

Structure of new operational programmes for 2014-2020 in CR

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Introduction

The future arrangement of grants from EU structural funds in our country after 2013 could end our leading position in this area. The Czech Republic is expected to cease being the country with relatively the largest number of operational programmes, due to its size, and the entire grant system is expected to get simpler.

However, we will no longer even be first in terms of overall allocations obtained from EU funds per inhabitant. The Czech Republic is getting wealthier, and this is reflected in the reduction of the overall amount that we will have available. Instead of 26.7 billion euros in the current period of 2007-2013, we can expect "only" 20.5 billion euros. In view of the real absorption capacity of domestic entities, this is still a high amount.

Already last autumn the government approved a plan for the main part of the assistance from European funds in the Czech Republic to flow to project implementers through 8 operational programmes instead of the hitherto 17 OP.

The Ministry for Regional Development, which is the body responsible for coordination of preparations of the future programme period, also promises simplification of administrative tasks during the grant application process by implementing harmonised and standard rules.

However, the situation in which the applicants' knowledge during obtaining of grants, for example from the Environment Operational Programme, becomes irrelevant during application for grants from the ROP Northwest is not expected to be repeated.

Main principles

The main principles of the new programming period are expected to include a strategic focus and interconnection. The intervention of operational programmes must be aimed at fulfilling the goals of the Europe 2020 Strategy, the National Programme of Reforms and the International Competitive Strategy. Due to ensuring of maximum synergy, the supported projects should be based on more global development strategies defined in the Integrated Development Plans of Cities (IPRM), Integrated Plans of Territorial Development and Integrated Territorial Investments (ITI).

Compared to the current period, the supported projects should even more respect the criterion of competitiveness. Although the newly repaired square with a reconstructed fountain will make local citizens' lives pleasant, it will not contribute much to increasing the competitiveness of the particular town, the region or the country. The best solution would probably be the transformation of the unused agricultural brownfield into a new scientific laboratory in cooperation with the local university.

The competitiveness criterion takes the form of principle 3I: Institutions (effective and efficient), Infrastructure (transport, energy, telecommunications and IT) and Innovation (support for the innovative potential of the economy).

Boosting of competitiveness is not expected like in the past, to become in conflict with the principles of market competition. The operational programmes should support only those sectors and industries where their market is failing or where a market environment does not exist. In the business environment, besides grant forms of assistance, financial instruments that yield returns should also be used more. These will have the form of loans, guarantees and/or direct capital investments, and as is already apparent from their collective name, they should be repaid and reinvested over time. The volume of paid assistance from EU funds through so-called financial instruments is estimated at just under 10% of the total allocation.

Overview of OP in the Czech Republic for 2014-2020

OP Business and Innovation for Competitiveness (OP PIK)
OP Research, Development and Education (OP VVV)
OP Employment (OP Z)
OP Transport (OP D)
OP Environment (OP ŽP)
Integrated Regional Operational Programme (IROP)
OP Prague - Field of Growth in the Czech Republic (OP PPR)
OP Technical Assistance (OP TP)
10 OPs focused on European Territorial Cooperation
Rural Development Programme (PRV)
Fisheries Operational Programme (OPR)

Source: Czech Ministry for Regional Development

New set of operational programmes

IROP

The biggest "revolution" in the structure of operational programmes will be the return to the situation before 2007. Also after 2013, regional problems will be resolved by the unified Integrated Regional Operational Programme (IROP), and the structure of the seven Regional Operational Programmes and the additional Central IOP will cease to exist.

IROP will be comprised of four priority axes.

The first priority axis is devoted to increasing the competitiveness of the territory, and within it projects will be financed that are aimed at modernisation and development of the regional roadway infrastructure, development of transport systems and support for destination marketing.

The second priority axis will be divided into two parts. The first is focused on the social and health area, and the second is focused on investments into education, knowledge and life-long learning.

The aim of the third priority axis is modernisation of public administration, along with increasing transparency, effectiveness and efficiency of processes in public administration. The goals are generally intended to increase the competitiveness of the Czech Republic in terms of the performance of institutions at the local and central levels.

Priority axis Technical Assistance is focused on effective management of the operational programme. This is a broad priority area that applies to other priority axes. Technical assistance is included in all of the operational programmes and fulfils the same function, and therefore we will not comment regarding it in relation to the following OP.

IROP – priority axes (PA)

PA 1: Boosting competitiveness in the territory

PA 2: Improving the quality of public services in the territory

PA 3: Boosting the institutional capacity of public administration

PA 4: Technical Assistance

Source: Czech Ministry for Regional Development

OP Transport

The second most generous budget is expected in relation to the Transport Operational Programme, which corresponds to the current OP with the same name.

The first priority axis will support activities in the area of corresponding transport and activities, which will lead to improvement of urban and suburban transport. It will also support the development and modernisation of railway networks and the introduction of new technologies.

Within this priority axis, projects for development and modernisation of domestic water ways will also be financed, along with support for multi-modal transport and improvement of the route infrastructure of urban and suburban transport.

The second priority axis will expand the development of the roadway infrastructure of the TEN-T network, including development and modernisation of roadways, including highways. The third priority axis will focus on activities aimed at improving the parameters of high-speed motorways outside of the TEN-T network for the purpose of increasing the safety and efficiency of transport.

OP Transport – priority axes (PA)

PA 1: Infrastructure for railway and other sustainable transport

PA 2: Roadway infrastructure in the network TEN-T

PA 3: Roadway infrastructure outside of the network TEN-T

PA 4: Technical Assistance

Source: Czech Ministry for Regional Development

OP Environment

The same name in 2014-2020 will also be maintained by the Operational Programme Environment, which is the main candidate for funding cuts.

The six proposed priority axes monitor the following aims. Measures supported within the first priority axis contribute to reduction of pollution of surface and underground water. Measures will also be financed to ensure flood protection and preventive anti-flood measures.

The second priority axis will focus on intervention contributing to reduction of emissions and improvement of the system of monitoring, evaluating and forecasting the development of air quality. The third priority axis focuses on measures that will contribute to avoiding waste generation and increasing material use of waste.

It will also lead to elimination of environmental burden, reduction of environmental risks and development of the system for their management. The fourth priority axis will boost biodiversity and the quality of the environment in territorial bases. The fifth priority axis will support the transition to a low-carbon economy and energy efficiency in buildings and public lighting. Investments into improvement of thermal technical properties of buildings will contribute to the reduction of energy demands of buildings.

OP Environment – priority axes (PA)

PA 1: Water quality improvement and flood risk reduction

PA 2: Improvement of air quality in human settlements

PA 3: Waste and material flows, environmental burdens and risks

PA 4: Environmental protection and care for nature and rural areas

PA 5: Energy savings

PA 6: Technical Assistance

Source: Czech Ministry for Regional Development

OP Research, Development and Education

However, the greatest boost using financial resources is expected from the new OP Research, Development and Education, which should combine the hitherto OP Research and Development for Innovation and the OP Education for Competitiveness.

OP Research, Development and Education – priority axes (PA)

PA 1: Boosting of capacities for quality research

PA 2: Development of the environment for the use of research as a source of long-term competitive advantages

PA 3: Development of universities

PA 4: Development of life-long learning and equal access to quality education

PA 5: Technical Assistance

Source: Czech Ministry for Regional Development

The operational programme will have 5 priority axes, and the first of these will be focused on increasing the international competitiveness of Czech research and preparation of top experts with an interest in work in research and development. The aim of the second axis is to increase the use of the potential of the research sphere.

This axis will also include maximisation of the long-term benefit of hitherto investments with inclusion of the research and development capacities of Czech companies. Improvement of the quality of universities should be assisted by the third axis, which will be focused on increasing the relevance of university studies for the labour market and on profiling of universities particularly in the area of professional sectors. The fourth priority axis can be divided into improving the quality of education, boosting equal access to education and developing life-long learning.

OP Business and Innovation for Competitiveness

Another budget rich programme, which will create even more of a boost, is the OP Business and Innovation for Competitiveness, the successor of the current OP Business and Innovation.

OP Business and Innovation for Competitiveness – priority axes (PA)

PA 1: Development of business activity based on support for research, development and innovation

PA 2: Development of infrastructure and services supporting business in the knowledge economy and

internationalisation of business activity

PA 3: Sustainable management of energy and development of innovation in energy

PA 4: Development of high-speed internet access and support for modern information and communication technology

PA 5: Technical Assistance

Source: Czech Ministry for Regional Development

The operational programme is comprised of five priority axes. The measures of the first priority axis will lead to increasing the innovation performance of companies and the intensity and use of the results of industrial research and experimental development as part of the concept of intelligent specialisation.

The approach realised in the second priority axis is aimed at increasing the number of new business entities or objectives and at increasing the market preparedness of SMEs. Another part is focused on building quality business infrastructure and on development of existing infrastructure for education in the business sector.

Activities co-financed within the third priority axis will lead to increasing the share of production of energy from renewable resources, to reducing the energy demands of the business sector and to development of energy services, modernisation and development of distribution networks and greater application of innovations in energy. Measures carried out within the fourth axis will help increase the number of areas covered by high-speed internet and will help develop advanced communication technology.

OP Employment

The successor of the hitherto OP LZZ should also have a strengthened budget – the OP Employment.

The new OP Employment will be comprised of five priority axes. The first will be devoted to increasing employees' knowledge and competence and focused on creation of a balance between private and work life and modernisation of public services related to employment.

The second priority axis will be focused on support for social inclusion, socially oriented business and increasing the employability of socially excluded persons and/or persons at risk of exclusion on the labour market.

The third priority axis is focused on international cooperation in the area of social inclusion, the fight against poverty, access to employment for applicants and inactive persons, etc. The purpose of the fourth axis is to boost the institutional capacity and performance of domestic public administration and local governments and to reduce administrative and regulatory burden.

OP Employment – priority axes (PA)

PA 1: Support for employment and labour force adaptability

PA 2: Social integration and the fight against poverty

PA 3: Social innovation and international cooperation

PA 4: Effective public administration

PA 5: Technical Assistance

Source: Czech Ministry for Regional Development

OP Technical Assistance

The OP Technical Assistance is expected to remain the smallest operational programme, which will finance the management of European grant policy in the Czech Republic. In the new programme period of 2014-2020, it will have four priority axes.

The aim of the first of these is to support activities aimed at fulfilling the objectives of the Partnership Agreement and fund

OP Technical Assistance – priority axes (PA)

PA 1: Management and Coordination of the Partnership Agreement

PA 2: Single monitoring system

PA 3: Development of HR at the level of the Partnership Agreement

PA 4: Ensuring of absorption capacity

Source: Czech Ministry for Regional Development

management coordination. The second axis will lead to ensuring a unified monitoring system for structural funds in the Czech Republic.

Activities supported in this priority axis will be aimed at maintaining a high standard of administrative capacity and improvement of the qualifications of relevant employees of management bodies. The main objective of the last fourth priority axis will be to ensure effective development of absorption capacity from the central level through support.

OP Prague – field of growth

Simplification will also be carried out at the level of grants for Prague. Instead of the hitherto OP Prague-Adaptability and the OP Prague-Competitiveness, we can look forward to the single OP Prague – field of growth.

The interventions of a single operational programme for Prague will be divided into six priority axes. The first will monitor the fulfilment of the objective of boosting research, technological development and innovations. The main purpose of the support is also to stimulate the use of results of research and development in the application sphere, both public and commercial.

The second priority axis is focused on supporting Prague SMEs by creating quality and capacity sufficient infrastructure and services for business activities (such as business centres and incubators).

Prague projects focused on reducing energy demands of buildings (heating, recuperation, use of renewables), increasing energy efficiency in transport and supporting the use of public transportation will be financed within the third priority axis. The subsequent priority axis is in the form of the OP Employment at the Prague level and is devoted to development of social services with the aim of supporting social inclusion and reducing poverty. The fifth priority axis is aimed at supporting education at all levels, from elementary and secondary to university. This axis should make it possible to receive financial assistance also for projects aimed at involving universities, scientific research facilities and the business sector.

OP Prague – field of growth – priority axes (PA)

PA 1: Boosting of research, technological development and innovations
PA 2: Boosting of SMEs' competitiveness
PA 3: Sustainable mobility and energy savings
PA 4: Support for social inclusion and the fight against poverty
PA 5: Training and education
PA 6: Technical Assistance

Source: Czech Ministry for Regional Development

Operational Programmes focused on European Territorial Cooperation

In the future programme period, emphasis will also be placed on foreign projects, which are being resolved by at least two entities from a minimum of two countries as part of European Territorial Cooperation. The Czech Republic will participate in the following operational programmes at various regional levels:

Cross-border programmes:

- OP Czech Republic – Poland
- OP Slovakia – Czech Republic
- OP Austria – Czech Republic
- OP Bavaria – Czech Republic
- OP Saxony – Czech Republic

Multinational and international cooperation:

- OP Multinational Cooperation Central Europe
- OP Multinational Cooperation Danube
- OP Inter-regional Cooperation INTERREG C
- OP ESPON
- OP INTERACT

Programmes financed from EAFRD and EMFF

The structure of new grant programmes will also consist of operational programmes financed from the European Agricultural Fond for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF).

The first mentioned fund will finance the new Rural Development Programme, which will solve structural problems at the rural level. The Rural Development Programme should finance projects focused on boosting the competitiveness of farming, forestry and food enterprises, boosting rural employment while maintaining continuous stability and taking into consideration the natural disadvantages of rural areas, restoration, preservation and strengthening of local ecosystems, supporting effective use of energy resources and the transition to low-carbon rural economies and social inclusion as well as the fight against poverty in rural areas.

The OP Fisheries will be a smaller programme by volume. The support from this programme will be focused on environmentally sustainable aquaculture and environmentally friendly aquaculture sector activities as well as on increasing the competitiveness of the fisheries sector through productive investments into aquaculture and development of innovative activities with an emphasis on benefits and implementation of technology in businesses.

Conclusion

It is also expected in the new programme period that the majority of projects, particularly those of an investment nature, will have to be pre-financed from external sources. Everything depends on how the system is set up by overseeing bodies. In most cases, the overseeing body (the relevant ministry) will release grants retroactively after individual phases of the project are completed.

For commercial projects, public support rules will also apply, which are expected to become even stricter compared to the current programme period. While now large businesses with more than 250 employees each can receive investment grants of 40% (and medium-sized businesses 10% more and small businesses 20% more), in the future this intensity of public support is expected to be reduced to 25% for large businesses, 35% for medium-sized businesses and 45% for small businesses.

Domestic project implementers from the public and from regions and municipalities and business operators from the non-profit sector already now have gained enough experience with implementing and managing projects supported from EU funds and are waiting for relevant state bodies to be prepared to launch the new grant system. And as far as that is concerned, we are relatively more pessimistic. Although the new programme period already begins on 1 January 2014, the first calls for submission of grant applications are not expected until the end of 2014.