

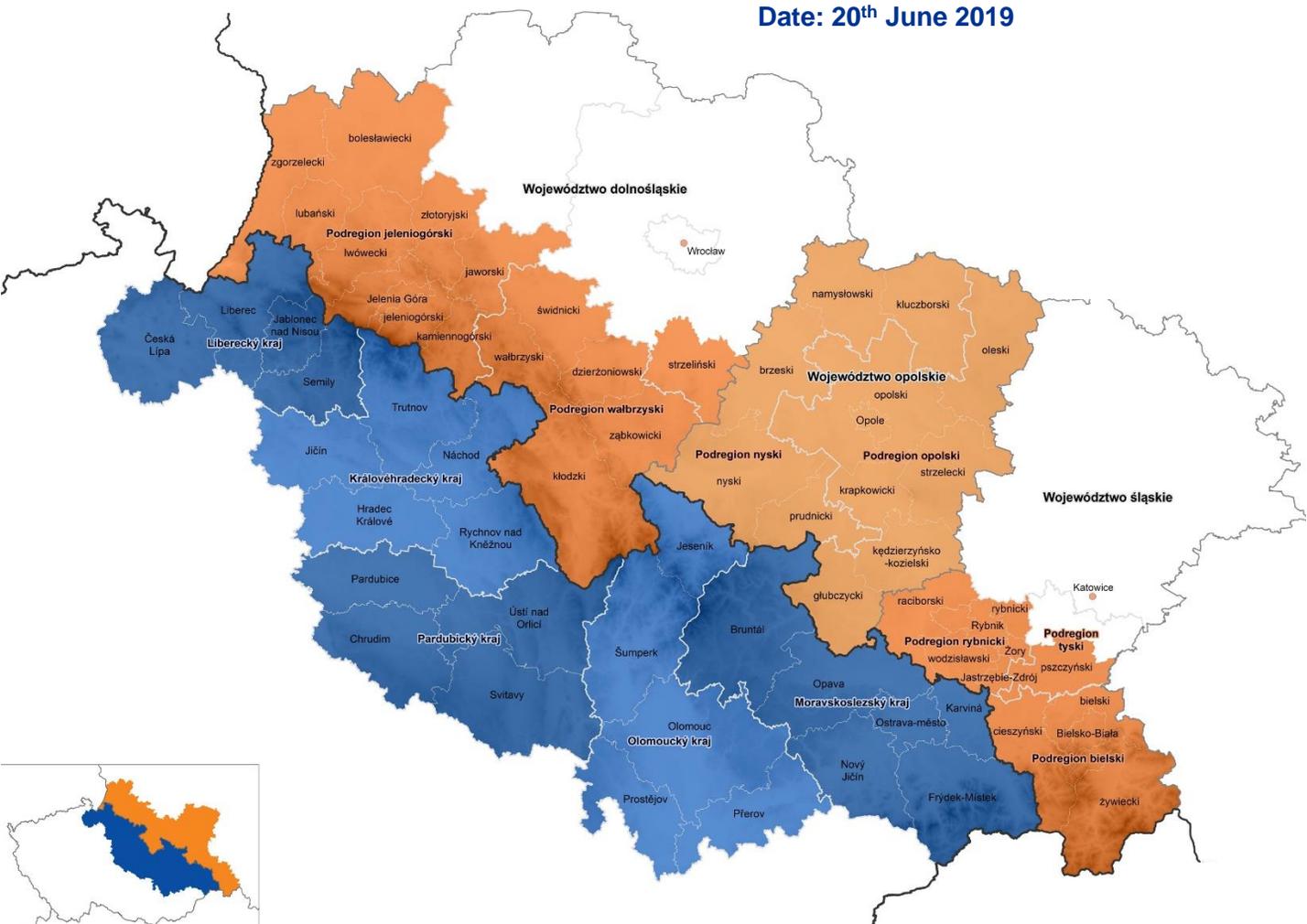


Evaluation of priorities and specific objectives implementation and verification of changes in development priorities of the program Interreg V-A Czech Republic – Poland

Executive summary

Partial delivery 4 – Verification of changes in development priorities of the program (carried out in 2018 - 2019)

Date: 20th June 2019

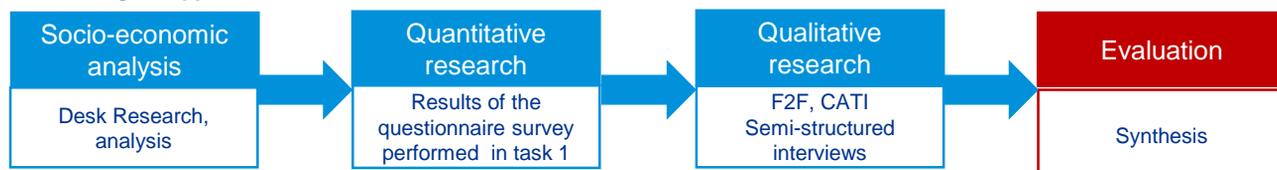


Background

Project name: „Evaluation of priorities and specific objectives implementation and verification of changes in development priorities of the program Interreg V-A Czech Republic – Poland“

Project objectives (of partial delivery 4): evaluation of the macroeconomic development in the program area, evaluation of the development needs of the program area on the basis of qualitative research and assessment of the relevance of the program priorities and objectives in relation to the analyzed development and identified needs of the program area.

Methodological approach to the evaluation:



The obtained information was analyzed by appropriate research methods. The information gained through the updated socio-economic analysis of the program area and synthesis with the information obtained through qualitative research methods provided relevant input that enabled to answer the evaluation questions.

Evaluation questions

Question no. 1: What are the main common problems of the program area that can be addressed through the European Regional Development Fund financial intervention? How these issues can be addressed through the financial intervention?

Statement: Main common problems of the program area (ranked by importance) are as follows: migration of highly educated and qualified residents from the program area, high long-term unemployment rate mainly in the structurally affected regions of the program area, increasing disbalance between the structure of the study fields and labor market needs, high unemployment rate in the age groups of 15-24 years and over 55 years, little interest of pupils in technical education, high long-term share of employees working in the secondary sector on the Czech side of the border and in the primary sector on the Polish side compared to the national average, limited cross-border ability to deal with emergencies and critical situations in the program area, poor technical condition of transport infrastructure, lower education of the program area residents compared to the national average (this issue should be addressed via OP Employment on the Czech side of the program area and OP Science, Education and Development on the Polish side) and insufficient touristic infrastructure in the border regions.

Question no. 2: Which of the main problems of the program area are solved by the intervention logic of the program? Are the problems solved in the right way?

Statement: Intervention logic of the program - selected objectives, priorities and supported activities potentially contribute to addressing all main problems of the area. Activities and goals settings can be considered as appropriate for problems and needs of the area. Intervention logic can be considered as adequately set in relation to defined problems and needs, their significance and the potential of ESIF instruments.

Question no. 3: What are the main opportunities for the program area that can be developed through the European Regional Development Fund financial intervention? How can be these opportunities developed through the financial intervention?

Statement: The main common opportunities of the program area are (ranked by significance): the potential of the program area from the tourism point of view (spa tourism, hiking, sightseeing), potential of cross-border cooperation between residents and enterprises in the program area (labor market, networking, tourism, holidays), study of technical fields with a perspective of employment in the program area, language skills of graduates as potential for employment on the other side of the program area, and increased regional mobility through the construction of backbone infrastructure.

Question no. 4: Which of the main program opportunities have been developed by the intervention logic of the program? Is the program developing the opportunities in the right way?

Statement: Intervention logic of the program - selected objectives, priorities and supported activities potentially develop all major opportunities of the area. Activities and goals settings can be considered as appropriate for major opportunities of the area. Intervention logic can be considered as adequately set in relation to defined potential of the area.

Question no. 5: Can the specific objectives of the program (in line with the conclusions of Questions 1-4) be assessed as relevant and valid?

Statement: The program and its objectives can be considered as a relevant instrument for addressing the needs and developing the potential of the program area.

Question no. 6: Are synergic and complementary links to other funding instruments still valid? If not, what synergic and complementary links should the program set up?

Statement: Neither Interreg V-A CR-PL operational program nor the common methodological environment define synergic links to other development instruments. At the same time, they define the extent of program complementary relationships ambiguously. Links to IROP (priority axes 1, 2, 3) and OP Environment (priority axes 1 and PO 2) can be considered as relevantly defined. At this stage of the evaluation, the evaluator does not consider useful to formally define other complementary and synergic links.

Recommendations on more effective targeting of the program

On the basis of the statements and findings resulting from the answers to the evaluation questions, the following recommendations were formulated with the aim for the more effective targeting of Interreg V-A Czech Republic - Poland.

Recommendation no. 1:

Maximize the potential of tourism in the program area by supporting the introduction of destination management and marketing principles.

Explanation of the recommendation:

Support for tourism remains an effective tool for the development of the program area. The recommendation set in 2017 is thus still valid. Its relevance is confirmed by the announcement of a dedicated call to support destination management that has met the desired effect.

A key prerequisite for maximizing the potential of tourism is to support the introduction of destination management and marketing principles, which will result not only in setting destination management, but also in offering attractive tourism products. The key factor will be the perception of the attractiveness of the destination, so that a potential visitor can choose one of the destinations in the program area to spend their holiday. The stimulus for the development of tourism also represents the improvement of the accessibility of the territory and the individual attractions of tourism, including cultural and natural heritage and wealth.

Recommended steps:

Current programming period :

- In the current period, in view of the level of allocation depletion and the time period to the end of the programming period, maintain the current form and measure the program support.

Next programming period:

- Continue to support infrastructure projects (access to natural and cultural tourism assumptions) - focus only on investment projects that can be implemented by the end of the program
- The current state of preparation of the new programming period (proposal for the ERDF Regulation) suggests some change in the European Commission's view of promoting tourism and more support options. Maintaining tourism support within the program area is key to addressing its problem. In the new programming period, tourism support should reflect the following thematic areas:
 - ✓ Balanced support for the use of natural and cultural resources (renewal of basic and supporting tourism infrastructure)
 - ✓ Making the use of tourism potential accessible
 - ✓ Support of destination marketing and management
 - ✓ Strategic tourism management and marketing research
- The thematic areas should primarily respond to new trends in tourism, ie:
 - ✓ Technology development and digital economy - the emergence of SMART solutions such as guidance and telematics systems
 - ✓ Mitigating the impact of climate change on the tourism industry - inadequate snow conditions, reducing the use of natural resources
 - ✓ Change in tourism demand - population aging (accessible tourism)
- It is recommended to continue to directly support destination management organizations in the form of specialized challenges that can only ensure the effectiveness of spending money on marketing activities. On the Czech side of the program area, criteria based on Categorization of DMO should be set as criteria. On the Polish side, it is appropriate to set minimum criteria for DMO as the final beneficiary of the program. Following the course of the "Marek turystycznych" certification project, it is advisable to accept certified organizations as final beneficiaries. In particular, acceptance of certification for calls depends on the level of support and development of the project on the Polish side of the program area. Greater emphasis should be placed on the process of project evaluation, rather than setting many fixed requirements (criteria) in the challenge. The detailed requirements limit the focus of projects, which pursue different objectives in view of the differentiated potential of tourism, also in the field of marketing. The effectiveness and meaningfulness of projects should be primarily assessed in the evaluation process. Advice and evaluation of such projects should be carried out by experts focused on tourism marketing. In particular, acceptance of certification for calls depends on the level of support and development of the project on the Polish side of the program area.
- Challenges for DMO should be better prepared (technically). Greater emphasis should be placed on the process of project evaluation, rather than setting many fixed requirements (criteria) in the call. The detailed requirements limit the focus of projects, which pursue different objectives in view of the differentiated potential of tourism, also in the field of marketing. The effectiveness and meaningfulness of projects should be primarily assessed in the evaluation process. Advice and evaluation of such projects should be carried out by experts focused on tourism marketing.



Recommendations on more effective targeting of the program

Recommendation no 2:

Create conditions for intensive cooperation between schools and enterprises, particularly with emphasis on the importance of the Industry 4.0 concept, and also for making the technical education more attractive.

Explanation of the recommendation:

As one of the most significant problems of the program area, a deepening imbalance between the structure of the curriculum and the needs of the labor market was identified on the basis of multicriterial analysis; pupils' low interest in technical fields of study must be refined in the area of the priority axis "Education and Qualifications".

In view of this, the recommendation remains to develop conditions for cooperation between schools and businesses so that graduates can be put to the best use and competitive in the labor market (setting the curriculum in such a way as to reflect labor market trends, regular lectures by experts from the field) companies, professional practice in companies, a scholarship scheme, etc.). In order for schools and businesses to cooperate as effectively and effectively as possible, it is necessary to establish contact between companies and schools in such a way that potential subsidy applicants learn the most accurate information. Businesses should therefore be the natural owner of the activity, but they are not among the authorized beneficiaries. If the promotion of the program is targeted at companies, they can subsequently trigger demand from potential applicants, thereby increasing the number of project applications and improving the quality of approved projects. It is also necessary to focus on the worldwide emerging Industry 4.0 concept (taking into account the dynamic development in this area, adjusting the disciplines in a way that takes into account the full or partial automation of certain jobs) and making technical disciplines more attractive to potential students. The foundation for collaboration in Industry 4.0 should be universities and companies that work with each other to come up with innovative solutions with subsequent implementation. The recommendation related to the field of education is also the introduction of measures aimed at optimizing and shortening the often very long period of approval of project applications.

Recommended steps:

Current programming period:

- Support cooperation between educational institutions and labor market institutions more efficiently through specific activities such as seminars for companies from the program area, presentation of cooperation good practice - case studies on various topics (Industry 4.0, technical education), more targeted activity of the joint secretariat towards the corporate sector and educational organizations, etc.

Next programming period:

- Following the evaluation of the current program and taking the conditions of ESIF into account, the needs of program area should be emphasized within the concept of Industry 4.0 and expected higher demand for technical fields in next programming period. This should be done by focusing the program directly on the corporate sector (consideration of private entities as beneficiaries e.g. in synergy with future operational programs financed by the European Social Fund).
- Consider the expansion of the program area by the Polish cities of Katowice and Wrocław that have significant but currently very little used potential for partnering in the implementation of projects under this program.

Recommendation no. 3:

Promoting innovation, introducing new technologies and applied research

Explanation of the recommendation:

This is a recommendation relevant to the preparation of the new programming period In previous and during this programming period, program interventions focused primarily on solving the structural problems of the area.

These interventions helped to partially stabilize the economy and labor market at local level. In many locations they have facilitated the complete transformation of the territory and contributed to the development of completely new economic activities. However, some problems of the territory persist, which is due, among other things, to the orientation of the economy of most of the program area to lower added value production. Above all, economic competitiveness depends on its ability to introduce innovations, new modern technologies, which are also based on the results of applied research. Therefore, the program could focus on supporting the introduction of innovations, new technologies and the promotion of applied research in the new program area, in addition to its "traditional orientation", which will help to better evaluate the programme's existing interventions.

The key added value of the programme's proposed focus is greater diversification of the program area's economy, which will contribute to more effectively retaining higher-skilled people in this area and creating jobs in a higher value-added economy.

Recommended steps:

Next programming period:

- Performing a Program Focusing Initial Analysis – Determining Basic Topics in the Area
- Definition of final beneficiaries:
 - ✓ Public sector - cities, municipalities, associations of municipalities and other public organizations (schools, universities)
 - ✓ Non-profit sector - associations, associations, LAGs, etc.
 - ✓ Private sector - only as a partner with financial participation to put research results into practice
- Types of interventions: innovation in the management of towns and villages (Smart technology), innovation in the development of production and technology companies in the program area



Recommendations on more effective targeting of the program

Recommendation no. 4:

Streamline the call for projects preparation and submitting process under Priority Axis no. 3

Explanation of the recommendation:

The recommendations concerning the preparation and implementation of calls under Priority Axis 3 remain fully in force.

Given a relatively high rate of projects excluded on the basis of formal acceptability criteria in PA no. 3 (57% of applications), the evaluator suggests a supplementary, procedural recommendation. In general, the purpose of call for proposals and its conditions preparation is to generate an adequate demand for the program supply. It should enable to support a sufficient number of high-quality projects meeting program objectives. Demand in the call for proposals should exceed the supply so that the allocation is contracted on high-quality projects and there is a reserve for terminated projects/applications. Therefore, applications excluded from the administration because of the formal acceptability represent unnecessary burden on the administrative system, bring no benefit to the program's objectives, and for the applicants represent costs sunk in preparation of the application (and potentially negative reputation of the program).

In terms of administrative burden on the implementation structure and the applicants, it seems convenient to focus more closely on the communication of the projects effectiveness and the selection criteria of PA no. 3 within the target group of potential applicants and, if possible, to avoid high "mortality" of projects because of the formal criteria (especially if a low percentage of allocation is contracted).

Recommended steps:

Current programming period:

- Focus on communication of the projects effectiveness and selection criteria of PA no. 3 within the target group of potential applicants. If possible, avoid high "mortality" of projects caused by not meeting formal criteria (especially if a low percentage of allocation is contracted). If the high rate of project is non-compliant with the formal criteria and it is caused by insufficient number of project proposals fulfilling program objectives and specific objectives, the evaluator recommends engagement of alternative communication channels to support project proposals preparation - for example via more targeted cooperation with the corporate sector (which is a stakeholder naturally interested in quality of labor supply on the labor market).