



# **Annual Programme Report No.1 Norway Grants 2009-2014**

**Programme CZ08 – Pilot studies and surveys on CCS  
technology**

**Reporting period: 1.1.2014 – 31.12.2014**

**Programme Operator: Ministry of Finance of the Czech Republic**

**Programme Partner: Ministry of the Environment of the Czech  
Republic**

**Donor Programme Partner: NA**

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## 1. Executive summary

The Programme CZ08 – “Pilot studies and surveys on CCS technology” is aimed at increasing knowledge and international cooperation on CCS. The programme proposal was submitted to the FMO on 16 February 2012 and following the clarification of RAICs, the Programme was approved on August 20, 2013. The PA was signed on 13 February 2014. As the programme was approved in the second half of 2013, the first annual reporting period starts with January 2014 and this report (1 – 12/2014) is the first annual report. Therefore, the APR1 includes all the key information starting with submission of the programme proposal in 2012. - The total original allocation approved by the Programme Agreement is 7 040 000 EUR (to be reduced by not spent funds from the open call pursuant the FMO decision in October 2014).

The Czech Republic is duly involved in investigations of possibilities of practical application in CCS technologies, pursuant the European Directive on the geological storage of carbon dioxide. The Czech Ministry of the Environment is responsible for transposing the Directive into national legislation – the Act on the storage of CO<sub>2</sub> is in force since 2012. The scope of CCS themes has been extended and updated by the Climate and Energy Package which was approved by the European Council in 2014.

The programme structure consists in a single open call for project proposals, the Fund for bilateral relations at programme level for support of deeper cooperation between the Project Promoters and entities in Norway, and Complementary actions. The programme does not have any donor programme partner.

The open call was launched on 31 March 2014 with the deadline for submission of applications for grants until 16 June 2014. 5 applications were submitted, assessed and suggested by the Selection Committee to the grant support. The verification process performed by the PO (Ministry of Finance) is delayed due to administrative requirements related to state aid issues and is expected to be finished by decision concerning grants in in January 2015. In December 2014, one applicant withdrew from the grant thus four projects are currently supported within the programme.

Regarding publicity, the Programme Operator, the Ministry of Finance, informs about the programme and activities connected to it on its web pages, specifically designed for the EEA and Norway Grants 2009 – 2014. More information can be found at social networks too. Information on programme and projects can be also found at web pages of the Programme Partner.

During 2014, the programme underwent a significant reallocation. As the total amount of grants requested within the open call was lower than the call allocation, and there is no time to launch the optional 2<sup>nd</sup> call, the NFP asked donors for reallocation of the unspent 2 016 377 EUR to the Programme CZ09 Czech-Norwegian Research Programme. The reallocation was approved in October 2014. – In December 2014, after the one applicant withdrew from the project, the funds were released, and moreover, during the verification process the awarded grant amounts to the four projects had to be reduced with respect to state aid rules. As a result, further 880 873 EUR provide a current saving in the programme. In early 2015 the NFP shall negotiate with the FMO the process of effective allocation of the means into the four supported projects within CZ08 via an addressed call, pursuant Art. 6.9 of the Regulation.

The main risk of the Programme is the limited time period for implementation of projects. The PO has taken steps to mitigate the risk – the applicants received training for public procurement and were encouraged to start preparation of public procurements before grant award. The PO shall organize



seminars / trainings on project implementation and reporting for the grant beneficiaries in February 2015.

Regular meetings of the Programme steering committee which includes representatives of the PO, and the PP started in May 2014. The PO keeps duly contacts with the PP (MoE).

## **2. Programme area specific developments**

The programme outcome and the outputs were selected with regard to current national priorities and needs while investigating the possibilities of the practical application of CCS technology as an eco-innovative measure in the Czech Republic and the related education of the general and professional public in this area.

Pursuant to the European legislation (the Directive 2009/31/EC of the European Parliament and the Council on the geological storage of carbon dioxide and amending Directives 85/337/EEC, 2000/60/EC, 2001/80/EC, 2004/35/EC, 2006/12/EC and 2008/1/EC and Regulation (EC) No. 1013/2006, the Czech Republic as a EU member is permanently obliged to explore the options for the geological storage of CO<sub>2</sub> and apply the eco-innovative tools and to implement demonstration pilot projects. The knowledge gained shall help to decide the CR position towards adoption of this new technology.

The Ministry of the Environment (MoE, the Programme Partner) is responsible for transposing the European Directive on the geological storage of carbon dioxide into the national legislation and the law in question - the Act on the storage of carbon dioxide in natural rock structures and on amendments to certain Acts - entered into force on 20 March 2012. The MoE stays in continual contacts with all relevant subjects in the CR - the Czech Geological Survey, the Czech Mining Office, the regional, municipal and city authorities, universities, scientific and research institutions as well as NGOs - in order to apply and set into practical use the themes relevant to the CCS and related Czech legislation.

In the end of year 2014, the European Council approved new Climate and Energy Package, which counts with continuation of present funding programme NER 300 (with certain adjustments) aimed at renewable energy and representing a source of finance for CCS projects. Under the NER 300 second award decision in July 2014 the European Commission awarded a total of €1 billion in funding to 18 renewable energy projects and one carbon capture and storage project. This amount is estimated to have leveraged additional funding of over €860 million from private sources. Although the programme from 2012 is somewhat broader, it is still expected to bring some incentives to the field of CCS technology and possibly promotes demonstration projects.

The CZ08 Programme provides significant contribution to research and pilot testing of possibilities in CCS. Four projects shall be implemented in the Programme, three of them focused on research and investigations, one of them aimed at increasing awareness on CCS in the CR. The MoE has ensured sufficient financial resources for Programme co-financing from the state budget (including pre-financing of management expenditures). Taking into account the main trends in sector of the Ministry of the Environment, i. e. focus on pure mobility, especially in selected regions of the Czech Republic, the CCS research and activities shall contribute to ecological means of transport, preferably.

### 3. Reporting on outputs

The outcome and outputs of the programme set in the Programme Agreement shall provide increased knowledge and international cooperation on CCS (Outcome) via *Completed surveys to explore possibilities of the practical application of the CCS technology in the CR, including methods for the capture, transport and storage of the CCS* (Output 1), as well as *Increased knowledge of staff working in the state and public administration and awareness of the public on CCS technologies* (Output 1).

Both Programme outputs were reflected with their particular allocations in the Open Call with total allocation amounting 6.280 789 EUR (155 763 567 CZK ).

Regarding the Output 1, four project applications were received and supported (one of them withdrew later). One application was targeted to the Output 2. One of the three supported projects within Output 1 shall provide also some contribution to Output 2. - The proportion of financial split between the Outputs reflects well the PA budget.

The real contribution to programme Outputs provided by particular selected projects is illustrated in the table below:

**Estimated number of achieved Output indicators by projects**

<b>Project No./ Promoter</b>	<b>Project name</b>	<b>Output 1</b> Completed Surveys to explore the possibilities of the practical application of CCS in CR  <b>Indicator:</b> Number of analyses and studies / methods <b>TARGET : 3</b>	<b>Output 2</b> Increased knowledge of staff working in state/public administration on CCS  <b>Indicator:</b> Number of awareness campaigns, events, methods and tools for transferring information <b>TARGET: 5</b>
003 ČVUT	Study of pilot technologies for coal power plants in the CR	1 (13)	
005 VŠCHT	Research of high temperature CO2 sorption from flue gas using carbonate loop	1 (11)	
006 ČGS	Preparation of a research Pilot Project on CO2 Geological Storage in the Czech Republic (REPP-CO2	1 (4)	1 (6)
004 MASARYK UNIVERSITY BRNO	Carbon Capture & Storage – Sharing Knowledge and Experience		4 (98)
<b>TOTAL</b>		<b>3 (28 studies)</b>	<b>5 (104 events)</b>



As the programme was launched in 2014 via the open call, the projects were selected in late 2014 and have not started yet, no progress towards achievements of the expected outputs / indicators can be reported so far.

## 4. Reporting on Programme outcome(s)

The programme outcome is aimed at *Increasing knowledge and international cooperation on CCS*. The contribution to this Outcome shall be provided thanks two Outputs – i.e. Completed surveys to explore possibilities of the practical application of the CCS technology in the CR, including methods for the capture, transport and storage of the CCS, as well as Increased knowledge of staff working in the state and public administration and awareness of the public on CCS technologies.

With respect to the early stage of programme implementation, no progress towards the Outcome can be reported so far. The PA was signed in February 2014, the open call announced in March 2014, evaluation was completed at the Selection Committee meeting in September 2014. All 5 submitted project applications were decided to be supported, one applicant withdrew from the project in December 2014. In early 2015 the administrative steps on awarding grants to the four projects will be finished and the projects shall start duly.

The time risk belongs to the most significant risks of achievement of the Programme Outcome. The request for programme prolongation submitted by the National Focal Point in early 2013 was rejected by the Financial Mechanism Office. The programme is delayed and the projects realization will start in January 2015, it means two years later than originally planned. The short time for implementation of research activities is seen as a very undesirable effect. The projects will last for 16 months as the maximum. In case of extended project activities for additional means (880 873 EUR via addressed call), the time schedule shall be very tense.

### 4.1. Progress on horizontal concerns

The horizontal concerns *Social inclusion for the Roma* and *Combating gender-based violence*, are not relevant to the programme.

However, monitored horizontal policies which apply other principles such as good governance were regular part of the evaluation forms of project proposals filled in by external evaluators within the evaluation of applications. The monitored issues are

- transparency of the applicant – the website, management system and annual reports of the institution, as well as proper repayment of obligations and effective economic attitude,
- respecting the sustainable development, and
- if the project contributes to strengthening of bilateral relations and mutual cooperation at international level.

Regarding the implementation phase, adherence to these criteria will be included in the monitoring reports of supported projects and regularly reported.

## 5. Project selection

The open call was launched on 31 March 2014 with the deadline for submission of applications for grants until 16 June 2014. The financial allocation of the call was 6,280,789 EUR, the total amount of grant requested by all applicants was about 73% of the allocation only. Two seminars were organised for potential applicants by the PO (MoF) and the PP (MoE). 5 applications were submitted.

All five applications passed successfully the formal check of administrative requirements and eligibility, were assessed by external assessors and confirmed by the selection committee (the selection committee meeting was held on 11 September 2014). All 5 applications have been recommended to get a grant. Four project proposals were adherent to the Output 1, one proposal to Output 2.

One applicant (the project "*Rotary absorber for a pilot-scale research on CO2 capture from flue gas produced in power plants*") withdrew from grant in December 2014 because of the lack of expert capacity at one of project partners who participated in 4 other applications within CZ08 and had decided to release one of them.

The verification process is still ongoing, performed by the PO, and is expected to be finished and the final decision concerning grants for projects to be taken within the first half of January 2015. The verification process has been longer namely due to the administrative requirements related to the state aid issues.

Regarding the state aid, the CZ08 programme was assessed as a frame for possible a state aid issues in particular projects. The expected applicants were mainly state research institutions (universities, research institutes), however, their partners shall be also private subjects on which application of state aid principles/rules is relevant.

## 6. Progress of bilateral relations

The CZ 08 sets aside 1.5% of the total programme budget for the fund for bilateral relations. The bilateral activities at programme level (Measure "B") shall help to strengthen further bilateral cooperation of project promoters in the phase of implementation (i.e. starting with 2015) - the funds (BFB) will be available after award of grants to promoters. The Programme Operator finalized *Guidelines for applicants and promoters within BFB* at the end of 2014. A permanent call for proposals within BFB in the programme will be launched in 1Q 2015.

There are Norwegian project partners involved in three (of four) projects, i.e. namely IRIS Stavanger (project No 007), Sintef Energi (No 005) and NTNU (No 009), thus the project activities shall be provided under regular bilateral cooperation. The fund (BFB) shall strengthen the established contacts and increase joint project deliverables.

### 6.1. Complementary action

The Programme CZ08 budget includes an allocation for complementary action to strengthen cooperation between the relevant Czech bodies (the MoE and its subordinated organisations and environmental institutions) and its counterparts in the donor states and in other beneficiary states implementing programmes focused on CCS. It will enable the transfer of information and know-how



needed to develop mutual cooperation during the implementation of programme and will establish grounds for potential future cooperation going beyond the CZ 08 Programme implementation period. Activities shall consist in organisation of seminars, workshops, conferences and study trips for Czech experts to the donor and beneficiary states and for experts from partner organisations to the Czech Republic.

As the implementation of projects has not started yet, there were no complementary actions organised during the reporting period. The plan for 2015-16 shall be formulated in relation to actual needs during the implementation.

## 7. Monitoring

During the reported period (the year 2014), no monitoring activities have been carried out at the project level due to the focus on the Open Call and the selection/verification procedures. The regular monitoring shall start in 2015. Monitoring of projects in implementation within the programme CZ08 will be realised by the PO through the common monitoring procedures – i.e. via monitoring reports in the 4-month cycle and the on-site visits according to the monitoring plan (see The Monitoring plan 2015 in Annex 2).

On 12 December 2014 the Programme Operator launched an open tender for technical assistance which shall assist the PO with on-site controls. The deadline for submitting bids is on 29 January 2015. The tender comprises on-the-spot controls of projects and small grant schemes in all 10 programmes in charge of the Programme Operator. There are two basic types of controls which will be carried out – factual/interim control and financial/final control. Moreover, the factual/interim controls will be ordinary, ad hoc and controls of corrective measures' fulfilment.

The PP (MoE) organized, in cooperation with the PO, seminar to public procurement which was held on 25 November 2014 at the Ministry of the Environment. Representatives of institutions whose projects have been supported the programme CZ08 were invited to the seminar. The information about administration and implementation of public tenders in accordance with the terms of programme were the key subject of the seminar. Another seminar for project promoters to provide information on implementation will take place in February.

During 2014, regular contacts with the PP and first joint meetings with Promoters of selected projects were organized. – The Steering Committee of the CZ08 Programme has been established and met twice in 2014 – on 16 May and on 4 September 2014.

Outside the project, the subjects involved (especially the ČGS and the ÚJV Řež) organized special seminars on CCS and invited the representatives of the NFP to attend them in order to gain an overview on new CCS developments in the international and national point of view (three workshops were attended – on 27 June 2013, 14 April 2014 and 27 November 2014) and to percept synergy between the CZ08 and other European research initiatives in CCS.



## 8. Need for adjustments

The modification of the fixed exchange rate from 24,80 CZK/EUR to 26,50 CZK/EUR was approved by the Programme Operator and confirmed by the FMO on 7 April 2014.

The Programme underwent significant financial modification in 2014 and further adjustments are in the decision process in late 2014/early 2015. - The supported projects did not utilize all the allocation of the open call, so the reallocation of 2 016 377 EUR from the CZ08 to the CZ09 programme was agreed by donors in October 2014. Consequently, the Memorandum of Understanding was modified (reallocation of the mentioned means between Programme areas 20 and 23) and related amendments of PAs of CZ08, CZ09 programmes are still in process at the FMO/NFP.

Moreover, during the verification process the requested grants have been reduced due to state aid calculations, and one applicant withdrew from the grant, so 880 873 EUR remain still unallocated in the CZ08. These funds shall be distributed via an addressed call into the four supported projects, according to their applications/requests in 2015. The NFP will discuss with the FMO the procedure pursuant Art. 6.9 of the Regulation.

As no final decision has been taken concerning the award of grants for projects recommended by the evaluation committee till the end of 2014 and the implementation of projects has not started yet, there have been no needs for adjustments in projects..

## 9. Risk management

The main risk consists in the time delay at the start of the PRG (by about 1 year compared to the FPP), thus the implementation period for research activities is very tight and the threat of non-achievement of all objectives is identified. The lessons learned from coping with this risk show that programmes of this kind, strongly linked to the research, should be rather implemented within research programmes which have longer implementation period and are subjects to rules which better suit to this purpose than within the standard programmes.

The most significant risks, which were reported to the FMO in 2014, prior to the result of the open call, included

- time risk (due to potential problems during the call, award of grants, public procurement and therefore not enough time for the implementation of projects),
- non-fulfilment of the outcome and outputs indicators (due to the uncertainty about the projects which may be submitted),
- absorption capacity (it was expected that demand for grants may be lower than the total available allocation).

The verification process and award of grant has not been finished yet (2014), however, the mentioned risks can be currently assessed as follows:

- if all 4 supported projects will be approved and implemented in time, the indicators can be fulfilled
- the lack of absorption capacity proved to be a real threat - the result of the call confirmed insufficient interest/capacities at Czech research institutions, the non-allocated 2 016 377 EUR

were reallocated to the CZ09 Programme, further 880 873 EUR are to be spent within the Programme

- the time risk persists although the PO has taken steps to mitigate it (the applicants received training to speed the public procurement procedures, to avoid misunderstandings and objections and were encouraged to start preparation of public procurements before the grant award, the PO plans also trainings concerned project implementation and reporting for grant beneficiaries in February 2015,

The specific PRG risk is still relevant - the future projects shall contribute to quite different Outputs (raising awareness, research in capture, transport and storage of CCS). Monitoring the outputs indicators is thus more demanding, especially with respect to different budget allocations to particular Outputs.

## 10. Information and publicity

The Programme Operator – the Ministry of Finance – created central websites [www.eeagrants.cz](http://www.eeagrants.cz) for the EEA/Norway Grants 2009-2014 to ensure in a transparent manner the awareness of potential beneficiaries, experts interested in the environmental topics and all subjects involved in the Programme implementation. Information is provided in English and Czech.

The website contains, inter alia, general information about the Norway Grants 2009-2014 and about the CZ08 Programme, contact information, etc. Furthermore, the website contains web links to social networks (Facebook, Twitter) which also informs about the main activities under the Programme – seminars for applicants.

All relevant information about the CZ08 Programme is also published on the website of the Programme Partner, the Ministry of the Environment, [http://www.mzp.cz/cz/financni\\_mechanismy\\_ehp\\_norska](http://www.mzp.cz/cz/financni_mechanismy_ehp_norska).

As for the launch conference of the Programme, it was agreed with the FMO, that the launch conference will be organised in early 2015, when concrete projects will be launched. Three of supported projects include Norwegian partners so bilateral aspects will be stressed at the promotion events and also during the whole implementation.

## 11. Cross - cutting issues

### Environmental considerations

The Programme CZ08 itself is focused on protection of the environment by studying the possibilities of the CCS capture, transport and storage. The participation in the programme respects fully the gender equality. All projects, except the project on awareness about the CCS, are focused on research where the common principles of gender equality are duly applied.

### Good governance

During programme preparation as well as implementation, including support for individual projects, compliance with the principles of good governance is being taken into account. The evaluation process was completed under strong principles that ensured maximum transparency during projects selection. The state aid issues were thoroughly analysed and reflected in grant awarding process.

### Economic sustainability

The projects focus on the area of exploration, research or educational/promo activities, which in themselves cannot generate future economic profit to finance their subsequent implementation. The successful completion shall raise awareness of CCS technology and thus the demand for information on



this issue from the general and professional public. At the same time, analyses and technical surveys enable the necessary data to be gathered to enable the evaluation of the practical application of CCS technology in the Czech Republic. This creates an environment for the potential self-financing of projects through the economic assessment of the application of CCS technology or through new grant programmes to support its application. The implementation of projects will enable the maintenance or creation of new jobs at project promoters or suppliers of materials and services, which will have a positive impact on economic development at a national, regional and local level.

#### Social sustainability

The implementation of individual projects assumes the involvement of various stakeholders, which necessarily entails constructive communication regarding the form and outcomes of the projects. Programme implementation may therefore indirectly also affect social dialogue between individual social actors. During project preparation/implementation, emphasis was/is put on cooperation at international level with subjects of Norway, which have extensive experience of using the technology in question, as well as to the other beneficiary countries implementing CCS programmes. This will deepen cooperation among the different entities not only at a national, but also at a European level.

#### Gender equality

During the course of the programme preparation and its implementation, equal access is given to all its participants to apply their job skills and expertise, regardless of differences in gender, ethnicity or age. The basic premise for staff participation in the programme is therefore their professional experience in the area, regardless of their gender. In the individual project applications, applicants demonstrated how they had ensured equality between women and men involved in projects, in terms of the type of activities making up the project and its main objectives.

The programme does not focus on projects that directly support activities to improve equality between women and men in society. Despite this, the implementation of individual projects that take account of equal access will contribute to a gender-positive society.

The sustainability of results (either further research or introduction of results in the industry) depends on future funding. This cannot be guaranteed, however it is expected that further funds may be provided by the European research programmes or domestic funding.

## **12. Attachments to the Annual Programme Report**

**Annex 1: Risk assessment of the programme**

**Annex 2: Monitoring plan 2015**

**Annex 3: List of projects for communication purposes or as examples of best practices**

Projects

SIGNATURE:



**For Programme Operator**

*I certify that I am duly authorised to sign this Annual programme report and that I have thoroughly reviewed the progress of the programme, reporting on outcomes and outputs, risk management provided in this report and the information are correct and accurate.*

		<b>Optional second signature</b>				
<b>Name</b>	Zuzana Kudelová			Martina Bečvářová		
<b>Position</b>	Head of the Department of International Relations			Head of the Monitoring Unit		
<b>Organisation</b>	Ministry of Finance of the Czech Republic			Ministry of Finance of the Czech Republic		
<b>Signature</b>	<i>Kudelová</i>			<i>Martina Bečvářová</i>		
<b>Date</b>	Day	Month	Year	Day	Month	Year
	11	02	2015	11	02	2015

**For the National Focal Point**

*The National Focal Point certifies that the status of reporting of the programme described above is accurate.*

		<b>Optional second signature</b>				
<b>Name</b>	Martin Pros					
<b>Position</b>	Deputy Minister of Finance					
<b>Organisation</b>	Ministry of Finance of the Czech Republic					
<b>Signature</b>	<i>see above</i>					
<b>Date</b>	Day	Month	Year	Day	Month	Year
	13	02	2015			



## Annex 1: Risk assessment of the programme

Type of objective <sup>1</sup>	Risk	Description of risk in the reporting period	Likelihood <sup>2</sup>	Impact <sup>3</sup>	Importance <sup>4</sup>	Mitigation planned/done
Cohesion (Programme) outcomes:	Programme absorption capacity	The interest at applicants cannot be expected, the applications may not cover both the programme Outcomes	middle	high	high	Clear description of both Outputs in the Open Call, promotion and networking. The PO shall encourage the applicants to include both aspects (research and awareness raising) into the projects.
	Legislation changes	The programme is not directly related to any current legislative measure, no one is in process, however, in the future some measures regarding the CCS are to be expected.	low	middle	middle	Proper tracking changes in legislation on CCS, evaluation of their impact on CZ08.
	Time risk - delay in commitment and disbursement of funds	The delay of the programme launch led to delay at the start of projects. The research nature of the projects provides risk of ability to reach all outputs /indicators in time.	high	high	high	All stakeholders involved shall speed the administrative processes regarding selection of projects, verification and issuing the grant award decision / implementation contracts.
Specific programme risk (risk identified in PP relating to PRG outcomes)		The content of projects in combination with the time pressure – the projects should contribute to two Outputs (CCS research and public awareness) . The research	middle	high	high	Well organized and selected evaluation strategy during the grant award process, support of projects with preferably CCS research and of those

<sup>1</sup> The risks should be categorised in one of 3 ways, depending on whether it poses a risk to the cohesion objective, the bilateral objective, or is more of an operational issue.

<sup>2</sup> Likelihood is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

<sup>3</sup> Impact is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

<sup>4</sup> Importance is counted as Likelihood multiplied by Impact and described as Low, Middle or High according to its scoring gained in the risk analysis (Low: 1-8, Middle: 9-15, High: 16-25).

Type of objective <sup>1</sup>	Risk	Description of risk in the reporting period	Likelihood <sup>2</sup>	Impact <sup>3</sup>	Importance <sup>4</sup>	Mitigation planned/done
		projects require longer implementation period which is not available.				which contribute to both the Outputs in parallel. Well designed time schedule in the projects.
<b>Bilateral outcome(s):</b>	Bilateral relations	The research activities will require mutual expert cooperation between Czech and donor states institutions. – Three of four supported projects will be implemented in partnership with Norwegian partners.	middle	low	middle	Support to international cooperation, availability of additional funds dedicated to bilateral knowledge exchange, visits, seminars... via the fund for bilateral relations (NFB) and for complementary actions initiated by the programme partner (MoE).
<b>Operational issues:</b>	Management and control structures, programme management	The Control system to be duly incorporated into the PO Manual. Particular processes shall be designed in relation to implementation needs.	low	high	middle	The control system and management system are well designed and incorporated into the PO Manual. The Manual of the Programme Operator was issued on 13 March 2014.
	Programme implementation set up	All the manuals and guidelines are elaborated and regularly checked and updated.	low	middle	middle	Check and update of manuals and guidelines.
	Reports and irregularities within programme	No irregularities have been reported.	low	high	low	Consistent verification of monitoring reports and on-the-spot controls.
	Programme audits/controls	The CZ08 underwent the AO audit in August 2014 – no findings identified.	high	middle	middle	Regular monitoring, on-the-spot visits and audits.
	Information system	The information and monitoring system CEDR is in service. Adjustments are ongoing.	middle	middle	middle	Adjustments of the system are solved with the contractor. Breakdowns and failures will



Type of objective <sup>1</sup>	Risk	Description of risk in the reporting period	Likelihood <sup>2</sup>	Impact <sup>3</sup>	Importance <sup>4</sup>	Mitigation planned/done
	Corruption risk	The NFP system of control and tender procedures are well set up.	Middle	Middle	middle	be minimized by intensive cooperation with the contractor. Thorough verification of procedures, evaluation, etc.

## Annex 2: Monitoring plan

Project no.	Name of the project	Planned date of on-site monitoring visit /review	Note
005	Study of pilot technologies for coal power plants in the CR	4 Q 2015	Promoter: ČVUT Praha Partners: ÚVJ Řež, a.s; SINTEF Energi AS (SINTEF Energy Research)
009	Preparation of a research Pilot Project on CO2 Geological Storage in the Czech Republic (REPP-CO2)	4 Q 2015	Promoter: ČGS Partners: Centrum výzkumu Řež, s.r.o.; International Research Institute of Stavanger; Masarykova univerzita – Ústav fyziky Země, Miligal s.r.o; ÚVJ Řež, a.s; Vysoká škola báňská – Technická univerzita Ostrava.

The selection of the 2 projects to be on-site visited will be confirmed or updated in mid 2015.



Annex 3: List of projects for communication purposes or as examples of best practices

Project no.	Name of the project	Note
008	Preparation of a research Pilot Project on CO2 Geological Storage in the Czech Republic (REPP-CO2)	<b>Output 1</b> Promoter: ČGS Partners: Centrum výzkumu Řež, s.r.o.; International Research Institute of Stavanger; Masarykova univerzita –Ústav fyziky Země, Miligal s.r.o; ÚVJ Řež, a.s; Vysoká škola báňská – Technická univerzita Ostrava
009	Carbon Capture & Storage – Sharing Knowledge and Experience	<b>Output 2</b> Promoter: Masarykova univerzita v Brně Partner: Norges Tekniks - Naturvitenskapelige Universitet (NTNU)