

Annual Conference of Competitiveness Operational Programmes

Double challenge: closing the old and launching the new
programmes

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Closing the old programmes

Operational programme Enterprise and Innovation (OPEI)

- **Total allocation 3 120 690 664 EUR (ERDF)**
- The OPEI is a key instrument for the support of industrial R&D&I in the 2007-2013 period in the Czech Republic
- 35,565 new jobs created for the OPEI as a whole (4,619 new jobs created in R&D)
- 4,415 new or innovated products introduced on the market
- Newly innovated products made up 15% of total revenues of companies supported
- 11,594 newly installed technologies (machinery, equipment or sets of machines or equipment used for production or trade)
- 10,213 TJ/year in energy savings
- **To date, beneficiaries have received payments worth over EUR 2.48 billion (ERDF)**

Closing the old programmes

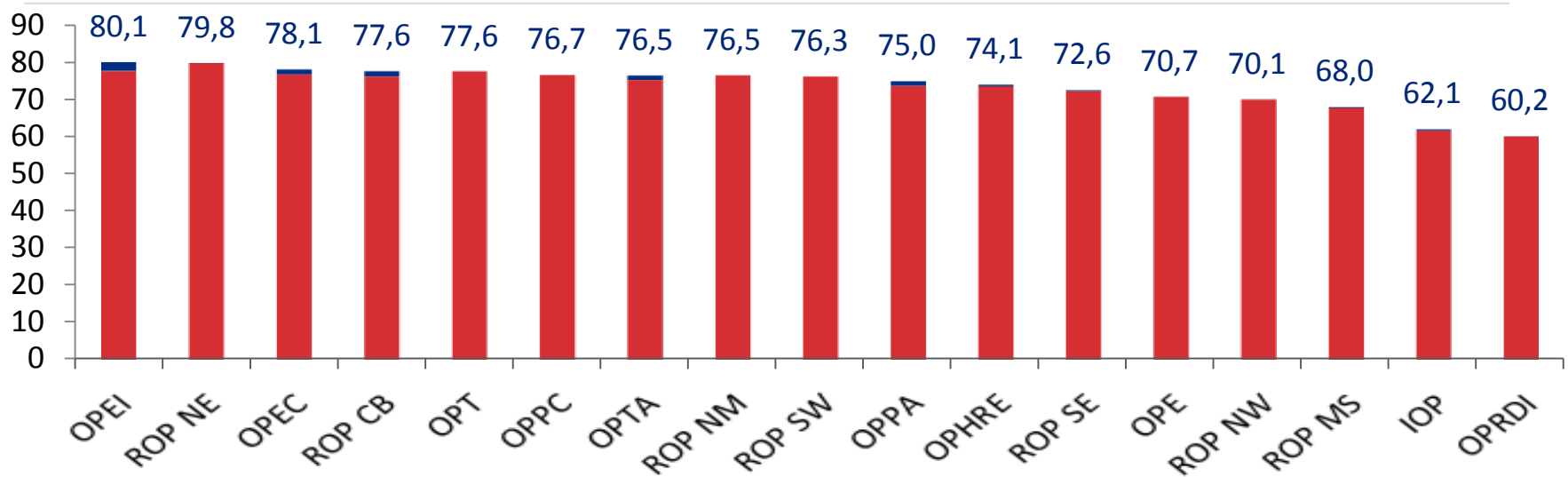
Call to drawdown the remaining funds

- In 2014, the MIT drew EUR 567 million (an increase of EUR 116 million compared to 2013)
- Over EUR 1.1 billion was pumped into the economy through co-financing – a significant contribution to the growth of the Czech economy and the population's living standards
- **Goal for 2015 – to complete the drawdown of programme funds and to pay entrepreneurs the remaining approximately EUR 836 million**
- Internal drawing plan of EUR 73 million per month, ie. 3.6 million per day - it is adapted to the planning of the implementation unit; phone calls to applicants to accelerate the submission of Requests for payment etc.
- EUR 198 million have been disbursed so far this year – the highest drawdown was in March 2015, amounting to EUR 77.8 million
- **The OPEI has the highest drawdown rate of any operating programme in the CR!**

Closing the old programmes

The challenge to draw the remaining funds

The situation regarding funds disbursed to beneficiaries* as a %



* Including on-going and ex-post payments, these are amounts invoiced. ** In the case of OP RDI, IOP, OPTA and ROP NW the figure is based on the allocation before the application of automatic decommitment in 2014.

Closing the old programmes

How to facilitate project implementation and accelerate drawdown of grants: measures adopted in 2014 and 2015

- ➔ Grant applicants were required to announce tenders immediately after submitting grant applications and not after their approval
- ➔ Sample projects were selected for individual areas of support, which were successfully and quickly completed – the deadlines and procedures used in these projects were used as a model for grant beneficiaries
 - Deadlines for project completion by grant beneficiaries moved to earlier dates
 - Completion dates for successful projects are used when concluding new Decisions or assessing requests to extend project implementation times
- ➔ Emphasis on accelerating the completion of tenders and the early submission of payment requests

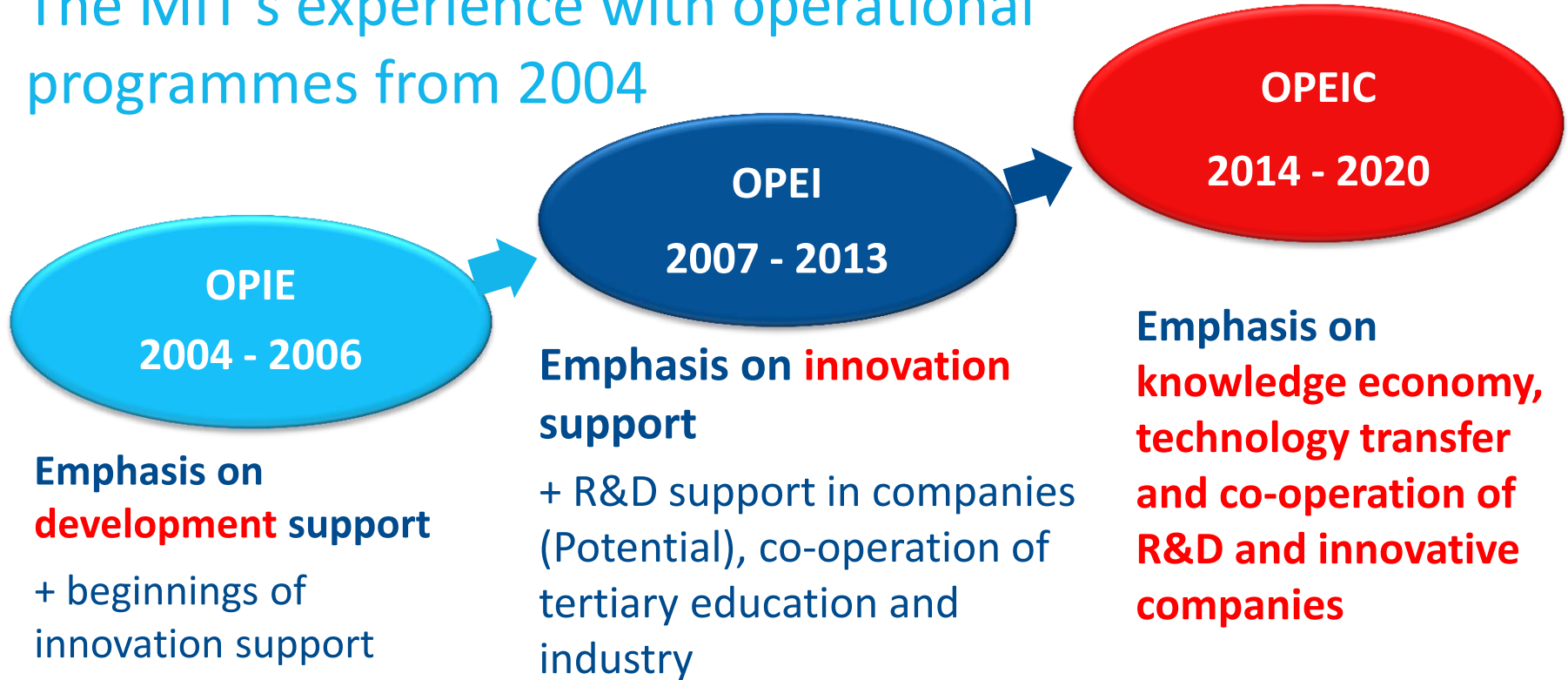
Closing the old programmes

How to facilitate project implementation and accelerate drawdown of grants: measures adopted in 2014 and 2015

- Reviewing the deadlines set out in the OPEI regulations when assessing grant applications, checking payment requests etc. with the aim of further shortening them
- Early withdrawal from dormant incomplete and high-risk projects
- Creating a sufficiently large pool of projects
- Introducing the option of reimbursing payment requests using invoices for eligible partial performance – accelerating the process by staging payments
- Regular monthly telephone contact with beneficiaries to verify the status of their project implementation

Launching the new programmes

The MIT's experience with operational programmes from 2004



Launching the new programmes

Operational Programme Enterprise and Innovation for Competitiveness (OPEIC)

Vision:

A competitive and sustainable Czech economy based on knowledge and innovations

Global goal:

- Increasing the competitiveness of the Czech economy by supporting the business environment, promoting innovations in the production and services sectors, energy treatment and development of ICT
- Mono-fund operational programme, co-financed with the ERDF

Shifts: higher attention to the applied research, co-operation between research institutions and universities with business, more frequent use of financial instruments (in direct support of SMES)

Launching the new programmes

Shifts in the OP EIC based on experience 2007–2013

Extension of priority areas of the current OPEI 2007 - 2013, further reinforcement of current subject-matter interventions:

- Technology transfer and cooperation of R&D sectors and innovative firms
- Shift from building the innovative infrastructure to its development and its effective use
- Emphasis on implementing higher-level innovations and non-technical innovations
- Improving synergies between OP EIC and OP RDE (OP VVV)
- Supporting technological foresight
- Strengthening the role of financial instruments
- Widening the available range of sophisticated advisory business services
- Supporting the internationalisation of Czech firms (SMEs)
- Further increasing energy efficiency and development of energy services
- New specialized ICT solutions with high value added and Data Centres

Launching the new programmes

Differences between the OP EIC and the OPEI

→ **material scope**

- wider range of interventions (applied industrial research, a wider scope in the energy sector, completely new high-speed internet focus),
 - expanding the sectors eligible for aid (also including the areas of the agricultural sector),
 - wider/narrower circle of beneficiaries (emphasis on SMEs, across the board involvement of public universities and public research institutions),
 - greater use of financial instruments, integrated tools – ITI
- **higher allocation** for the OP EIC with an overall reduction in the volume of funds for the CR (**4.331 billion EUR**; source ERDF; i.e. + 1.2 billion EUR compared to the OPEI)

Launching the new programmes

Differences between the OP EIC and the OPEI

- **more complex public aid** – in relation to the new block exemption pursuant to Commission Regulation (EU) No. 651/2014 – GBER (reduced regional aid rates, different public aid regimes for individual interventions)
- **greater emphasis on proper drawdown and compliance with conditions** (tenders, strict punishment for any conflict of interest – this is varied and, most importantly, broadly defined = also impacts how projects are assessed)

Information on measures and expected results, the method of project selection etc. are described in far more detail in the text of the OP EIC. Greater emphasis is also placed on indicators, links to ex-ante conditionalities, setting milestones, etc.

Focus of the OP EIC – Priority Axes (PA)

PA 1 Advancement of research and development for innovation

PA 2 Development of business and the competitiveness of small and medium-sized enterprises

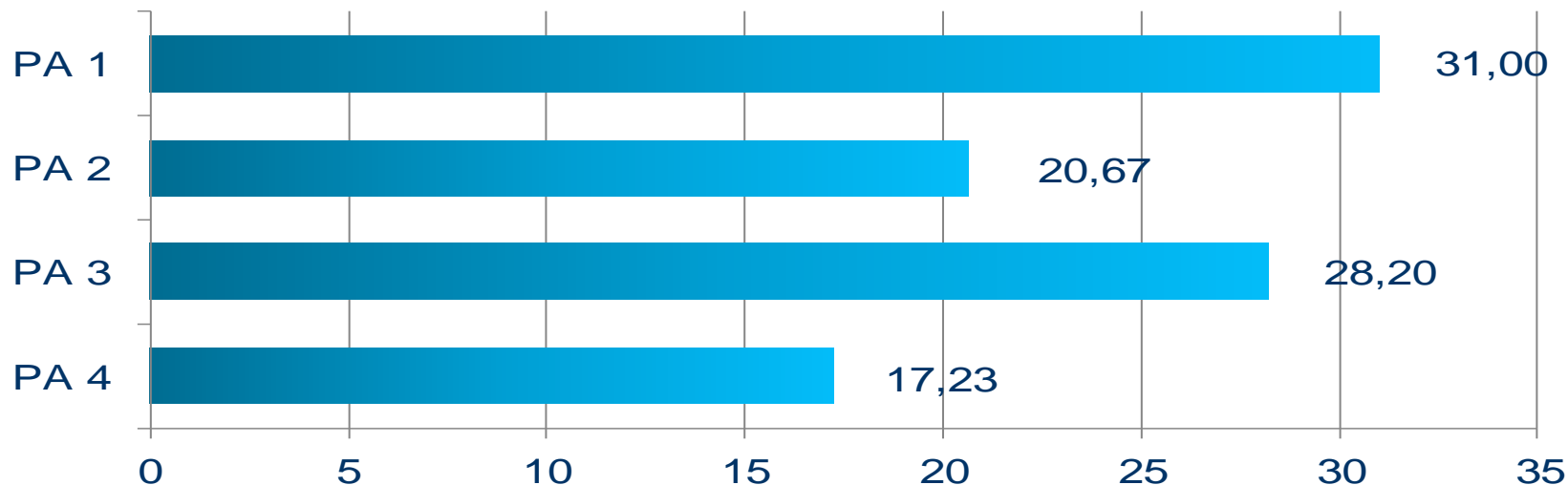
PA 3 Effective energy management, development of the energy infrastructure and renewable energy sources, support for the introduction of new technologies in the management of energy and secondary raw materials

PA 4 Development of high-speed internet access and information and communication technologies

Financial allocations to the OP EIC

Total allocation to the OP EIC: 4.331 billion EUR, ERDF contribution

Share of the total OP EIC allocation awarded to the individual priority axes (as a %)



Financial instruments in the OP EIC

Financial instruments being considered for the OP EIC:

- loans
- guarantees
- venture capital
- project financing (equity)
- a combination of a loan/guarantee and a grant (e.g. through remission of part of the loan installments upon fulfilment of binding indicators, financial contribution, etc.)



Launching the new programmes

Current state of implementation of OP EIC

- The final version of the **operational programme** has been prepared for the EC – 9 April 2015 dispatched via the EC electronic system
 - The final approval of the OP EIC will probably be in May 2015
- OP EIC **aid programmes** have already been approved – approved by the Czech Government on 9 February 2015
- Announcement of first calls expected: April – May 2015
 - Emphasis on **efficiency**: the expenditure eligible only to the level of usual prices on the market
 - Emphasis on **evaluation**: to every request 2 opinions of internal evaluators (exceptionally external expert opinion)
 - The emphasis on **control**: the beneficiary must submit the tender documentation to control before signing the contract with the contractor

Thank you for your attention

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