 – Promotion and awareness of R&D results. The allocation for both calls is EUR 113,636,364 (EUR 83,333,333 and EUR 30,303,030), which is 83% of the allocation for this area of intervention.

The receipt of the project applications for the first call “Centres of popularisation, promotion and media coverage of R&D” is planned for the period from 1 May 2010 to 30 June 2010 and for the second call “Information structures for R&D” for the period from 1 March 2010 to 29 April 2010.

Given that the submitted applications have not yet been evaluated, there was no performance of values of the monitoring indicators or the financial progress in 2009.

Table No. 21 Output indicators Priority Axis 3

NCI Code EU Code / Lisbon Indicator Type	Indicator Title	Unit of Measure	Source	Value	2007	2008	2009	Target Value 2015	Total
13.20.00 output	Number of supported projects and mechanisms for commercialisation	Qty	MA IS	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	20	20
13.21.00 output	Number of projects in the visitor centres and science learning centres for the popularisation of R&D	Qty	MA IS	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	5	5
13.25.00 output	Number of supported projects for the information infrastructure for R&D	Qty	MA IS	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	2	2

Source: MSC2007 as of 7 January 2010

Table No. 22 Result indicators Priority Axis 3

NCI Code EU Code / Lisbon Indicator Type	Indicator Title	Unit of Measure	Source	Value	2007	2008	2009	Target Value 2015	Total
13.20.10 result	Number of bodies utilising the services for the support of commercialisation	Qty	IS A/B	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	500	500
13.21.10 result	Number of visitors in the supported visitor centres and science learning centres	Qty	IS A/B	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	30,000	30,000
13.24.00 result	Number of bodies utilising the information infrastructures services of R&D	Qty	IS A/B	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	65	65

Source: MSC2007 as of 7 January 2010

Table No. 23 Material and financial progress of Priority Axis 3

Area of Intervention	Allocation 2007-2013	Projects with an issued decision/signed contract		Funds reimbursed to beneficiaries		Certified funds submitted to the EC	
	a) EUR	b) EUR	% b/a	c) EUR	% c/a	d) EUR	% d/a
3.1 Commercialisation of the results of research	114,053,559	0	0	0	0	0	0

organisations and the protection of their intellectual property							
3.2 Promotion and awareness of R&D results	136,864,243	0	0	0	0	0	0
Total	**250,917,802**	**0**	**0**	**0**	**0**	**0**	**0**

Source: MSC2007 as of 7 January 2010, rate at 26.40 CZK/EUR.

Qualitative Analysis

To ensure a high absorption capacity of Area of Intervention 3.2, a questionnaire mapping the needs of the relevant entities was sent out in the first half of 2009. The results were used to formulate the main theses of the upcoming calls. Subsequently, thematic working groups for both calls were created. These groups were created by the leading specialists from MEYS, research organisations and independent experts, whose common goal was to best reflect the needs of the potential beneficiaries in the content of the prepared call.

The focus of the first call "Centres for the popularisation, promotion and media coverage of R&D" is to both support the establishment and development of a limited number of "Science Learning Centres" – important, highly attractive centres for the popularisation, promotion and media coverage of science and technology, exploration and discovery of new natural and technical laws with a wider, trans-regional or national impact. Smaller scale projects will be aimed at the establishment and development of "Visitor centres", which are focused on the popularisation, promotion and media coverage of science and technology (usually in more specialised areas of human knowledge and scientific disciplines) with a regional impact.

The successful projects of this call will make the issue of science and research accessible to the widest possible number of potential candidates, creating conditions for strengthening and intensifying cooperation with the educational and research organisations of the Czech Republic and in relevant cases, even abroad. Attractive centres for the promotion of science and research will attract a significant number of candidates which will in turn strengthen the attractiveness of the given region.

The second call within Priority Axis 3 "Information structures for R&D" is aimed at the establishment, development and modernisation of R&D information infrastructures, which will strengthen and intensify the links of the greater number of R&D workplaces of the Czech Republic (research organisations) and its IT, storage and information capacities and will also contribute to their integration into the European Research Area. This will then create conditions for the development of platforms for the efficient cooperation with the research teams of the Czech Republic; it will lead to the interconnection of the existing and planned large infrastructures of R&D.

Influence of Priority Axis 3 on the performance of the Lisbon strategy objectives, EU horizontal themes and the NSRF is identical with the situation described in Chapter 2.1.7 (qualitative analysis).

3.3.1 Major Problems that Occurred and Measures Adopted for Their Elimination

No problems occurred during the implementation of Priority Axis 3 in 2009, for which specific measures would have to be taken.

3.4 Priority Axis 4 – Infrastructure for University Education related to Research

The focus of Priority Axis 4 responds to the lack of capacities in Universities and their facilities for educational and research activities. The unsatisfactory state of these

infrastructures often does not allow multiple uses in line with modern research and educational trends and in some cases does not even comply with health & safety standards. Universities usually lack the sufficient professional facilities for the performance of research and often lack modern educational aids and modern well-designed libraries.

This fact, coupled with being one of the lowest proportions of adults in the EU with completed higher education represents a significant obstacle for the future development of the knowledge economy in the Czech Republic. Priority Axis 4 aims to overcome the negative legacy of insufficient funding accumulated from the past and also to enable selective support to universities that actively work on the modernisation of their study plans and educational methods and take labour market requirements into account.

The activities of the priority axis are implemented through one Area of Intervention: 4.1 – Infrastructure for University Education related to Research. Its main objective is to encourage the development of quality infrastructures in universities to increase the capacity of higher education and create conditions for improving the quality of education so that the material conditions for the preparation of university students is improved, particularly in terms of their readiness for research and development and to practice basic creative skills for their future careers in R&D. The principal objective will be achieved through the support of the development of quality infrastructures in universities, increasing the capacity of higher education and creating conditions for improving the quality of education of future R&D professionals and enhancing the "third role" of universities.

3.4.1 PROGRESS ACHIEVED AND ITS ANALYSIS

A continuous call 1.4 “Infrastructure for university education related to research” with an allocation of EUR 378,787,879 (CZK 10 billion) was announced within Priority Axis 1 on 17 August 2009. The application acceptance period was set from 15 September 2009 to 31 December 2010. By the end of 2009, the Managing Authority received 8 applications for financial support with a required allocation in the excess of EUR 200 million. Currently, these projects go through a formal evaluation and acceptability assessment process. The issue of the first Decisions is expected by the end of the first quarter of 2010.

Information on the material and financial progress of the Priority Axis

The following tables give information on the progress of the priority axis. As there were no projects approved within Priority Axis 4 in 2009, there was also no progress achieved in the performance of the monitoring indicators.

Table No. 24 Output indicators Priority Axis 4

NCI Code EU Code / Lisbon Indicator Type	Indicator Title	Unit of Measure	Source	Value	2007	2008	2009	Target Value 2015	Total
11.05.10 output	Number of supported projects – Infrastructure of R&D	Qty	MA IS	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	20	20
11.05.11 output	Reconstructed, extended and newly developed capacities	m^2	MA IS	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	70,000	70,000

Source: MSC2007 as of 7 January 2010

Table No. 25 Result indicators Priority Axis 4

NCI Code EU Code / Lisbon Indicator Type	Indicator Title	Unit of Measure	Source	Value	2007	2008	2009	Target Value 2015	Total
11.05.20 result	Number of students benefiting from the new/reconstructed infrastructure	Qty	IS A/B	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	50,000	50,000
11.05.21 result	Number of students benefiting from the new/reconstructed infrastructure; students of doctorate study programmes	Qty	IS A/B	Achieved	0	0	0	N/A	0
				Initial	0	0	0	0	0
				Planned	N/A	N/A	N/A	5,000	5,000

Source: MSC2007 as of 7 January 2010

Information on the financial progress

Given the fact that there were no projects supported so far, Priority Axis 4 did not achieve any progress in the utilisation of the financial allocation.

Table No. 26 Financial progress of Priority Axis 4

Area of Intervention	Allocation 2007-2013	Projects with an issued decision / signed contract		Funds reimbursed to beneficiaries		Certified funds submitted to EC	
	a) EUR	b) EUR	% b/a	c) EUR	% c/a	d) EUR	% d/a
4.1 Infrastructure for University Education related to Research	487,219,032	0	0	0	0	0	0
Total	**487,219,032**	**0**	**0**	**0**	**0**	**0**	**0**

Source: MSC2007 as of 7 January 2010, rate at 26.40 CZK/EUR.

Qualitative Analysis

The aim of the announced call is to stabilise and develop quality infrastructures in the Universities with the aim of improving the quality and increasing the capacity of higher education and creating conditions for the quality improvement of educational activities related to research, development and innovations. This type of investment represents the necessary prerequisite for a quantitative and qualitative increase in the supply of human resources for research, development and the subsequent innovations. The fulfilment of the objective is to eliminate the consequences of the under-funding of the educational infrastructures accumulated from the past while allowing support for selected universities or their components, which actively work on the modernisation of their study plans and educational methods and take the labour market requirements and the newest R&D knowledge into account.

The provision of the modern infrastructure (through investments into the existing buildings and new construction) for teaching at the universities related to research has a direct effect on the increase and improvement of the quality of human resources for R&D activities and the enhanced readiness of the graduates for practice.

Among other conditions, an accelerated transfer of new knowledge from the application sector into the learning process and educational activities (and vice versa) will be created for the purpose of the establishment and distribution of innovations and an increase in the practical relevance of the study programmes.

The announced call is very specific in terms of its focus. Eligible applicants for aid are only entities within the meaning of Act No. 111/1998 Coll., on Universities and on the amendment of other Acts (the Higher Education Act), as amended, that also meet the conditions of the Rector's/Dean's office in the Czech Republic outside the capital city of Prague, by 1 January 2009 and have an accredited doctoral degree study programme in a field related to the present project.

The influence of the priority axis on the performance of the Lisbon strategy objectives, EU horizontal themes and the NSRF is identical with the situation described in Chapter 2.1 (qualitative analysis).

3.4.2 Major Problems that Occurred and Measures Adopted for Their Elimination

No problems occurred during the implementation of Priority Axis 4 in 2009, for which specific measures would have to be taken.

3.5 Priority Axis 5 – Technical Assistance

In accordance with the General Regulation, the aim of Priority Axis 5 Technical Assistance is to help improve the quality of the measures taken, i.e. to ensure the effective management of the operational programme, its promotion, evaluation and to provide the MA OP RDI with sufficient technical assistance for the responsible and effective management of the OP RDI.

The priority axis is divided into three areas of intervention.

- ✓ 5.1 OP RDI Administration
- ✓ 5.2 Awareness and publicity of the OP RDI
- ✓ 5.3 Absorption capacity of the OP RDI

Area of Intervention 5.1 is aimed at ensuring the preparation, management, implementation, evaluation, monitoring, reviews and audits of the OP RDI, pursuant to the General Regulation and national legal standards. Support for Area of Intervention 5.2 will be aimed at providing timely, comprehensive and accurate information about the OP RDI whereby it is required that the resources that are spent are sufficient and efficient. The starting point for the establishment of awareness and publicity is the General Regulation. Support for Area of Intervention 5.3 is aimed at supporting activities focused on the development of absorption capacities; cross-training expert information and consultancy services; specific professional practice and training; the detection and promotion of the best solution and the establishment of networks, etc.

3.5.1 Progress Achieved and its Analysis

Three ongoing calls are announced with Priority Axis 5:

- ✓ Area of Intervention 5.1 Administration of the OP RDI The call was announced in June 2008, when the acceptance of project applications was simultaneously launched. The call is designed as ongoing. Supported activities include creating and updating the programme and other documents, securing the salaries of staff at the MEYS in charge of the implementation of funds within the OP RDI, payments to external personnel for training, evaluation, monitoring the OP RDI activities of the OP RDI working groups and the Monitoring Committee, securing the Monitoring Information System of the OP RDI, provision of computer equipment related to the OP RDI, external services, education of staff of the implementation structure, and technical assistance during the OP RDI implementation, etc. The total allocation of the call comes to EUR 74,179,096 (of which EUR 63,052,231 partly comes from EFRD and EUR 11,126,865 is co-financed from the state budget).

- ✓ Area of Intervention 5.2 Awareness and Publicity of the Programme The aim of this area of intervention is to provide an awareness campaign about the OP RDI programme focused on the beneficiaries and the target groups. The call was announced in June 2008, when the acceptance of project applications was simultaneously launched. The call is designed as ongoing. Supported activities include promotion, publicity, processing of the information analysis of external personnel, ensuring communication technologies related to the OP RDI, promotion of the OP RDI Communication Plan implementation and the creation of methodologies in the publicity of the OP RDI. The total allocation of the call comes to EUR 2,557,882 (of which EUR 2,174,199 partly comes from the EFRD and EUR 383,683 is co-financed from the state budget).
- ✓ Area of Intervention 5.3 Absorption capacity of the OP RDI The objective of this area of intervention is to increase the absorption capacity of the entities to raise resources from the Operational Programme RDI under the EFRD. The call was announced in June 2008, when the acceptance of project applications was simultaneously launched. The call is designed as ongoing. Supported activities include the promotion of information system networking, assistance in project design and planning, provision of advisory, information services for the MA and other authorities, processing of studies, methodologies, analyses to increase the absorption activity and the monitoring and evaluation of the absorption capacity. The total allocation of the call comes to EUR 8,526,352 (of which EUR 7,247,399 partly comes from the EFRD and EUR 1,287,953 is co-financed from the state budget).

There were 9 projects among these challenges presented and approved for funding by the end of 2009 (Preparation of the OP and evaluation of projects, Employees of the OP RDI IS, Technical assurance of OP RDI, training of OP RDI IS employees, Provision of additional activities of the OP RDI, TA Project for the Monitoring System of the OP RDI, Evaluation and monitoring of OP RDI, Awareness and Publicity of OP RDI and Promotion of the OP RDI absorption capacity), of which 2 projects were approved in 2008. Furthermore, the preparation of another project was commenced, namely the Evaluation project, which will be presented in the first quarter of 2010.

Information on the material progress of the Priority Axis

The following tables give information on the progress of the priority axis. At times, the progress specified in Priority Axis 5 does not correspond with data effective as of the date in question (7 January 2010) in MSC2007. The reason for the difference rests in the later entry of the call and projects in Priority Axis 5 into the information system, which causes a delay in the timeliness of the data. Nevertheless, all data in MSC2007 is already updated at the time of producing the Annual Report for 2009.

Table No. 27 Output indicators Priority Axis 5

NCI Code EU Code / Lisbon Indicator Type	Indicator Title	Unit of Measure	Source	Value	2007	2008	2009	Target Value 2015	Total
48.01.00 output	Number of supported projects of Technical Assistance	Qty	MA IS	Achieved	0	0	1	N/A	1
				Initial	0	0	0	1	0
				Planned	N/A	N/A	N/A	15	15
48.05.00 output	Number of created studies and reports (incl. Evaluations)	Qty	MA IS	Achieved	1	1	8	N/A	8
				Initial	1	1	1	0	1
				Planned	N/A	N/A	N/A	20	20

48.03.00 output	Number of committee sessions (monitoring, advisory and administration)	Qty	MA IS	Achieved	0	2	4	N/A	4
				Initial	0	0	2	4	0
				Planned	N/A	N/A	N/A	16	16
48.11.00 output	Number of conducted training, seminars, workshops and other similar activities	Qty	MA IS	Achieved	0	5	22	N/A	22
				Initial	0	0	5	0	0
				Planned	N/A	N/A	N/A	50	50

Source: MSC2007 as of 7 January 2010 – Monitoring reports and project application of the TA projects

Information on the financial progress

Cumulatively, projects of a total value of EUR 27,807,918 of the total Priority Axis 5 allocation of EUR 85,263,330 were approved. No resources have been reimbursed in the applications for payment to the beneficiaries as yet which is the reason why none have yet gone through the certification process.

Table No. 28 Financial progress of Priority Axis 5

Area of Intervention	Allocation 2007-2013	Projects with an issued decision / signed contract		Funds reimbursed to beneficiaries		Certified funds submitted to EC	
	a) EUR	b) EUR	% b/a	c) EUR	% c/a	d) EUR	% d/a
5.1 OP RDI Administration	74,179,098	23,792,767	32.07	0	0	0	0
5.2 Awareness and publicity of the OP RDI	2,557,899	1,893,939	74.04	0	0	0	0
5.3 Absorption capacity of the OP RDI	8,526,333	2,121,212	24.88	0	0	0	0
Total	**85,263,330**	**27,807,918**	**32.61**	**0**	**0**	**0**	**0**

Source: MSC2007 as of 7 January 2010 – Monitoring reports and project application of the TA projects Used exchange rate: 26.400 CZK/EUR.
Note: All values of the table are cumulative.

Qualitative Analysis

During 2009, there were continuous calls for the project proposals conducted for all areas of intervention of this priority axis. Seven projects were submitted and subsequently approved for funding within these calls (Technical Provision of OP DRI, Education of Employees of IS OP DRI, Provision of Supplementary Activities of OP DRI, Project TP for Monitoring System of OP DRI, Evaluation and Monitoring of OP DRI, Awareness and Publicity of OP DRI, and Support of Absorption Capacity of OP DRI). Furthermore, preparation of another project, namely the Evaluation project which will be presented in the first quarter of 2010, was commenced. The total budget of the approved projects amounts to EUR 27,807,918 which represents 32.61% of the total Priority Axis 5 allocation. More information about the project is available in Chapter 5 of Technical Assistance.

3.5.2 Major Problems that Occurred and Measures Adopted for Their Elimination

No problems occurred during the implementation of Priority Axis 5 in 2009, for which specific measures would have to be taken.

4 MAJOR PROJECTS

In the framework of the OP RDI, so-called major projects are also realised, i.e. projects whose total costs exceed EUR 50 million, as defined in Council Regulation No. 1083/2006 on general provisions on the European Regional Development Fund, the European Social Fund, and the Cohesion Fund.

In 2009, there were a total of 8 projects, which meet the criteria specified for a major project, submitted as of 16 November 2009 within calls for Area of Intervention 1.1 European Centres of Excellence and for Area of Intervention 2.2 Regional R&D Centres.

In comparison with the indicative list of major projects specified in the Appendix 6 to the Operational Programme document, 4 project of that list were submitted, nominally: ELI, BIOCEV, CEITEC and IT4Innovations within Area of Intervention 1.1 European Centres of Excellence. To Area of Intervention 2.2 Regional R&D Centres 2 projects listed in Appendix 6 were submitted: Sustainable Power Supply and CVEVL. Two more projects which are not included on the indicative list of major projects were submitted: ICRC (PA 1) and CERIT (PA 2).

In the course of November and especially December, a check of all formal terms of a project application and a check of admissibility of a project application were carried out on all projects shown. All eight projects met formal terms and admissibility criteria, and they were submitted to further evaluation, which will be carried out in February 2010.

The submission of major project to EC is expected in June 2010.

An overview[8] of major projects submitted to November 16, 2009:

Priority Axis 1 – European Centres of Excellence

- ✓ ELI – Extreme Light Infrastructure
- ✓ BIOCEV – Biotech & Biomed Research Centre
- ✓ CEITEC – Central European Institute of Technology
- ✓ Centre of Excellence IT4Innovations
- ✓ ICRC – International Clinical Research Centre

Priority Axis 2 – Regional R&D Centres

- ✓ Sustainable Power Supply
- ✓ CVEVL – Centre for Research of Energetic Exploitation of the Lithosphere
- ✓ CERIT – Centre for Education, Research, Innovation and Infrastructure in IT

Concerning the small number of major project submitted, the characteristic of individual major projects is outlined below, despite the fact that any project has not been submitted for approval to EC so far.

[8] The indicative list of major project (stated in Appendix 6) has been thus changed to the real list of submitted major projects.

Characteristics of individual major projects

ELI – (Extreme Light Infrastructure)

Applicant: Institute of Physics AS CR, v. v. i.

Place of realisation Dolní Břežany

Total Eligible Project Expenditure CZK 6,989,265,482

The ELI Project (Extreme Light Infrastructure) is a part of the European plan for building the next generation of big research facilities, which were identified and selected on the European Strategic Forum for Research Infrastructures (ESFRI). ELI will be an international research facility, which will utilise innovative laser technologies for creation of light pulses with the highest intensity in the world. ELI will become a research centre that will be a pioneer in many areas of research with utilisation of ultra-intensive lasers. It represents a unique opportunity for the Czech Republic to host an important international research infrastructure. ELI's mission will rest in basic academic research, as well as in applied research with the direct impacts on society.

BIOCEV (Biotech & Biomed Research Centre in Vestec)

Applicant: Institute of Molecular Genetics AS CR, v. v. i.

Place of realisation Vestec

Total Eligible Project Expenditure CZK 3,249,766,471

The main objective of this project rests in concentration of mutually complementing teams of renowned experts that are currently dispersed in several partner worksites of the Academy of Science of the Czech Republic and the Charles University, supplement them with newly established research teams of young talented scientists and foreign experts, and establish a biotechnological and biomedical research centre in Vestec (BIOCEV), with the ambition of the European Centre of Excellence. Therefore, concentration of teams producing unique findings of the basic research, together with experts who will follow new scientific findings with practical application derived from them in one state-of-the-art equipped infrastructure will cover a perceivable gap in expert facilities for development of advanced biotechnological industry within the CR in a complex manner. The important factor for fulfilment of this mission rests in participation of the BIOCEV Centre in the network of European consortia, Euro-BioImaging and INFRAFRONTIER within ESFRI (European Strategic Forum for Research Infrastructures) and cooperation with renowned European partners.

Centre of Excellence IT4Innovations

Applicant: VSB – Technical University of Ostrava

Place of realisation Ostrava

Total Eligible Project Expenditure CZK 2,317,424,000

Purpose of the Centre of Excellence IT4Innovations project (hereinafter the "IT4 Innovations Project" as well) rests in contributing to increased competitiveness and a level of living of the Czech Republic population via significant development of research and development potential in information technologies, computer-related mathematics, and related applied sciences.

The global objective of the project rests in building a national centre of excellent research in the area of information technologies in the Czech Republic. A research environment will be created in the framework of the project, including relevant infrastructure oriented on

development of computing methods themselves – IT as the research subject, and especially tools for their effective utilisation – IT as means for further research or application utilisation.

CEITEC – Central European Institute of Technology

Applicant: Masaryk University

Place of realisation Brno

Total Eligible Project Expenditure CZK 6,529,289,717

The centre will carry out excellent research and provide advanced postgraduate and postdoctoral education in nano- and microtechnologies, structural biology, genomics, and proteomics, resulting in advanced materials and medicine. Installed state-of-the-art technologies will enable the synergic study of objects of living and nonliving nature on all currently available levels of complexity, beginning at individual atoms, over molecules, molecular groups, cells, up to the whole organisms.

Brno, as the second most important city in the Czech Republic, has at its disposal a unique and in European countries rare concentration and combination of scientific areas stretching from technical fields to humane and veterinary medicine and pharmacy. Project bearers are the Masaryk University (as the Applicant), Brno University of Technology, Mendel University of Agriculture and Forestry in Brno, University of Veterinary and Pharmaceutical Sciences Brno, Veterinary Research Institute, v. v. i., Institute of Scientific Instruments AS CR, v. v. i., and Institute of Physics of Materials, v. v. i. (as Partners).

CVEVL (Centre for Research of Energetic Exploitation of the Lithosphere)

Applicant: CVEVL, v.v.i.

Place of realisation Liberec

Total Eligible Project Expenditure: CZK 2,589,152,276

CVEVL, as a completely new research institute, was established based on a need for execution of research and development in a completely new area, which is the utilisation of deep geothermal energy for the production of power and heat. This need arose from a risk of climatic changes causing demand of renewable energy sources and, therefore, geothermal energy as well on one side, and the fact that research of exploitation of deep geothermal energy is a multi-field and requires participation and coordinated research in a lot of scientific fields on the other. For realisation of research in utilisation of deep geothermal energy for production of electricity and heat in the industrial scope, it is necessary to closely interconnect seemingly unrelated natural science fields (all basic geological sciences, and also, for example, seismology and microbiology), technical fields for experimental research of components of secondary thermal circulations for innovative parametric optimisations of suitable work media of the ORC and Kalina cycles, verification of operating parameters for variant conditions of the primary circuit, and mathematical and physical fields (mathematic simulation, geothermics, and hydrodynamics.

Sustainable Power Supply

Applicant: Řež Research Centre, Ltd.

Place of realisation Řež, Pilsen

Total Eligible Project Expenditure: CZK 2,581,675,159

The main objective of the project rests in building a two-regional centre (NUTS II Southwest and Central Bohemia) for research and development in the area of long-term sustainable

power supply as the basic condition for strengthening competitiveness of the Czech economy.

By expanding and modernising research infrastructure, a top worksite oriented on key segments of power supply will be established, and it will be an important centre in the Central Europe region with a close connection to the European research field.

The objective rests in building a centre for theoretical and experimental research of processes and materials, including their following practical application in order to achieve such degree of safety and environmental impacts of power generation equipment, especially those that serve the purpose of production of energy from a nucleus, so that traditional processes based on utilisation of coal and crude oil can be gradually replaced, with the objective of increased effectiveness, reduced production costs, reduced CO_2 emissions, and recycling of as high a percentage of raw materials as possible.

Centre for Education, Research, and Innovations for ICT (CERIT)

Applicant: Masaryk University

Place of realisation Brno

Total Eligible Project Expenditure: CZK 1,109,331,339

The project plan rests in building a top centre equipped with state-of-the-art technology, materials, as well as expert human resources, which will interconnect infrastructure of super-computer, other computer, and storing capacities and services with areas of their immediate utilisation, as well as research and development in information science and applications. The centre will be built on the principle of open access and development of big computer and storage infrastructure in immediate cooperation between university education, research and development, and innovative industrial development.

Saint Anne's University Hospital In Brno – International clinical research centre (FNUSA – ICRC)

Applicant: Saint Anne's University Hospital in Brno

Place of realisation Brno

Total Eligible Project Expenditure: CZK 3,999,391,705

The objective of the ICRC project rests in building a top international centre for applied medical research on the territory of the Czech Republic that thanks to the unique logistic of international scientific cooperation based on the concept of so-called dynamic scientific teams (time-flexible scientific teams working at one place that are put together separately for every research project) and the original system of so-called flexible scientific laboratories can accelerate development of new break-through treatment and diagnostic strategies, new technologies, including the bio- and nanotechnologies, and new pharmaceuticals by up to 50%, while complying with all the strictest international standards for ethics and safety of research. At the same time, ICRC will enable realisation of research projects that could not have been realised because of their scope and quality.

In the course of the past period, the MA OP RDI provided individual consulting related to solutions of specific topics to submitters of major projects. In this period of time, a lot of consultations took place, whereas the main consulted topics were, for example: rules for qualified expenditure, rules for selection of suppliers, rules for showing historical success of an applicant, options for outsourcing some activities, the amount of start-up grant, proof of

cooperation with the application sphere, a budget in a sustainable period, transfer of employees, etc.

All the representatives of the aforementioned projects were offered the possibility of cooperation with the JASPERS (Joint Assistance to Support Projects in European Regions) initiative, which all the concerned parties used. The JASPERS initiative offers help with preparing major projects that apply for financial assistance from the Cohesion Fund and the European Regional Development Fund. It is a joint initiative of the European Commission, the European Bank for Reconstruction and Development, and the European Investment Bank intended for new member countries of the European Union.

The JASPERS European initiative does not provide funds, but by providing a free of charge technical assistance of its experts in the preparatory stages of big and challenging projects, it supports their high-quality processing and by that, also a higher probability of their approval by the European Commission and provided co-funding from the Cohesion Fund or ERDF.

On 5 October, 2009, the OP RDI in cooperation with JASPERS organised a day-long workshop, “Working with JASPERS on R&D projects” with the “Workshop for supporting the preparation of Feasibility Studies and Cost and Benefit Analysis for major R&D infrastructure projects in the Czech Republic” subtitle, where preparation of the Feasibility Study and Cost and Benefit Analysis were introduced. Representatives of the European Research Area Board, Jaspers, and MEYS were among the main speakers. During the workshop, applicants from representatives of major projects received advice and recommendations related to preparation of the Feasibility Study and Costs and Benefits Analysis, and they introduced the current status of preparation of their projects. A version of the ESOP system especially modified for major projects was presented as well. Representatives of JASPERS Initiative presented handbook “Background Methodology for Preparing Feasibility Study and Cost-Benefit Analysis of R&D Infrastructure Projects in Czech Republic”.

5 TECHNICAL ASSISTANCE

Technical assistance of the OP RDI is realised within Priority Axis 5 – Technical Assistance For this priority axis, EUR 85,263,330 is allocated (EUR 72,473,830 ERDF contribution and EUR 12,789,500 co-funding from the state budget), which represents a 3.5% portion of the total allocation for the OP RDI.

The priority axis contains three areas of intervention. A continuous call for submitting projects was announced in the course of June, 2008. In 2009, 7 technical assistance projects were submitted and approved – Technical Support of OP RDI, Education of Employees of IS OP RDI, Provision of Supplementary Activities of OP RDI, Project TA for the Monitoring System of OP RDI, Evaluation and Monitoring of OP RDI, Awareness and Publicity of OP RDI, and Support of Absorption Capacity of OP RDI.

Preparation work, e.g. complementation of supporting documents and inputs began on another project so that the project application can be submitted in the first quarter of 2010; specifically, it is the Evaluation Project.

In 2009, expenditure in the amount of EUR 3,228,520 was realised for the aforementioned projects.

Table No. 29 Approved and Upcoming Technical Assistance Projects

	Project name	Total project budget (EUR)	Expenditure realised in 2008 (EUR)	Expenditure realised in 2009 (EUR)
Approved	Preparation of OP RDI and Evaluation of Projects	498,105	127,576	75,127
	Employees of OP RDI	6,491,448	284,091	1,227,551
	Technical Support of OP RDI	4,530,514	208,333	1,022,454
	Education of Employees of IS OP RDI	1,224,187	0	31,811
	Supplemental Activities	1,850,858	235	227,357
	Awareness and Publicity of OP RDI	1,893,940	62,698	72,980
	Support of Absorption Capacity of OP RDI	2,121,212	606	77,028
	Project TA for the Monitoring System of OP RDI	148,410	0	16,993
	Evaluation and Monitoring of OP RDI	9,310,699	0	477,219
Upcoming	Evaluations	1,893,939	0	0
Total		**29,963,312**	**683,539**	**3,228,520**

Source: MA IS, the EIS JASU accounting system Used exchange rate: 26.400 CZK/EUR.

The progress specified in Priority Axis 5 at times does not correspond with data effective as of the date in question (7 January 2010) in the MSC2007. The reason for the difference rests in a later entry of the call and projects in Priority Axis 5 into the information system, which causes a delay in the data being up-to-date. Nevertheless, at the time of producing the Annual Report for 2009, the data in MSC2007 is already updated.

The Preparation of the OP and Evaluation of Projects project was already completed, and its final monitoring report was submitted on 29 October 2009. This project with wide and universal scope covered a mix of activities necessary for the successful start of the OP RDI.

Upon request of the MA OP RDI, the Legal and Professional Services project will be included in the OP RDI. However, this project has not yet been approved, and, therefore, it was not included into the table of approved and upcoming TA projects. Its submission is expected in the second half of 2010.

Workers paid from OP RDI Technical Assistance

In the Employees project, a fluent and continuous growth of persons was registered. As of 31 December 2009, a total of 62 full-time and 23 part-time workers (which amount to 73.5 full-time jobs per 85 persons) were paid for this project. Up until now, the implementation structure of the OP RDI has been in the development stage, and currently, administrative capacities are being finalised.

Analysis of administrative capacity has not been carried out.

Professional education of the Implementation Structure workers in 2009

Within the Education project, funds were utilised in two areas:

- ✓ Foreign trips of educational nature
- ✓ Professional literature in the value of approx. CZK 40,000 and the total of 17 types of courses were realised

Funds for purchase and installation of computer systems and information technologies for OP managing and monitoring

In 2009, no funds from the TA OP RDI were spent for the purchase of information systems. Purchased items specified in the table below were paid from the Technical Assistance Operational Programme.

Table No. 30 Items paid from the Technical Assistance OP

Modification of systems for needs of OP RDI	CZK	EUR
Monit 7+	1,379,616	52,258
BENEFIT 7	897,636	34,001

The exchange rate of 26.400 CZK/EUR was used in the table. The used exchange rate was recommended by the NCA for conversion of amounts for annual reports on execution of the OP for 2009.

Within the technical assistance, the MA OP RDI realised, among other things, the following written outputs for 2009.

- ✓ Preparation and revision of the Operational Manual of the OP RDI
- ✓ Annual Report on execution of the OP RDI for 2008
- ✓ Analysis of communication needs
- ✓ Application solution of the ESOP application structure
- ✓ ESOP user manual
- ✓ Methodology of computing a financial reserve and CBA
- ✓ Selection Criteria
- ✓ Evaluation Criteria

6 INFORMATION AND PUBLICITY

Activities in the area of ensuring the publicity of the OP RDI for 2009 can be divided into the following categories:

- ✓ Administration of the MEYS web portal
- ✓ Information activities related to major, as well as regular projects
- ✓ Seminars for applicants and beneficiaries
- ✓ Main communication activity for 2009
- ✓ Press releases as a Public Relations tool
- ✓ Purchase of promotional items bearing elements of mandatory publicity and their distribution
- ✓ Production of the Visual Identity Manual for the OP RDI and its implementation
- ✓ Processing of Analysis of Communication Needs for the OP RDI
- ✓ Cooperation with a communication agency

Administration of the MEYS web portal

On the MEYS web, in the Structural Funds section and the OP RDI subsection, parties interested in the OP RDI, applicants, beneficiaries, as well as evaluators, can find current information (news on the programme course), general information (basic information on the programme and ERDF, basic documents (Handbooks for Applicants and Beneficiaries, Executive Document, text of the Operational Programme Research and Development for Innovations, etc.), press releases, information for applicants and beneficiaries (a review of individual calls within the OP RDI, information of application processing, seminars, etc.), public contracts announced within the programme and contracts announced by other subjects, or applicants and beneficiaries of the OP RDI for whom such obligation is derived from the Rules for Selection of Suppliers), information on the Monitoring Committee (basic documents related to the MC OP RDI, information from every meeting, etc.). It also contains information about the whole evaluation process within the OP RDI and also a folder designated for evaluators, and last but not least, contacts and useful links.

The overall monthly average number of read articles[9] in the OP RDI subsection for 2009 was 30,818; in comparison, in 2008, it was on average 7,502 read articles in the OP RDI subsection. Here, we can see a significant growth in the average number of read articles and, at the same time, the importance of administration of the OP RDI web sites.

The central e-mail address, opvyzkum@msmt.cz, was set up for inquiries. In 2009, 1,744 inquiries were sent to this address, and that was 1,572 inquiries more than in 2008. Frequently asked questions were then posted on the web site, to the FAQ section.

Information activities related to major projects

There were a total of 18 information events related to major projects in 2009, whereas the total number of participants was 306.

In more detail, the activities were as follows:

- ✓ Meeting of MEYS and JASPERS representatives
- ✓ Joint meetings with representatives of major projects

[9] that means number of articles displayed in the section

- ✓ Individual meetings with representatives of major projects
- ✓ Seminars related to major projects with participation of applicants and JASPERS representatives

Activities realised together with representatives of the JASPERS initiative were oriented on consulting related to preparation of the CBA and the feasibility study for major OP RDI projects. During these meetings, methods that are the most often used for computation of the CBA were clarified, and recommendations for processing supporting documents for the project's evaluation for the European Commission were issued. The objective of the meeting also rested in particular cooperation between JASPERS representatives and executors of major projects and the setup of topics and a time-schedule of mutual cooperation. In the course of the year, a lot of individual meetings of representatives of major projects and MEYS representatives took place, and their objective rested in answering particular questions of individual applicants related to the project.

Seminars for applicants and beneficiaries

In 2009, there was a total of 14 professional seminars with the total of 617 persons participating in them. Two of these seminars took place in regions, in particular, a seminar for applicants oriented on Priority Axis 1 and Priority Axis 2 took place in Brno, a seminar oriented on Priority Axis 4 in Olomouc, and the rest of seminars in Prague. Also, in cooperation with the Technology Centre, the "Technology Day on RDI" conference with 118 people participating took place. Therefore, a total of 735 persons participated in 15 events. The programme of seminars for potential submitters of projects within Priority Axes 1 and 2 in OP RDI had the following structure:

1) Introduction – course of OP RDI implementation
2) Basic parameters and a process of evaluation for PA 1 and PA 2
3) Financial matters of the project within PA 1 and PA 2
4) Monitoring indicators within PA 1 and PA 2
5) Rules for selection of suppliers within PA 1 and PA 2
6) Process of submitting project applications
7) Conclusion, questions

Seminars for applicants within OP RDI Priority Axis 4 had the following structure:

1) Introduction
2) General information on PA 4
3) Selection criteria – construction and technical aspects
4) Selection criteria – material quality of the project
5) Principles of PA 4 funding, qualified expenditure
6) PA 4 monitoring indicators
7) Rules for selection of suppliers within PA 4
8) Conclusion, questions

Last but not least, one seminar for beneficiaries within Area of Intervention 1.2 – Regional R&D Centres, Priority Axis 2 OP RDI was realised, and it was oriented on monitoring reports and applications for advance payments.

Experts from the Department of OP RDI Management guided through presentations on specific topics.

After every presentation, questions asked by potential project submitters were answered. At the end of the seminar, there was a possibility of an individual consultation related to the aforementioned topics.

The majority of participants were satisfied not only with organisation and the course of the seminar, provided materials, and refreshments, but also with the presentation skills of lecturers,

It was derived from received questionnaires that applicants gradually started to use the opvyzkum@msmt.cz e-mail box in a larger scope, and also provided their practical advice on how to improve the existing clarity of the web site, and that they would appreciate more space for inquiries. From these findings, the MA OP RDI set up more time specified only for questions in seminars, and the OP RDI web site is gradually clarified based on information acquired from completed questionnaires.

Main communication activity for 2009

The main communication activity in 2009 was the aforementioned "Technology Day on RDI" conference that was organised by the OP RDI, in cooperation with the Technological Centre, and which took place in Prague, on 12 October 2009.

There were 118 persons participating in this event whose main objective was to mutually compare the rules for funding projects realised within different types of programmes, which are national programmes for support of research and development, operational programmes within the structural funds oriented on the area in question (therefore, OP RDI and OP EI), and also the largest community programme of the EU for support of research and development – the Seventh Framework Programme (7^{th} FP).

All the presentations had the same structure that was oriented on the characteristics of programmes, definition of qualified expenses, possible direct costs of projects, and a method of computation and recording indirect costs. Attention was also paid to a possible amount of contribution, which is paid by a provider, and a project's cash-flow (e.g. what amount of funds beneficiaries will receive and when). In the afternoon part, the most important differences were summarised and learned on practical problems.

The conference was intended for all the interested parties who wanted to familiarise themselves with the basic rules of funding national programmes and structural funds and 7^{th} RP programmes, and to understand the differences between them.

Press Releases as a PR Tool

In the course of the year, the MA OP RDI, in cooperation with the press department, issued press releases related to important milestones in the operational programme implementation.

There were a total of 6 issued press releases, and the total amount of outputs in printed, as well as online, media reacting to them was 52, which can be considered very positive.

As for the publicity, the most important milestones of the OP RDI occurred at the end of the year, namely the end of acceptance of the project applications within the first call of Priority Axis 2 and the second call of Priority Axis 2.

The second milestone, which was the most important one, was the issuance of the first decisions on provision of a grant.

Press releases are supplemented with PR articles in order to address as large a part of the public as possible and built a positive image of the operational programme in the general public.

Promotional items

Provision and distribution of promotional items for the purpose of increased awareness on the operational programme takes a part in publicity activities.

When buying these promotional items, the MA OP RDI honours the effective and economical approach. For this purpose, it purchases the most usable items, such as writing pads, diaries, pens, flash discs, etc., which it distributes at suitable occasions, such as professional seminars and conferences, consultations, important meetings, etc.

Visual Identity Manual

In 2009, the manual of uniform visual identity was produced and implemented during the same year. The manual is available for free download at the MEYS web site, on the following address: http://www.msmt.cz/strukturalni-fondy/manual-vizualni-identity-op-vavpi

The objective of this manual rests in the unification of visual presentations of the operational programme and, therefore, facilitates spontaneous familiarity, and the unified graphic form of used templates and other supporting materials. It is the basic tool of the OP RDI corporate identity.

Analysis of the communication needs of the OP RDI

In April, 2009, the MA ordered analysis of communication needs. Its results imply that the professional public (therefore, potential applicants and beneficiaries) orient themselves in structural funds very well because they have experience from the previous programme period.

However, the opposite situation applies to the general public where only 2% of CR population knows about particular OP RDI areas of intervention. It is necessary to significantly stimulate such low interest of the general public in a programme with the scope and importance of the OP RDI.

Based on this analysis, communication activities in 2009 were adjusted and the Annual Communication Plan for 2010 that emphasises the aforementioned media and other promotional activities was also produced.

Based on the produced analysis, 4 basic medial tools were defined for above-the-line communication, namely television (sponsoring of thematic programmes), radio, Internet, and print.

In below-the-line communication, emphasis is on press releases, press conferences, PR articles (in printed, as well as online media), seminars, workshops, and individual consultations.

Communication Agency (ATL, as well as BTL)

In 2009, work began on preparation of contractual documents for selection of a communication agency that should provide above-the-line (ATL), as well as below-the-line (BTL) communication activities. The agency should be known in the middle of 2009.

7 EXCHANGE OF EXPERIENCE AND TRIED PROCEDURES

This chapter introduces an evaluation system for submitted OP RDI projects thanks to its heftiness, high quality, and uniqueness in the Czech Republic. This highly sophisticated and robust system, which was positively rated by the EC, was selected in order to eliminate any bias and provide a high standard of projects, with regard to their specific activity and following sustainability.

Furthermore, evaluation is entrusted to renowned foreign experts who are not only experts in the scientific area in question, but they also have experience with realisation of big investment events, management of big scientific institutes and research projects, and with evaluation of similarly big and complex programmes. In the effort to produce evaluations in the highest quality, top international experts in the area of research evaluation from the internationally acclaimed company, Technopolis, Ltd., were included into the preparation of methodology and the following process of project evaluation.

Evaluation process

Once the project application is received by the MA, the project manager will check the formal terms and feasibility, which includes a check of feasibility of the applicant, as well as the project. This check results either in submission of the project application into the professional evaluation process or in rejection of the project application.

Evaluation of project applications within the OP RDI is multileveled, whereas evaluation of project applications by experts within individual levels is carried out in several stages.

Professional evaluation in Priority Axes 1, 2, and partially 3 is produced by international experts, and in Priority Axis 4, projects are evaluated mainly by Czech experts.

Evaluation levels:

1. Evaluation of a project application by experts with relevant experience from cooperation with the application sphere who will evaluate a project application from the aspect of application and innovation potential, with regard to the application environment of the project application in question, review the adequacy of the budget and financial sustainability (especially with regard to institutional and special-purpose funding of R&D from Czech sources), and they will evaluate project synergies (if any) with other operational programmes.

2. Evaluation of a project application by professional evaluators who will review a project application form the professional aspect.

Levels of evaluation of the first and second stage are described in more detail below.

3. Evaluation of a project application by construction-technical experts.

Construction – technical evaluation has two stages, and in the first stage, it serves as a supporting document for the Panel for Applications, and in the second stage, for the Selection Committee, or for the stage of specification of performance parameters (so-called “negotiation”).

4. Incentive bonus of the project application for submission of conformity verification of the project with the Integrated Urban Development Plan (IUDP) and following selection of project

applications in dependence on financial allocation for the call in question by the Managing Authority.

5. The stage of Specification of Performance Parameters of the project (so-called "negotiation"), within which expert evaluators communicate with the applicant via the MA on particular conditions of the project realisation. The stage of specifying parameters is always mandatory for projects submitted within Priority Axes 1 and 2. Projects within Priority Axes 3 and 4 will be evaluated in a standard manner, without the stage of parameter specification, and only in exceptional cases, based on an opinion of professional evaluators and with approval of the MA, the stage of parameter specification will follow.

The stage of parameter specification consists of thematically oriented meetings of representatives of the Managing Authority or evaluators with submitters of the project application in the presence of an assistant who will be obliged to participate in all the meetings, and his objective, together with evaluators and project submitters, will rest in negotiation of proposed project changes and determination of recommendations necessary for project realisation that will become a part of the Decision.

Agreement on a procedure for filling the project director's position may form a part of the stage of parameter specification too, especially in case of major projects. In case of absence of a suitable candidate, establishment of international search committees for identification of suitable candidates for the research director position is expected. In case of projects with participation of a partner, the stage of parameter specification will also contain an agreement between an applicant and a partner (partners), specification of conditions of a partner contract, and their approval by the MA OP RDI. Increase of qualified expenditure compared to data specified in the project application cannot be a part of the stage of parameter specification.

6. Revision of the project application based on requirements from the stage of parameter specification or recommendations by the Panel of experts.

7. Delivery of the project application in the revised form back to the MA in the same manner as specified in the introduction.

8. Check of revised project application at the MA level.

9. The final stage of selection of projects is carried out in the form of an approval procedure, which confirms the correctness of the evaluation process and the parameter specification process.

10. For projects with total costs exceeding EUR 50 million, conversion of the project total costs to EUR will be carried out in this evaluation stage, in accordance with the Guideline for use of the exchange rate for application of Article 39 of the General Regulation and for monitoring utilisations of allocations of operational programmes with major projects that forms Appendix No. 1 to the Methodology of cash-flows, and check of programmes of the manual. Major projects (projects with the total costs exceeding EUR 50 million) will be submitted for approval to the European Commission. This step does not apply to call 1.2, within which projects with the total costs exceeding CZK 1 billion are considered unacceptable.

11. The Decision will be signed after completion of the aforementioned process. Conditions of feasibility of the project will form a part of the Decision, and the applicant will pledge himself to them by his signature.

Evaluation stages within first and second level

Evaluation of project applications by individual experts who evaluate the project application separately. The evaluation will result in a quantitative point evaluation of every project and qualitative verbal commentary of every evaluator.

(ii) Evaluation of project applications within thematically oriented commissions (so-called consensus meeting). In the framework of individual thematically oriented commissions, evaluators will produce one collective opinion for every project application, which will contain a summary points and description evaluation of the project and will be signed by all the evaluators who participated in the evaluation.

The outcome from thematically oriented commissions is the aforementioned point (quantitative) and description (qualitative) evaluation with the opinion.

Project is not recommended for the next evaluation stage

b) Project is recommended for the next evaluation stage

depending on meeting / not meeting qualification criteria or threshold values of selection criteria.

(iii) Evaluation of project applications within panels (Application Panel, Panel of Experts)

Application Panel covers the evaluation of experts with relevant experience from cooperation with the application sphere. Within Priority Axes 1 and 2, the Panel of Experts that is also called the International Panel covers evaluations of expert evaluators. This international panel consists of top experts in various science and research fields representing prestigious institutions.

Meetings of the Application Panel and the Panel of Experts are not open to the public. Other persons may be invited to participate only with approval of the MA OP RDI, especially individual evaluators of the projects, which are discussed by both the panels.

The Application Panel and the Panel of Experts may modify the opinions of previous thematically oriented commissions of a relevant level, but only in duly justified cases. The Panel in question will consensually agree on results of evaluation of individual project applications; if it is not possible, the majority will prevail. Result of evaluation by the individual panels is: the project application is submitted into further evaluation or the project application is rejected.

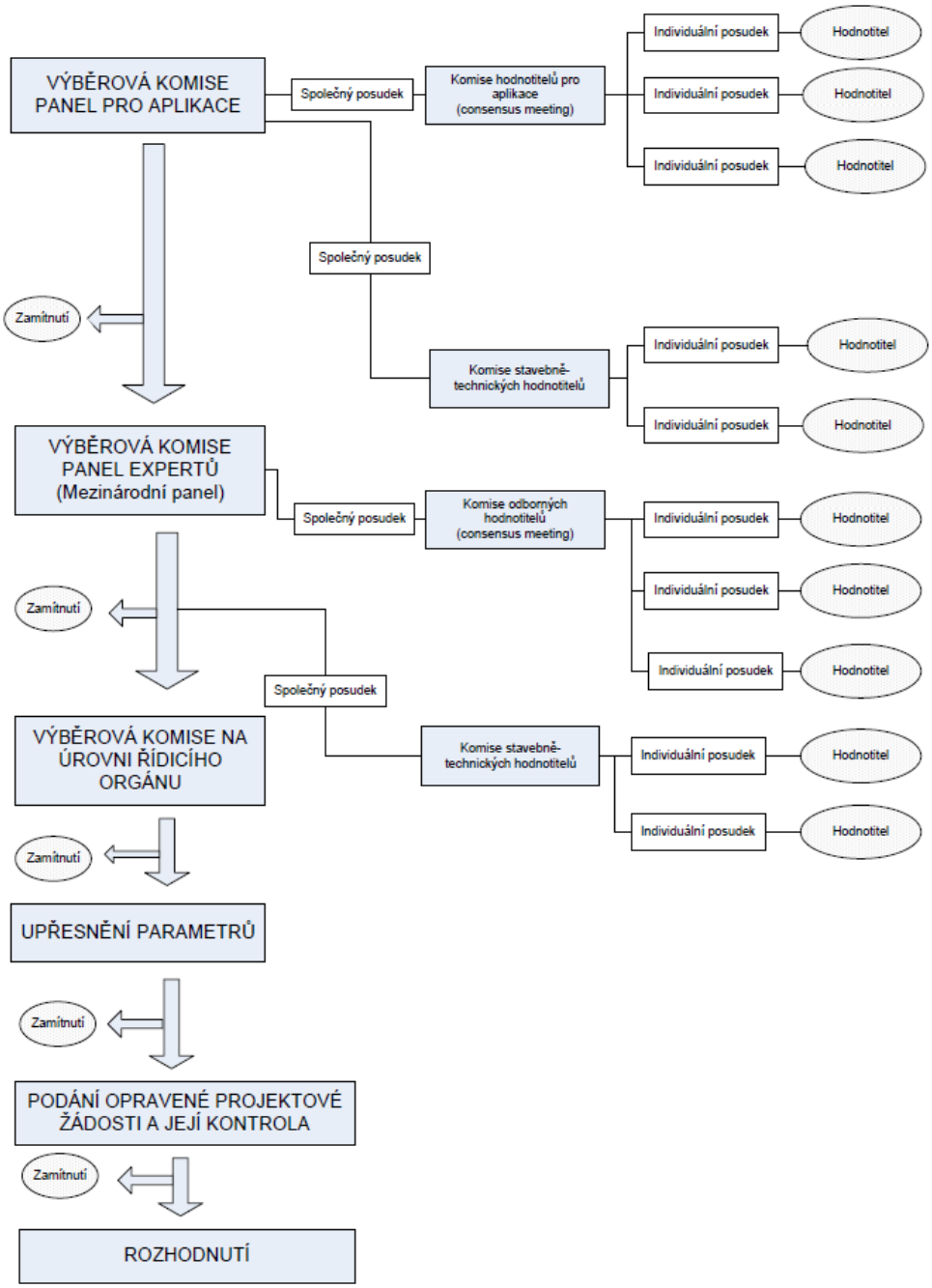
In case of major projects, applicants (or their representatives) can be asked by the Managing Authority to participate in a part of the evaluation process, for the purpose of answering the questions (if any) of evaluators related to the evaluation of the project in question (so-called hearing).

After every meeting of the Selection Commission (the Application Panel, as well as the Panel of Experts) within every call, a report summarising the main conclusions related to provision of quality and monitoring of quality within Selection Commissions is produced, including recommendation for possible improvement of the evaluation process in the following calls. At

the end of evaluation of all the projects, the final report on the evaluation process of the whole call is produced. The summary final report on the evaluation process in all the calls will be produced after evaluation of all the calls.

Structure of the evaluation process is shown below.

Image No. 4 Process of evaluation of the OP RDI projects



LIST OF ABBREVIATIONS

AS CR	Academy of Sciences of CR
B7	Benefit7 information system
CBA	Cost-Benefit Analysis
CR	Czech Republic
CSO	Czech Statistical Office
EC	European Commission
ERA	European Research Area
EFRD	European Regional Development Fund
EC	European Community
ESF	European Social Fund
ESFRI	European Strategic Forum for Research Infrastructures
EU	European Union
MA IS	Managing Authority Information system
IS A/B	Information system of applicant/beneficiary
CoP	Communication Plan
M7+	MONIT7+ Information System
MRD	Ministry for Regional Development
SME	Small and Medium-sized Enterprises
MEYS	Ministry of Education, Youth, and Sports
MC	Monitoring committee
NCA	National Coordination Authority
NRP	National Reform Programme
NSRF	National Strategic Reference Framework
OP EI	Operational Programme Enterprise and Innovation
OP RDI	Operational Programme Research and Development for Innovation
OP EC	Operational Programme Education for Competitiveness
AAE	Authorised Auditing Entity
PCA	Paying and Certification Authority
PA	Priority Axis
RII	Result Information Index
RDIC	Research, Development, and Innovation Council
MA	Managing Authority
SEA	Strategic Environmental Assessment of impact of the OP RDI execution on the environment and public health
TA	Technical Assistance
R&D	Research and Development

LIST OF TABLES, FIGURES, AND CHARTS

Table No. 1 Financial allocation for the individual priority axes for the entire programming period (in EUR) 9
Table No. 2 Summary of modification to the implementation documents made during 2009 14
Table No. 3 Overview of the most significant events for 2009 19
Table No. 4 Context indicators at the level of OP RDI 20
Table No. 5 Impact indicators at the OP RDI level 20
Table No. 6 Output indicators at the OP RDI level 21
Table No. 7 Results indicators at the OP RDI level 22
Table No. 8 Overview of announced and continuous calls in 2009 24
Table No. 9 Priority axes based on the source of funding (financial contribution from SF/CF and from national public resources in EUR) 25
Table No. 10 OP RDI Financial Plan in accordance with the priority axes and Areas of Intervention .. 26
Table No. 11 Implementation of the N+3/N+2 rule 27
Table No. 12 Deposit payments in EUR since the beginning of the programming period until 31 December 2009 27
Table No. 13 Realistic progress of the OP RDI 31
Table No. 14 Allocation for the priority themes (contribution from EFRD) 31
Table No. 15 Output indicators Priority Axis 1 41
Table No. 16 Result indicators Priority Axis 1 41
Table No. 17 Achieved material and financial progress of Priority Axis 1 42
Table No. 18 Output indicators Priority Axis 2 45
Table No. 19 Result indicators Priority Axis 2 45
Table No. 20 Material and financial progress of Priority Axis 2 46
Table No. 21 Output indicators Priority Axis 3 48
Table No. 22 Result indicators Priority Axis 3 48
Table No. 23 Material and financial progress of Priority Axis 3 48
Table No. 24 Output indicators Priority Axis 4 50
Table No. 25 Result indicators Priority Axis 4 51
Table No. 26 Financial progress of Priority Axis 4 51
Table No. 27 Output indicators Priority Axis 5 53
Table No. 28 Financial progress of Priority Axis 5 54
Table No. 29 Approved and Upcoming Technical Assistance Projects 60
Table No. 30 Items paid from the Technical Assistance OP 61

Image No. 1 Selected OP RDI Strategy 7
Image No. 2 OP RDI Objectives and Priority Axes 8
Image No. 3 Organisational Structure of the Managing Authority for the OP RDI 15
Image No. 4 Process of evaluation of the OP RDI projects 69

Graph No. 2 Distribution of the allocation for the individual priority axes for the entire programming period 11

ANNEXES

Annexe 1 Characteristics of successful projects

In Priority Axes 1, 3 and 4 has not been issued any Decision on Subsidy to the date of the Annual Report submission, thus the frames below content only characteristics of projects in Priority Axis 2.

Reg. No. of the project: CZ.1.05/2.1.00/01.0002

Name: **NETME Centre (New Technologies for Mechanical Engineering)**

Applicant: **Technical University in Brno**

Place of realisation Brno

Total Eligible Project Expenditure: CZK 767,502,287

The NETME Centre (hereinafter also “NETME” or “centre” only) is built on a ground plan of the historical operation of the Faculty of Mechanical Engineering or departments whose results are high-quality in CR and competitive even in the international scope, for the purpose of strengthening orientation on experimental development and cooperation especially with the regional company sector. Namely, via the step infrastructure and instrumental restoration and development, which seems to be inevitable for excellent, as well as relevant research and related activities, in mechanical engineering technology and the related fields. The NETME Centre consists of 6 divisions (WP) that objectively fulfil the centre function via related research agendas.



Source: www.paveljura.com

Reg. No. of the project: CZ.1.05/2.1.00/01.0005

Name: **Centre for nano-materials, advanced technologies, and innovations**

Applicant: **Technical University in Liberec**

Place of realisation Liberec

Total Eligible Project Expenditure: CZK 800,009,500

The objective of the project rests in utilisation of an existing building of the Technical University in Liberec (TUL), on the Husova Street premises, and its adaptation to a university research institute oriented on research and development in the area of material sciences and competitive mechanical engineering. The integral part of the project rests in concentration of existing devices and equipment for research and development fields into newly built laboratories and following additional equipping of laboratories with new devices and research equipment so that the Institute would fulfil the current demanding requirements for front-end research in the areas of material research focused on nano-materials, competitive mechanical engineering especially in the area of robots with mechatronic systems, new drive units for machines and mobile facilities, progressive technologies of technical materials processing, etc. The project realisation will ensure long-term sustainable growth in the area of provision of high-quality R&D services, production of high-quality human resources, and expansion of cooperation with the application sphere for TUL.



Source: OP RDI MA

Reg. No. of the project: CZ.1.05/2.1.00/01.0006

Name: **Centre for applied microbiology and immunology in veterinary medicine**

Applicant: **Research Institute of Veterinary Medicine, v.v.i.**

Place of realisation Brno

Total Eligible Project Expenditure: CZK 365,263,120

The project will be realised in the Research Institute of Veterinary Medicine, v.v.i., which is a renowned applied research institute in the CR. This project will focus on utilisation of molecular biology tools to acquire new knowledge in the immunology, virology, and bacteriology fields. Training of highly qualified specialists in bio-technological fields will be another output of the project. Qualified labour and new knowledge will be utilised for development of new vaccines for protection of the health of animals, preparation of diagnostic sets for detection of pathogenic microorganisms or acquirement of new data for preparation of directives and measures of state administration authorities. In summary, it will enable long-term sustainable development in the agriculture and bio-technological industry, and it will contribute to the increased competitiveness of Czech producers on the world markets. The project is in accordance with strategies set by the South Moravian Innovative Centre and development strategy of the city of Brno and, therefore, it completely fits into the long-term plan for regional development.



Source: OP RDI MA

Reg. No. of the project: CZ.1.05/2.1.00/01.0017

Name: Application and Development Laboratories of Advanced Microtechnologies and nanotechnologies

Applicant: **Institute of Scientific Instruments AS CR, v.v.i.**

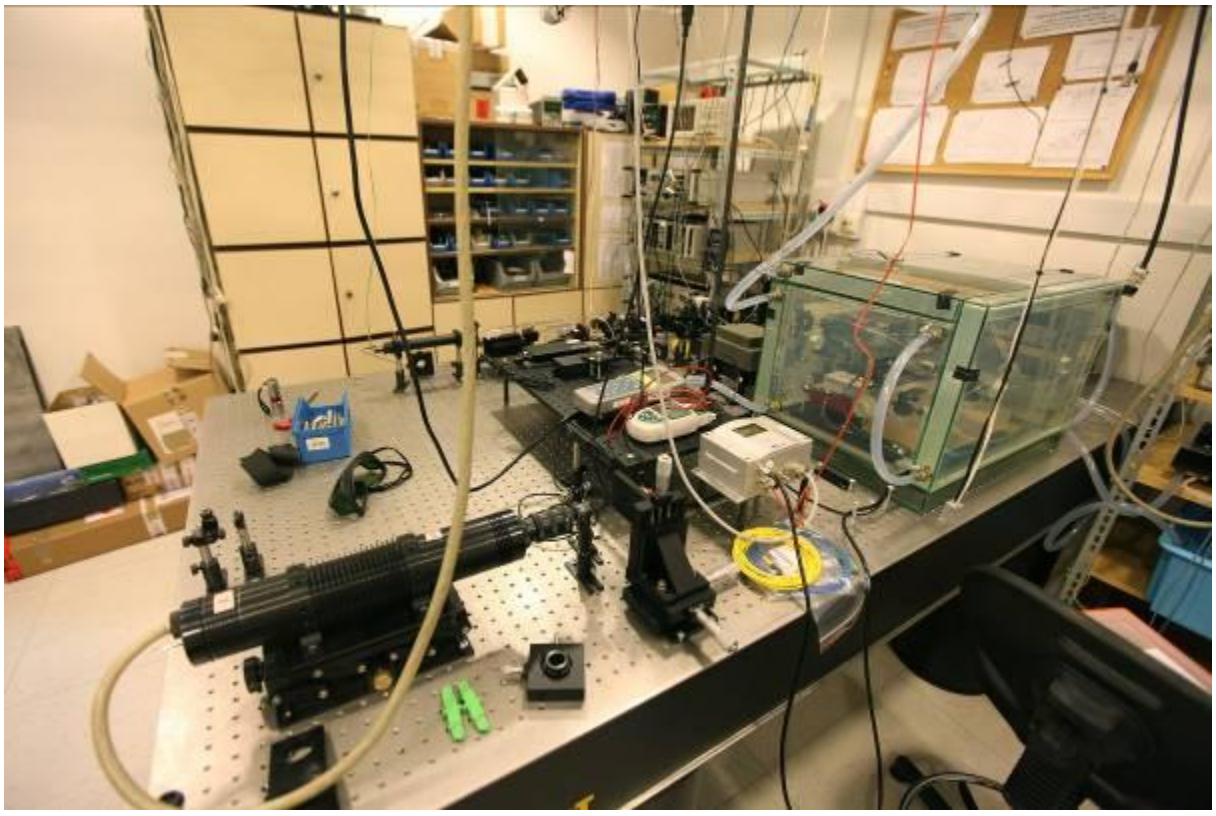
Place of realisation Brno

Total Eligible Project Expenditure: CZK 432,941,962

The subject of the project rests in building application and development laboratories of microtechnologies and nanotechnologies (AL-ISI), which will be organised as a new department of the Institute of Scientific Instruments AS CR, v.v.i. Realisation of the project rests in reconstruction of 213 m^2 of existing flooring, building conversion of 356 m^2 of flooring, and construction of 1,227 m^2 of new flooring on the applicant's premises and equipping these areas with instruments.

New laboratories will pick up on the existing experience and successes of the applicant, and they will be oriented into the area of diagnostics and technologies, which utilise methods of electron microscopy and lithography, magnetic resonance, laser interferometry, welding with an electron and laser beam, magnetron sputtering, cryogenics, and construction of new scientific devices.

The target groups of the project will be users of results of research activities (application partners), students and young researchers, and indirectly also residents and entrepreneurs of the affected region.



Source: OP RDI MA

Annexe 2 Forms for reporting synergy links between OPs

Form processed by: **Thematic area*:**	*OP Research and Development for Innovations* ***Development of enterprise, innovations***
Synergic areas of intervention of OP Research and Development for Innovations	*1.1 European Centres of Excellence* *2.1 Regional R&D Centres* *3.1 Commercialisation of the results of research organisations and protection of their intellectual property*
Relationship to areas of intervention of OP Enterprise and Innovation	*1.1 1.1 Support of new entrepreneurs* *1.2 1.2 Utilisation of new financial instruments* *4.1 Increasing the innovative performance of companies* *4.2 Capacities for industrial research and development* *5.1 Cooperation platforms*
The cooperation agreement between the MA (PP) and the MA (NP) is concluded:	YES
Assessment of the functioning of coordination mechanisms between the MA (PP) and MA (NP), set in agreements between the MA / in programme documentation / additional coordination mechanisms, incl. the form description *(e.g., sending the plan for calls, sending reports on realisation / annual reports, attendance at SCC / thematic micro-teams convened under CC / monitoring committees / work groups / annual conferences, information on seminars for applicants / beneficiaries, information in GfA / GfB, etc.):*	
While monitoring coordination mechanisms, the MA follows the approved operational programme. It applies especially to parallel synergy links in the aforementioned intervention areas of the OP EI. Measures of system support by synergy are implemented into individual administration processes of the operational programme, and they are fulfilled gradually, in accordance with the progress of implementation of the OP RDI. All the processes and notices of synergic connections are stated not only in the programme documentation, but also in manuals for applicants/beneficiaries, and applicant/beneficiaries are informed during seminars. Monitoring Committees of both the synergic OP mutually discuss, comment, and approve calls in the synergic areas of intervention. Applicants/beneficiaries are continuously alerted to incorrectly filled synergic connections, and rectification is arranged with them. Monitoring synergic connection on the project level is a significant part of coordination mechanisms. Projects that have synergic connections with other OP EI projects receive a bonus when they are evaluated by external evaluators. The system of monitoring synergic relationships and bonuses was successfully embedded in procedures for evaluation and selection of projects. Evaluators had information on synergic projects available and, therefore, they were able to professionally evaluate if there really is a strong synergic connection between the projects. Based on their opinion, a bonus was or was not granted.	
Problems and risks identified on ensuring a connection by Managing Authorities, measures taken:	
The system for monitoring connections in IS has not yet been finished on the central level. Currently, the MA OP RDI closely cooperates with employees of the MRD so that this functionality would be implemented as soon as possible.	
Topics for meetings of the Coordinating Committee / thematic micro-team:	
Coordination of concluding calls (approval of projects). Monitoring of approved; connections are now monitored in projects in so-called positive statuses, and it is not guaranteed that they will really be funded.	
Other notes:	
Produced by: Bc. Jan Červenka	

Note: This is a simplified version of the form defined by a methodological recommendation to ensure synergies between the OPs. Due to the fact that synergies are not incorporated into the IS, the form does not include the MSC2007 table and the subsequent commentary.

* Defined in the Methodological recommendation to ensure synergies between the OPs (chapter 6.1 and Appendix No. 1)

** See Appendix to the Decision No. 235/2009 of the Minister for Regional Development

Form processed by:	*OP Research and Development for Innovations*
Thematic area*:	***Professional education***
Synergic areas of intervention of OP Research and Development for Innovations	*1.2 European Centres of Excellence* *2.1 Regional R&D Centres* *3.1 Commercialisation of the results of research organisations and protection of their intellectual property* *3.2 Promotion and awareness of the R&D results* *4.1 Infrastructure for education at the universities accompanied with research*
Connection to area of intervention OP Education for Competitiveness	*2.2 University education* *2.3 Human resources in research and development* *2.4 Partnerships and networks*
The cooperation agreement between the MA (PP) and the MA (NP) is concluded:	NO

Assessment of the functioning of coordination mechanisms between the MA (PP) and MA (NP), set in agreements between the MA / in programme documentation / additional coordination mechanisms, incl. the form description *(e.g., sending the plan for calls, sending reports on realisation / annual reports, attendance at SCC / thematic micro-teams convened under CC / monitoring committees / work groups / annual conferences, information on seminars for applicants / beneficiaries, information in GfA / GfB, etc.):*

While monitoring coordination mechanisms, the MA follows the approved operational programme. It applies especially to parallel synergy links in the aforementioned intervention areas of the OP EC. Measures of system support by synergy are implemented into individual administration processes of the operational programme, and they are fulfilled gradually, in accordance with the progress of implementation of the OP RDI. All the processes and notices of synergic connections are stated not only in the programme documentation, but also in manuals for applicants/beneficiaries, and applicant/beneficiaries are informed during seminars.

Monitoring synergic connection on the project level is a significant part of coordination mechanisms. Projects that have synergic connections with other OP EC projects receive a bonus when they are evaluated by external evaluators. The system of monitoring synergic relationships and bonuses was successfully embedded in procedures for evaluation and selection of projects. Evaluators had information on synergic projects available and, therefore, they were able to professionally evaluate if there really is a strong synergic connection between the projects. Based on their opinion, a bonus was or was not granted.

Problems and risks identified on ensuring a connection by managing authorities, measures taken:

System for monitoring connections in IS has not yet been finished on the central level. Currently, the MA OP RDI closely cooperates with employees of the MRD so that this functionality would be implemented as soon as possible.

Topics for meetings of the Coordinating Committee / thematic micro-team:

Monitoring of approved; connections are now monitored in projects in so-called positive statuses, and it is not guaranteed that they will really be funded.

Other notes:

Produced by: Bc. Jan Červenka

Note: This is a simplified version of the form defined by a methodological recommendation to ensure synergies between the OPs. Due to the fact that synergies are not incorporated into the IS, the form does not include the MSC2007 table and the subsequent commentary.

* Defined in the Methodological recommendation to ensure synergies between the OPs (chapter 6.1 and Appendix No. 1)

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