

CZECH REPUBLIC

STRATEGIC REPORT

reporting period: 1.9.2018 – 31.8.2019

EEA and Norwegian Financial Mechanisms 2014-2021

National Focal Point

CONTENTS

1	EXECUTIVE SUMMARY.....	4
2	POLITICAL, ECONOMIC AND SOCIAL CONTEXT	5
3	EFFECTS OF THE GRANTS.....	5
4	STATUS OF PROGRAMMES.....	6
4.1	Disbursements and financial reporting on programmes.....	17
5	STATUS OF BILATERAL FUNDS.....	18
6	MANAGEMENT AND IMPLEMENTATION.....	20
6.1	Management and Control Systems (MCS)	20
6.2	Complaints.....	21
6.3	Irregularities	21
6.4	Audit	22
7	COMMUNICATION.....	22
8	MONITORING AND EVALUATION	23
8.1	Monitoring.....	23
8.2	Evaluation.....	24
9	ISSUES FOR THE ANNUAL MEETING	25
	ANNEXES (not published)	25

LIST OF PROGRAMMES

Programme name	Programme Operator	Programme Partner
CZ-TA Technical Assistance to the Czech Republic	NFP	---
CZ-BF Fund for bilateral relations	NFP	---
CZ-RESEARCH Research	Technology Agency of the Czech Republic (TA CR)	---
CZ-EDUCATION Education	Centre for International Cooperation in Education (DZS)	---
CZ-HEALTH Health	Ministry of Finance	Ministry of Health
CZ-CULTURE Culture	Ministry of Finance	Ministry of Culture
CZ-GOVERNANCE Good Governance	Ministry of Finance	---
CZ-ENVIRONMENT Environment, Ecosystem and Climate Change	State Environmental Fund of the Czech Republic (SFŽP)	Ministry of Environment
CZ-HUMANRIGHTS Human Rights, Roma Inclusion and Domestic and Gender-based Violence	Ministry of Finance	---
CZ-JUSTICE Justice	Ministry of Finance	Ministry of Justice
CZ-HOMEAFFAIRS Home Affairs	Ministry of Interior	---

1 EXECUTIVE SUMMARY

The National Focal Point (NFP) submits its second Strategic Report of the EEA and Norwegian Financial Mechanisms 2014-2021 to the Financial Mechanism Committee and to the Norwegian Ministry of Foreign Affairs, in accordance with the Article 2.6 of the Regulations on the implementation of the EEA and Norwegian Financial Mechanisms 2014-2021.

Preparation of programmes is completed and the implementation is about to start.

Following the drafting and submission of the Programme Concept Notes (CN) during first half of 2018 the Programme Operators (POs) continued with the preparation of the supplementary information that needed to be submitted to the Financial Mechanism Office and to the Donors for the preparation of the Programme Agreements. By the cut-off date of this Strategic Report all nine programmes have been officially approved by the Donors and for eight of them the Programme Agreements have been signed as well (the only exception is the CZ-GOVERNANCE programme where the Programme Agreement is to be signed during September 2019).

Hand in hand with the approval of the programmes the Programme Operators started to draft the description of the Management and Control Systems at the level of POs and gradually submitted them to the NFP for approval within the deadlines set by the Regulation.

Currently the open calls and/or calls under small grant schemes are under preparation and most of the calls shall be launched by the end of 2019 or early 2020. The exception is CZ-EDUCATION where first calls were launched at the end of 2018 or in the 1st half of 2019, and 2nd round of calls for all 4 outcomes is planned to be launched in autumn 2019. Most PDPs promoters were asked to submit project applications for consultation with the POs before asking the PDPs promoters for the official submission. No major problems within programmes are reported so far, although the start of the implementation is a bit delayed as the process of Programme Agreements signatures was in most cases longer than expected.

The Joint Committee for the Bilateral Funds (JCBF) established in 2017 is fully operational and actively involved in implementation of Bilateral Funds. The 2nd JCBF meeting was held in April 2019 in order to assess the results and experience from the 1st Open Call, to agree on modifications for the 2nd Open Call (subsequently launched in June 2019) and to update the Work Plan. The Expression of Interest for additional bilateral funds for CZ-CULTURE programme was approved as well.

The bilateral ambitions within the programmes are being enhanced via open calls for bilateral initiatives and specific activities organized by the POs. These are targeted mainly on networking, match-making, information activities prior to the launch of calls, exchange of know-how in areas of mutual interest, and, last but not least, preparation of strategic projects in partnership with the donor state entities.

The implementation of the Fund for Bilateral relations is considered very effective.

The amount disbursed within the programmes by 30 June 2019 and certified by the CA by 15 September 2019 (excluding CZ-GOVERNANCE not being certified yet) equals 1,73 mil. EUR (ca 0,99 % of the total allocation including PRG co-fi). The amount of incurred expenditures is proportionate to the status of the programme implementation.

In the publicity and promotion the National Focal Point focus mainly on the activities in order to increase awareness of general public on the EEA and Norway Grants and to promote interesting projects from past two periods at the opportunity of 15 years Anniversary of EEA and Norway Grants in the Czech Republic.

2 POLITICAL, ECONOMIC AND SOCIAL CONTEXT

Since the signature of the Memoranda of Understanding there were no significant changes in political, economic and social area that had or could have an impact on the implementation of the Financial Mechanisms.

The economy of the Czech Republic grows, although the high level of growth from the last years is gradually slowing down. The growth is driven mainly by the household expenditure for final consumption (mainly investments to housing) caused by the increase in salaries and significant increase of pensions. Also the investments of government institutions played the significant role for the growth. On the other hand the growth is slowed down mainly by the lack of employees and demand for qualified industrial professions. The unemployment rate in the Czech Republic is one of the lowest in the EU and could only increase. This situation on the labour market causes the increase of salaries and wages as well as demand for investments into innovations to increase the labour productivity. Hand in hand with the increase of household incomes is the inflation rate that is on the upper edge of the tolerated level, the most significant was the increase of costs of housing and energies. To conclude, the economic situation in the Czech Republic more or less copies the situation in the whole Europe.

As concerns the social area as well as civil society sector the underfinancing still continues. From that reason any grant schemes allocated to this area are highly welcomed. Particularly non-governmental organizations who quite often substitute the role of the state in some parts of social area welcome the launch of open calls or small grant schemes in all possible programme areas financed by the Financial Mechanisms.

In the political development in the Czech Republic the municipal elections were held in Autumn 2018 (with no impact on the EEA and Norway Grants).

3 EFFECTS OF THE GRANTS

The EEA and Norway Grants 2014-2021 in the Czech Republic are only in their early stage. Although almost all of the Programme Agreements have been signed, any results of the Grants cannot be measured yet.

No call has been launched so far except the calls within the programme CZ-EDUCATION where the projects mainly intended to start with the coming school year 2019-2020. Similarly, the pre-defined projects are before approval, some to be launched starting late 2019.

However, a significant progress has been made within implementation of bilateral cooperation within the Fund for Bilateral relations. Up to now, the Fund has offered grants via 2 open calls and pre-defined initiatives at national level. Thanks to the bilateral funds, several new partnerships/relations were established and developed between Czech schools, NGOs, research institutions and private subjects and donor states entities, several of them with the aim to continue with preparation of joint applications for grants in particular Programmes. At programme level, the bilateral funds were utilized by POs mainly for preparatory measures / visits as the open calls are in preparation.

4 STATUS OF PROGRAMMES

The summary of the status of the programmes is provided in separate tables below:

Programme name	CZ-RESEARCH
Overall progress - Programme development and implementation	<p>The Concept Note was officially submitted via the NFP to the FMO on June 19, 2018.</p> <p>Supplementary information related to the management of the Programme - Annotated Template - Programme Agreement preparation including the Result framework and Risk assessment and Mitigation analysis were submitted on January 25, 2019.</p> <p>Communication Plan was submitted on March 28, 2019.</p> <p>The first Programme Committee meeting was held in Prague on March 28-29, 2019.</p> <p>The Programme was approved on June 20, 2019. The Programme Agreement was signed on July 22, 2019.</p> <p>Now, TA CR is finalising the documents related to the call for proposal.</p>
Commitments and disbursements made by the programme	<p>Within the management costs 1 x IFR (1/2018 - 6/2019 193,869 EUR)</p>
Problems related to programme development and implementation, with suggested solutions	<p>Time risk. Call announcement was moved to the 4Q 2019 due to the late Programme Agreement signature. The consequence is, that it is possible to start projects only from 2021 and within the applied research projects, the length of project implementation in 3 years is very limited. The solution is to announce the call no later than in 2019.</p>
Programme related specific concerns in the MoU and conditions set in the Programme agreement	<p>The MoUs annexes were changed. Because the Programme is focused only on Programme Area 2 - Research and TA CR is officially appointed as the PO instead of Ministry of Finance.</p>
Progress in strengthening bilateral relations with donor state entities, including the use of bilateral funds allocated to the programme	<p>Two initiatives of the PO staff took place – a study visit to the Programme partner RCN Oslo, Norway, and a study visit to RANNIS, Reykjavik, Iceland. The meetings were held to familiarize agencies with more detailed presentation of their activities and sharing good experience. There had been a discussion on international cooperation and about the programmes implemented.</p> <p>CCS conference in Oslo - RCN recommended TA CR their participation and presentation of the CZ RESEARCH Programme for potential applicants.</p> <p>Within the bilateral ambitions 2 x IRF (1-12/2018 10,412 EUR; 1-6/2019 6,956 EUR).</p>

Work plan outlining the milestones for the implementation of the programme over the next year (according to the supplementary information) – including, as relevant, expected calls, meetings of the Cooperation Committee(s), and information and communication activities	Timing	Activity / Milestone
	23-24/9/2019	2nd Programme Committee meeting
	9/2019	Programme Implementation Agreement signed
	6/11/2019	Call announcement
	11/2019	Launch event including seminar for applicants and matchmaking in Prague
	12/2019	Programme MCS submission to the NFP
	12/2019-1/2020	Seminars for applicants including matchmaking in donor states
	2/2020	Call closed
	2/2020	Experts briefing
	3-12/2020	Evaluation process
	1/2021	Start of projects
	4/2024	Ends of projects

Programme name	CZ-EDUCATION
Overall progress - Programme development and implementation	<p>The Concept Note approval - end of May 2018; The Programme approval - 19 November 2018; The Programme Agreement signature - 21 November 2018; The Programme Implementation Agreement signature - 22 March 2019; The Programme MCS submission to the NFP - 15 May 2019;</p> <ul style="list-style-type: none"> approval by the NFP – preliminary: 27 June 2019 – final with the Audit Authority statement: 2 September 2019 (FMO informed) <p>The launch of calls:</p> <ul style="list-style-type: none"> 28 December 2018 (Outcomes 1, 2 and 3); 8 March 2019 (Outcome 4); Applications deadlines and selection - spring 2019; Project contracts signed for all selected projects by end of August 2019
Commitments and disbursements made by the programme	<p>Expenditure period: 5 September 2017 – 30 June 2019:</p> <ul style="list-style-type: none"> Incurred expenditures € 161,969 (total to date)
Problems related to programme development and implementation, with suggested solutions	<p>There were no major problems related to the Programme development. Minor difficulties encountered:</p> <ul style="list-style-type: none"> Low interest of the potential project promoters in Outcome 3 (Vocational Education and Training); Suggested solution: strengthen promotion and information activities, use of the bilateral funds to support the potential applicants (preparatory visits, contact seminar); Postponed the use of bilateral funds allocated to the programme: Contact seminar for potential project promoters and partners, Czech Republic – postponed from May 2019 to 22-24 October 2019
Programme related specific concerns in the MoU and conditions set in the Programme agreement	<p>Specific concerns in the MoU are met by the Programme:</p> <ul style="list-style-type: none"> The Programme is open to cooperation at all levels of education; Democracy and Citizenship education as well as Inclusive education (including Roma inclusion) are prioritized topics receiving extra points in the selection process;

	<ul style="list-style-type: none"> • Mobility for staff are supported at all levels of education, while student mobility are focused on higher and secondary levels of education, as it is more realistic to target these two levels than the primary level; <p>The Programme includes concrete measures directly targeting Roma inclusion, in particular through Outcome 4, in which 40% of the total amount for this Outcome will be set aside for projects targeting Roma inclusion.</p> <p>The results of the first calls under Outcomes 1-4 are in line with the specific concerns:</p> <ul style="list-style-type: none"> • The selected projects are focused on: primary education (1 project), secondary education (4 projects), higher education (12 projects) and other education institutions (2 projects); • Prioritized topics democracy, citizenship and inclusive education are covered by 4 projects. 																
<p>Progress in strengthening bilateral relations with donor state entities, including the use of bilateral funds allocated to the programme</p>	<p>The Programme has a clear focus on strengthening relations between the Czech Republic and Donor States institutions (all Outcomes are designed as bilateral).</p> <p>The results of the first calls under Outcomes 1-4:</p> <ul style="list-style-type: none"> • 19 projects with 22 different partners from Donor States were approved. <p>The following activities took place:</p> <ul style="list-style-type: none"> • Bilateral meeting between DZS and the European Wergeland Centre, Norway, 28 March 2019: discussed the project possibilities offered by CZ-EDUCATION programme. • Regular communication between the PO and DPPs. <p>Bilateral fund allocated to the programme: not used yet.</p>																
<p>Work plan outlining the milestones for the implementation of the programme over the next year (according to the supplementary information) – including, as relevant, expected calls, meetings of the Cooperation Committee(s), and information and communication activities</p>	<table border="1" data-bbox="528 1299 1369 1570"> <thead> <tr> <th>Timing</th> <th>Activity / Milestone</th> </tr> </thead> <tbody> <tr> <td>9 – 10/2019</td> <td>Launch of the call for preparatory visits</td> </tr> <tr> <td>9 - 10/2019</td> <td>Cooperation Committee meeting</td> </tr> <tr> <td>10/2019</td> <td>Contact seminar</td> </tr> <tr> <td>10-11/2019</td> <td>Launch of the 2nd round of Calls (all Outcomes)</td> </tr> <tr> <td>04/2020</td> <td>Cooperation Committee meeting</td> </tr> <tr> <td>04/2020</td> <td>Selection Committee</td> </tr> <tr> <td>07/2020</td> <td>Calls 2019 completed and all project contracts signed</td> </tr> </tbody> </table> <p>Information/communication activities:</p> <ul style="list-style-type: none"> • EEA session at the CZEDUCON conference – 6 November 2019, Czech Republic; • Info seminars for beneficiaries – 6 and 12 September 2019; • Participation in education fairs (e.g. Job Challenge Brno, EDUCA Liberec, Study Abroad Fair CVUT Praha); • Info seminars for (potential) beneficiaries; • Webpage update, media outreach, printed materials – ongoing activities. 	Timing	Activity / Milestone	9 – 10/2019	Launch of the call for preparatory visits	9 - 10/2019	Cooperation Committee meeting	10/2019	Contact seminar	10-11/2019	Launch of the 2 nd round of Calls (all Outcomes)	04/2020	Cooperation Committee meeting	04/2020	Selection Committee	07/2020	Calls 2019 completed and all project contracts signed
Timing	Activity / Milestone																
9 – 10/2019	Launch of the call for preparatory visits																
9 - 10/2019	Cooperation Committee meeting																
10/2019	Contact seminar																
10-11/2019	Launch of the 2 nd round of Calls (all Outcomes)																
04/2020	Cooperation Committee meeting																
04/2020	Selection Committee																
07/2020	Calls 2019 completed and all project contracts signed																

Programme name	CZ-HEALTH																						
Overall progress - Programme development and implementation	<p>The Concept Note approval: 21. 6. 2018</p> <p>The Programme approval: 18. 3. 2019</p> <p>The Programme Agreement signature: 24. 4. 2019</p> <p>The Programme Implementation Agreement signature: 8. 5. 2019</p> <p>The Programme MCS submission to the NFP: 23. 4. 2019, under AO audit now</p>																						
Commitments and disbursements made by the programme	There was a disbursement of expenditures within the programme management in total amount of EUR 132 016.																						
Problems related to programme development and implementation, with suggested solutions	<p>The first problem is related to the programme delay as the PA was signed later than expected.</p> <p>Second problem was with PDP 1. There should have been the Incredible Years programme implemented in the Czech Republic, unfortunately preparation works had to be stopped after several rounds of negotiations including video meetings with owners of intellectual-property rights. The main reason is low capacity of the American team to provide trainings to secure readiness of the Czech team and to help with the subsequent project implementation. The PP has found another similar programme (Triple P) that will be implemented instead of the IY.</p>																						
Programme related specific concerns in the MoU and conditions set in the Programme agreement	Special conditions and Programme specific rules set out in the programme agreement are fulfilled.																						
Progress in strengthening bilateral relations with donor state entities, including the use of bilateral funds allocated to the programme	<p>5 predefined bilateral initiatives and 10 bilateral initiatives under open call were supported by a grant from Programme's bilateral ambitions budget.</p> <p>Two Cooperation Committee meetings were organised.</p>																						
Work plan outlining the milestones for the implementation of the programme over the next year (according to the supplementary information) – including, as relevant, expected calls, meetings of the Cooperation Committee(s), and information and communication activities	<table border="1"> <thead> <tr> <th>Timing</th> <th>Activity / Milestone</th> </tr> </thead> <tbody> <tr> <td>18/9/2019</td> <td>3rd Cooperation Committee meeting</td> </tr> <tr> <td>19/9/2019</td> <td>Launch Conference</td> </tr> <tr> <td>4Q/2019</td> <td>Seminar for applicants</td> </tr> <tr> <td>4Q/2019</td> <td>Open Call Outcome 1 launched</td> </tr> <tr> <td>4Q/2019</td> <td>Open Call Outcome 2 launched</td> </tr> <tr> <td>4Q/2019</td> <td>Information system for applicants and projects updated</td> </tr> <tr> <td>1Q/2020</td> <td>Seminar for applicants SGS</td> </tr> <tr> <td>1Q/2020</td> <td>SGS Calls launched</td> </tr> <tr> <td>2Q/2020</td> <td>Award of grants completed including projects grants signed</td> </tr> <tr> <td>3Q/2020</td> <td>Award of SGS grants completed including projects grants signed</td> </tr> </tbody> </table>	Timing	Activity / Milestone	18/9/2019	3 rd Cooperation Committee meeting	19/9/2019	Launch Conference	4Q/2019	Seminar for applicants	4Q/2019	Open Call Outcome 1 launched	4Q/2019	Open Call Outcome 2 launched	4Q/2019	Information system for applicants and projects updated	1Q/2020	Seminar for applicants SGS	1Q/2020	SGS Calls launched	2Q/2020	Award of grants completed including projects grants signed	3Q/2020	Award of SGS grants completed including projects grants signed
Timing	Activity / Milestone																						
18/9/2019	3 rd Cooperation Committee meeting																						
19/9/2019	Launch Conference																						
4Q/2019	Seminar for applicants																						
4Q/2019	Open Call Outcome 1 launched																						
4Q/2019	Open Call Outcome 2 launched																						
4Q/2019	Information system for applicants and projects updated																						
1Q/2020	Seminar for applicants SGS																						
1Q/2020	SGS Calls launched																						
2Q/2020	Award of grants completed including projects grants signed																						
3Q/2020	Award of SGS grants completed including projects grants signed																						

Programme name	CZ-CULTURE
<p>Overall progress - Programme development and implementation</p>	<p>30.1.2019 - The Programme approval 20.2.2019 - The Programme Agreement signature 7.5.2019 - The Programme Implementation Agreement signature 25.6.2019 – The Programme Agreement Addendum signature 23.4.2019 – The Programme MCS submission to the NFP, under AO audit now</p> <p>After the programme approval, we have developed the components of the programme in the cooperation with the national and donor programme partners. During the first half of 2019, we focused on organization of bilateral activities to support establishment of partnerships.</p> <p>In the end of the first half of 2019 we developed and agreed on the eligible activities and selection criteria for 4 open calls which are going to be announced early in the 4Q of 2019. The programme was officially launched at a conference with participation over 170 potential applicants (28.5.2019).</p>
<p>Commitments and disbursements made by the programme</p>	<p>There was a disbursement of expenditures within the programme management in total amount of EUR 156 407 (EEA Grant). This disbursement covered mainly staff costs, travel expenditures and special events like stakeholders consultations, opening conference, informal meeting of experts, Cooperation Committee meetings, study trips and Seminar for Programme Operators.</p>
<p>Problems related to programme development and implementation, with suggested solutions</p>	<p>There is a delay in the development and in the test-phase of the information system that will be used for submission of applications. In case of a significant delay with the start of the information system, we are working with a possible scenario, when the open calls will be preliminary announced (including application form for preparation purpose only) and the official submission of applications will be possible after opening of the information system (it will be opened for min. 2 months). This delay can affect planned start of the projects (expected in 2Q 2020).</p> <p>Considering the delay in the preparation of the architectural competition in the PDP, there is a risk of inability to deliver a valid building permit and necessary documentation by the end of 2020. The project promoter aspires to fulfil the deadline and remains in touch to report on the competition progress.</p>
<p>Programme related specific concerns in the MoU and conditions set in the Programme agreement</p>	<p>The specific concerns were incorporated in the concept note and transposed in the open calls (mainly through eligible activities, selection criteria, set up of the allocations and infrastructure limitations).</p> <p>Appropriate outreach activities will be implemented to involve all relevant social, ethnic and cultural groups.</p>
<p>Progress in strengthening bilateral relations with donor state entities, including the use of bilateral funds allocated to</p>	<p>Thanks to the approval of additional funds (EUR 87 500) by the Joint Committee for Bilateral Funds on 29.4.2019 all planned bilateral activities were organized. The activities combined general information seminars introducing the programme and specifics of individual cultural sectors in the Czech Republic with facilitation of first contacts between</p>

<p>the programme</p>	<p>partners through match-making (very important in the cultural heritage area) and with direct support for bilateral meetings (4 bilateral calls) enabling to establish the partnership (more suitable for the area of contemporary art).</p> <p>In total, the activities in 2019 have reached out to approximately 100 cultural operators from donor states and almost 90 cultural operators from the Czech Republic so far.</p> <p>We see high interest in profound bilateral cooperation in the area of cultural heritage. This is probably caused by the revitalization aspect of the projects and rich experience on the side of the donor countries. In this area, it proved very efficient to facilitate first introductions (e.g. Industrial Study Trip in Norway with match-making opportunities in 11/2018) and to support bilateral meetings to follow up and establish the partnership cooperation. Some of the donor state partners involved in bilateral activities seem to be interested in cooperation with more than one applicant. This seems very practical considering the lower success rate and other practical reasons such as shared travels, same rules and guideline compared to an involvement in more beneficiary states. As a side effect, this can inter connect Czech entities with similar needs and facilitate exchange of know-how.</p> <p>In 2019 we have organized two meetings of the Cooperation Committee so far. The first was hosted by the Norwegian Directorate for Cultural Heritage in Oslo on 13.2.2019 and the second was hosted by the Icelandic Centre for Research in Reykjavík on 13-14.6.2019. Another meeting is expected after the announcement of the main open calls in 4Q 2019.</p>																														
<p>Work plan outlining the milestones for the implementation of the programme over the next year (according to the supplementary information) – including, as relevant, expected calls, meetings of the Cooperation Committee(s), and information and communication activities</p>	<table border="1"> <thead> <tr> <th>Timing</th> <th>Activity / Milestone</th> </tr> </thead> <tbody> <tr> <td>10/2019</td> <td>Announcement of Call 1,3, 5, 6</td> </tr> <tr> <td>11/2019</td> <td>Seminars for applicants (related to Calls 1,3,5,6)</td> </tr> <tr> <td>11/2019</td> <td>5th Cooperation Committee Meeting</td> </tr> <tr> <td>4/2020</td> <td>Architectonic design selected in the PDP and start of demolition works</td> </tr> <tr> <td>4/2020</td> <td>6th Cooperation Committee Meeting</td> </tr> <tr> <td>4/2020</td> <td>Selection Committees (related to Calls 3,5,6)</td> </tr> <tr> <td>5/2020</td> <td>Selection Committee (related to Call 1)</td> </tr> <tr> <td>5/2020</td> <td>Announcement of Call 2 and seminar for applicants</td> </tr> <tr> <td>6/2020</td> <td>Seminars for project promoters (related to Call 1,3,5,6)</td> </tr> <tr> <td>6/2020</td> <td>Assessment of the PDP application</td> </tr> <tr> <td>7/2020</td> <td>Preparation of project documentation in the PDP</td> </tr> <tr> <td>11/2020</td> <td>Submission of valid building permit and relevant documentation in PDP</td> </tr> <tr> <td>11/2020</td> <td>7th Cooperation Committee Meeting</td> </tr> <tr> <td>11/2020</td> <td>Selection Committee (related to Call 2)</td> </tr> </tbody> </table>	Timing	Activity / Milestone	10/2019	Announcement of Call 1,3, 5, 6	11/2019	Seminars for applicants (related to Calls 1,3,5,6)	11/2019	5 th Cooperation Committee Meeting	4/2020	Architectonic design selected in the PDP and start of demolition works	4/2020	6 th Cooperation Committee Meeting	4/2020	Selection Committees (related to Calls 3,5,6)	5/2020	Selection Committee (related to Call 1)	5/2020	Announcement of Call 2 and seminar for applicants	6/2020	Seminars for project promoters (related to Call 1,3,5,6)	6/2020	Assessment of the PDP application	7/2020	Preparation of project documentation in the PDP	11/2020	Submission of valid building permit and relevant documentation in PDP	11/2020	7 th Cooperation Committee Meeting	11/2020	Selection Committee (related to Call 2)
Timing	Activity / Milestone																														
10/2019	Announcement of Call 1,3, 5, 6																														
11/2019	Seminars for applicants (related to Calls 1,3,5,6)																														
11/2019	5 th Cooperation Committee Meeting																														
4/2020	Architectonic design selected in the PDP and start of demolition works																														
4/2020	6 th Cooperation Committee Meeting																														
4/2020	Selection Committees (related to Calls 3,5,6)																														
5/2020	Selection Committee (related to Call 1)																														
5/2020	Announcement of Call 2 and seminar for applicants																														
6/2020	Seminars for project promoters (related to Call 1,3,5,6)																														
6/2020	Assessment of the PDP application																														
7/2020	Preparation of project documentation in the PDP																														
11/2020	Submission of valid building permit and relevant documentation in PDP																														
11/2020	7 th Cooperation Committee Meeting																														
11/2020	Selection Committee (related to Call 2)																														

Programme name	CZ-GOVERNANCE														
Overall progress - Programme development and implementation	The Concept Note approval: 6/2018 The Programme approval: 15. 8. 2019 The Programme Agreement signature: not yet, under preparation The Programme MCS submission to the NFP: 23. 4. 2019, under AO audit now														
Commitments and disbursements made by the programme	There were no advance payments or disbursements until September IFR. Incurred expenditures will be submitted in next IFR.														
Problems related to programme development and implementation, with suggested solutions	Programme operator received in August 2018 information from Financial Analytical Office (FAU; potential project promoter of PDP 4) that it will not continue with preparation works and will not implement PDP 4. PO has held talks with FAU about reasons why PP refuses the PDP and offered help to solve the situation. PP mentioned lack of employees as main reason. New project promoter is the National Organized Crime Agency. This caused delay of the programme development.														
Programme related specific concerns in the MoU and conditions set in the Programme agreement	Special conditions and Programme specific rules set out in the programme agreement are fulfilled.														
Progress in strengthening bilateral relations with donor state entities, including the use of bilateral funds allocated to the programme	One predefined bilateral initiative was supported by a grant from Programme's bilateral ambitions budget. First Cooperation Committee meetings with the IPO was organised in June 2019.														
Work plan outlining the milestones for the implementation of the programme over the next year (according to the supplementary information) – including, as relevant, expected calls, meetings of the Cooperation Committee(s), and information and communication activities	<table border="1"> <thead> <tr> <th>Timing</th> <th>Activity / Milestone</th> </tr> </thead> <tbody> <tr> <td>9/2019</td> <td>Programme Agreement signed</td> </tr> <tr> <td>4Q/2019</td> <td>Match-making seminar for SGS applicants organised</td> </tr> <tr> <td>1Q/2020</td> <td>SGS Call launched</td> </tr> <tr> <td>1Q/2020</td> <td>Appraisal of PDPs completed and all pre-defined projects contracts signed</td> </tr> <tr> <td>2Q/2020</td> <td>Appraisal of SGS Call completed and all project contracts signed</td> </tr> <tr> <td>2Q/2020</td> <td>2nd Cooperation Committee organised</td> </tr> </tbody> </table>	Timing	Activity / Milestone	9/2019	Programme Agreement signed	4Q/2019	Match-making seminar for SGS applicants organised	1Q/2020	SGS Call launched	1Q/2020	Appraisal of PDPs completed and all pre-defined projects contracts signed	2Q/2020	Appraisal of SGS Call completed and all project contracts signed	2Q/2020	2 nd Cooperation Committee organised
Timing	Activity / Milestone														
9/2019	Programme Agreement signed														
4Q/2019	Match-making seminar for SGS applicants organised														
1Q/2020	SGS Call launched														
1Q/2020	Appraisal of PDPs completed and all pre-defined projects contracts signed														
2Q/2020	Appraisal of SGS Call completed and all project contracts signed														
2Q/2020	2 nd Cooperation Committee organised														

Programme name	CZ-ENVIRONMENT
Overall progress - Programme development and implementation	<p>Significant milestones reached in the past period:</p> <p>The Concept Note approval – 2. 7. 2018 The Programme approval – 18. 1. 2019 The Programme Agreement signature – 20. 2. 2019 The Programme Implementation Agreement signature – 15. 4. 2019</p> <p>The launch conference of the Programme took place on 9 April 2019. The Programme MCS was submitted to the NFP in the beginning of June 2019 and comments given by NFP are being incorporated into the final version (September 2019). The approval by the NFP is expected in</p>

	<p>September 2019.</p> <p>The calls of proposals have not been launched yet, it is expected at the end of October 2019.</p>												
Commitments and disbursements made by the programme	<p>No advance payment has been made.</p> <p>The total incurred eligible expenditures up to 30/06/2019 amounts to CZK 4,970,880 (EUR 193,226)</p>												
Problems related to programme development and implementation, with suggested solutions	<p>The overall progress of the Programme is slightly delayed by about 4 months compared to the assumptions given at the time of signing of the Programme agreement. The main reasons are the more complex setup of internal processes in the organization of the Program operator (including the management and control system) than was expected and the delays in the development and setup of the internal information system of the Programme operator. The management and control system will be adapted to the NFP's comments and finalized at the beginning of September 2019. Activities on the development of PO's information system will primarily focus on the launch of calls and submission of applications, other processes from the project cycle will be continuously developed and adjusted.</p>												
Programme related specific concerns in the MoU and conditions set in the Programme agreement	<p>Special conditions and Programme specific rules set out in the programme agreement are fulfilled.</p>												
Progress in strengthening bilateral relations with donor state entities, including the use of bilateral funds allocated to the programme	<p>A matchmaking seminar of the Programme for Czech and Norwegian entities was organized in Prague on April 10, 2019. The call from the bilateral fund of the Programme was launched in the beginning of July 2019.</p>												
Work plan outlining the milestones for the implementation of the programme over the next year (according to the supplementary information) – including, as relevant, expected calls, meetings of the Cooperation Committee(s), and information and communication activities	<table border="1"> <thead> <tr> <th>Timing</th> <th>Activity / Milestone</th> </tr> </thead> <tbody> <tr> <td>Q4/2019</td> <td>Calls: 1a (proposals) / 2a / 4b SGSs: 1b,c / 4a</td> </tr> <tr> <td>Q4/2019</td> <td>4th Cooperation Committee</td> </tr> <tr> <td>Q1/2020</td> <td>Calls: 1a (applications) / 3a / 3b (proposals) SGSs: 1d / 2c / 2e / 3c / 4c</td> </tr> <tr> <td>Q3/2019 - Q2/2020</td> <td>Workshops on Calls and SGSs</td> </tr> <tr> <td>Q3/2019 - Q2/2020</td> <td>Participation in conferences to promote the Programme</td> </tr> </tbody> </table>	Timing	Activity / Milestone	Q4/2019	Calls: 1a (proposals) / 2a / 4b SGSs: 1b,c / 4a	Q4/2019	4 th Cooperation Committee	Q1/2020	Calls: 1a (applications) / 3a / 3b (proposals) SGSs: 1d / 2c / 2e / 3c / 4c	Q3/2019 - Q2/2020	Workshops on Calls and SGSs	Q3/2019 - Q2/2020	Participation in conferences to promote the Programme
Timing	Activity / Milestone												
Q4/2019	Calls: 1a (proposals) / 2a / 4b SGSs: 1b,c / 4a												
Q4/2019	4 th Cooperation Committee												
Q1/2020	Calls: 1a (applications) / 3a / 3b (proposals) SGSs: 1d / 2c / 2e / 3c / 4c												
Q3/2019 - Q2/2020	Workshops on Calls and SGSs												
Q3/2019 - Q2/2020	Participation in conferences to promote the Programme												

Programme name	CZ-HUMAN RIGHTS														
Overall progress - Programme development and implementation	The Concept Note approval: 6/2018 The Programme approval: 22/5/2019 The Programme Agreement signature: 19/6/2019 The Programme Implementation Agreement signature: 23/7/2019 The Programme MCS submission to the NFP: 23/4/2019, under AO audit now														
Commitments and disbursements made by the programme	Disbursement until "September IFR" (up to 30.6.2019) related to the programme management costs amounts to EUR 144 918. This disbursement has covered mainly staff costs, travel expenditures and costs linked to several events (such as stakeholders consultation, strategy meetings with FMO and IPOs, launch conference, Cooperation Committee meeting, study trips and seminars for Programme Operators, etc.).														
Problems related to programme development and implementation, with suggested solutions	Programme development (PDPs grant applications & Call texts) has been delayed as the PA was signed almost 6 month later than planned. Additional staff of the PO shall be hired in 4Q 2019 to mitigate the delay.														
Programme related specific concerns in the MoU and conditions set in the Programme agreement	Special conditions and Programme specific rules set out in the programme agreement are fulfilled.														
Progress in strengthening bilateral relations with donor state entities, including the use of bilateral funds allocated to the programme	The PO participated at 3 SYNERGY meetings organised by the Norwegian Ministry of Justice and Public Security. 6 predefined bilateral initiatives were supported by a grant from Programme's bilateral ambitions budget. The first CC meeting with both IPOs was held in March 2019.														
Work plan outlining the milestones for the implementation of the programme over the next year (according to the supplementary information) – including, as relevant, expected calls, meetings of the Cooperation Committee(s), and information and communication activities	<table border="1"> <thead> <tr> <th>Timing</th> <th>Activity / Milestone</th> </tr> </thead> <tbody> <tr> <td>4Q 2019</td> <td>CC meeting</td> </tr> <tr> <td>4Q 2019</td> <td>Call No 1 open</td> </tr> <tr> <td>4Q 2019</td> <td>PDPs grant applications approved</td> </tr> <tr> <td>1Q 2020</td> <td>Call No 3 open</td> </tr> <tr> <td>2Q 2020</td> <td>SGS open</td> </tr> <tr> <td>3Q 2020</td> <td>Call No 2 open</td> </tr> </tbody> </table>	Timing	Activity / Milestone	4Q 2019	CC meeting	4Q 2019	Call No 1 open	4Q 2019	PDPs grant applications approved	1Q 2020	Call No 3 open	2Q 2020	SGS open	3Q 2020	Call No 2 open
Timing	Activity / Milestone														
4Q 2019	CC meeting														
4Q 2019	Call No 1 open														
4Q 2019	PDPs grant applications approved														
1Q 2020	Call No 3 open														
2Q 2020	SGS open														
3Q 2020	Call No 2 open														

Programme name	CZ-JUSTICE
Overall progress - Programme development and implementation	The Concept Note approval on 24 May 2018 The Programme approval on 18 December 2018 The Programme Agreement signature on 7 February 2019 The Programme Implementation Agreement signature on 10 April 2019 The Programme MCS submission to the NFP on 23 April 2019, under AO audit now Opening event organised on 20 March 2019 3 rd CC Meeting organised on 20 March 2019 Preparation of the launch of calls

	6 bilateral initiatives implemented
Commitments and disbursements made by the programme	There was a disbursement of expenditures within the programme management in total amount of EUR 113 435. This disbursement covered mainly staff costs, travel expenditures and special events like stakeholders consultations, opening conference, informal meeting of experts, Cooperation Committee meetings, study trips and Seminar for Programme Operators.
Problems related to programme development and implementation, with suggested solutions	The Programme operator received during summer information that it is still very difficult for the Probation and Mediation Service to decide the most suitable place for the planned Probation House. Final decision of the city, where the Probation house will be opened, should be made in autumn 2019.
Programme related specific concerns in the MoU and conditions set in the Programme agreement	Special conditions and Programme specific rules set out in the programme agreement are being fulfilled.
Progress in strengthening bilateral relations with donor state entities, including the use of bilateral funds allocated to the programme	<p>The second Roundtable between the Czech and Norwegian partners was held on 10 – 12 September 2018 in Prague. The contacts between the Czech and Norwegian partners were established and deepen.</p> <p>The Study visit to Norway – roundtable to bilateral activities within PDP1 was held from 14 to 17 November 2018 in Lillestrom, Norway.</p> <p>The second Cooperation Committee meeting was held on 13 December 2018 in Lillestrom, Oslo. Progress of the Programme as well as the use of the bilateral fund was discussed.</p> <p>The third Cooperation Committee meeting was held on 20th March 2019 in Prague. Current status of the Programme as well as the status of pre-defined projects and the involvement of the Norwegian partners was discussed. Furthermore a bilateral cooperation between Bastoy prison and open prison Jiřice was agreed.</p> <p>The Study visit of expert guarantors of the planned PDP2 project – Strengthening the rehabilitation of prisoners through treatment was held from 25 to 29 March 2019 in Oslo, Illa prison and Bastoy prison.</p> <p>The Study visit to Norway – sharing experience and good practice in the functioning and operation of the half-way house was held from 27 to 30 May 2019 in Drammen.</p>

Work plan outlining the milestones for the implementation of the programme over the next year (according to the supplementary information) – including, as relevant, expected calls, meetings of the Cooperation Committee(s), and information and communication activities	Timing	Activity / Milestone
	2. – 3. 10. 2019	4 th Cooperation Committee meeting
	by 31/10/2019	Call launched
	By 31/12/2019	Information system for applicants and projects updated
	By 31/12/2019	Appraisal of PDPs completed and all pre-defined projects contracts signed
	By 31/05/2020	Call completed and all project contracts signed

Programme name	CZ-HOME AFFAIRS
Overall progress - Programme development and implementation	<p>The Concept Note has been approved on 25 May 2018.</p> <p>The Programme was approved on 5 March 2019.</p> <p>The Programme Agreement has been signed on 8 April 2019.</p> <p>The Programme Implementation Agreement has been signed on 29 July 2019.</p> <p>The Programme MCS was submitted to the NFP on 2 September 2019 and is in the review process now.</p> <p>The draft of the first call is currently being consulted with the NFP.</p>
Commitments and disbursements made by the programme	Disbursements until “September IFR” (up to 30.6.2019): EUR 5.843
Problems related to programme development and implementation, with suggested solutions	<p>Amendment to the Programme Agreement (5 modifications) submitted to the FMO on 2 July 2019.</p> <p>Delayed implementation of the CEDR information system. The system shall be implemented by the PO at the end of 4Q 2019.</p>
Programme related specific concerns in the MoU and conditions set in the Programme agreement	Special conditions and Programme specific rules set out in the Programme Agreement are fulfilled.
Progress in strengthening bilateral relations with donor state entities, including the use of bilateral funds allocated to the programme	<p>Bilateral cooperation with the Norwegian Association of Local and Regional Authorities (KS) has been established. KS confirmed to proceed as a partner in the implementation of the Bilateral Initiative “Sharing Good Practice in State Police Cooperation with Local Authorities”. First meeting of the PO and KS will take place on 15 October 2019 in Oslo.</p> <p>The aim of the proposed initiative is to establish and develop bilateral cooperation between the Czech Republic and Norway in optimizing the model of cooperation and coordination of activities between the state police and local government, especially municipal police, and sharing good practice in this area. The main focus is to improve communication between the state police and territorial self-government.</p> <p>The initiative shall consist of initial and closing working meetings and 4 workshops.</p> <p>Other bilateral activities shall be implemented within the PDPs. Partnership agreements are currently being prepared.</p>

Work plan outlining the milestones for the implementation of the programme over the next year (according to the supplementary information) – including, as relevant, expected calls, meetings of the Cooperation Committee(s), and information and communication activities	Timing	Activity / Milestone
	4Q 2019 – 1Q 2020	Information system for applications and projects (CEDR) updated
	4Q 2019 – 1Q 2020	Pre-defined project 1, 3, 4 contracts signed
	4Q 2019	Call for #SGS1 launched
	4Q 2019 – 1Q 2020	Permit obtained for the re-construction of the training centre PDP2
	2Q 2020	#SGS1 project contracts signed
	4Q 2020	Call for #SGS2 launched

4.1 Disbursements and financial reporting on programmes

During the first two certifications the CA struggled with the set-up of IFRs in GRACE. Firstly, the rounding method in GRACE is not set correctly and as a consequence, the amounts of allocations, actually incurred and proposed expenditure are not calculated correctly. This results in inconsistencies between the information system of the CA - VIOLA and IS GRACE. Secondly, the structure of downloaded versions of IFRs is not very well arranged. Especially, absence of amounts of proposed and expected expenditure filled in by the PO in part B makes the calculation less transparent.

In August 2019 the CA was engaged in certifications of 11 programmes in which the programme agreements were signed by 15 July 2019. As a result, the amount certified by the CA by 15 September 2019 equals 1 728 267 EUR (ca 0,99 % of the total allocation including PRG co-fi) and includes expenditure incurred by POs until 30 June 2019 within 11 programmes (excluding CZ-GOVERNANCE not being certified by 15 September 2019). Within the reported expenditure there are mostly programme management costs incurred for preparation of programmes such as salaries, travel costs, translations, catering and publicity. Within the CZ-BF programme expenditure incurred on bilateral activities were reported (bilateral meetings organized by POs/POs taking part - catering, travel costs, translations; payments to pre-defined initiatives at programme level; payments within the open call and to pre-defined initiatives at national level).

Table: Payments disbursed by POs (PRG co-fi included)

PRG	PRG allocation	Disbursed by POs up to 30/6/2019		Disbursed by POs up to 30/6/2019 vs. PRG allocation
	EUR	CZK	EUR	
CZ-TA	2 767 500,00	8 339 938,00	323 230,00	11,68%
CZ-BF	3 690 000,00	7 116 200,00	275 753,00	7,47%
CZ-RESEARCH	35 294 117,00	4 994 075,00	193 869,00	0,55%
CZ-EDUCATION	7 647 059,00	4 175 752,00	161 969,00	2,12%
CZ-HEALTH	16 470 588,00	3 400 372,00	132 016,00	0,80%
CZ-CULTURE	32 941 176,00	4 739 947,00	184 008,00	0,56%
CZ-GOVERNANCE	5 882 353,00	0,00	0,00	0,00%
CZ-ENVIRONMENT	35 294 118,00	4 970 880,00	193 226,00	0,55%
CZ-HUMANRIGHTS	22 352 941,00	3 728 852,00	144 918,00	0,65%
CZ-JUSTICE	7 058 824,00	2 922 674,00	113 435,00	1,61%
CZ-HOMEAFFAIRS	5 882 353,00	150 277,00	5 843,00	0,10%
Total	175 281 029,00	44 538 967,00	1 728 267,00	0,99%

By 30 June 2019 the amount of 2 640 909 EUR (ca 1,76 % of the total allocation, PRG co-fi excluded) was disbursed by the FMO to the CA source account. The payments were made based on the first IFRs in programmes CZ-TA, CZ-BF and CZ-EDUCATION submitted to the FMO in April 2019. The amount also includes advance payments to programmes CZ-TA and CZ-BF.

Due to national specifics in financial flows in case of some programmes having their expenditure pre-financed from the state budget the CA keeps the funds received from the FMO on their source account and only makes reimbursements of actually incurred expenditure certified in IFRs (CZ-TA, CZ-RESEARCH, CZ-ENVIRONMENT, CZ-HOMEAFFAIRS, CZ-EDUCATION, partly CZ-BF). To the rest of programmes the CA makes disbursements of proposed expenditure immediately after their receipt from the FMO in compliance with the Regulations. In addition, the CA can make payments to project promoters which are Organizational Units of the State/State Contributory Organizations and to final beneficiaries of initiatives within the CZ-BF national level. As a result of the specifics stated above, up to 30 June 2019 the amount of 667 158 EUR (ca 0,44 % of the total allocation, PRG co-fi excluded) was paid by the CA to POs/CZ-BF final beneficiaries.

5 STATUS OF BILATERAL FUNDS

The Joint Committee for the Bilateral Funds (JCBF) established in 2017 has been fully operational and actively involved in BF implementation.

Within the **1st Open Call** 17 bilateral initiatives were supported and the allocated amount of 250 000 EUR was fully committed within 5 months (August 2018 to January 2019). 12 approved initiatives have been realized in partnership with Norway, 2 with Iceland, 3 with more donor states. As for the supported areas of mutual interest, these were mostly culture (7) and children or sport (6), the other focus was on research (3) or smart cities (1). Most grants (10) were awarded to the NGOs, 3 to universities, 3 to private companies and 1 to a state contributory organisation. The supported initiatives are in an advanced stage of implementation, some of them have already been completed. From the 250 000 EUR allocated 138 683 EUR have been reimbursed by August 2019. According to the information provided by final beneficiaries in the monitoring reports, financial contribution provided within the BF is highly appreciated, bilateral relations were significantly strengthened and the mutual cooperation confirmed the expected potential for future projects.

The **2nd JCBF meeting** was held via a videoconference on 1 April 2019. The assessment of the 1st Open Call and proposals for modification within the 2nd Open Call were the key issues of the meeting. All JCBF members expressed their positive feedback on effective procedures, significant applicants' interest and surprisingly fast commitment of the first open call's allocation. Moreover, it was mentioned that the Czech approach and procedures are shared as best practice with the other Beneficiary States.

The JCBF also negotiated the submitted **Expression of interest** for increase of bilateral funds within the CZ-Culture programme. The members agreed on the approval after additional correspondence and adjustments in late April 2019. The allocation of funds to CZ-Culture was increased by 87 500 EUR with respect to more projects expected and to the overall complexity of the programme which had been presumed even in the Concept Note. The JCBF approved also adjustments in the 2nd Call planned for May/June 2019.

The JCBF **Work Plan** was updated in terms of the 2nd JCBF meeting conclusions and adopted via written procedure in May 2019.

The **2nd Open Call** with the allocation of 300 000 EUR has been launched in June 2019. The JCBF agreed to limit the eligibility of the Donor states' entities to Norway only in the 2nd Open Call. Several

adjustments in the Call text as well as in rules had been done to reflect experience and best practice from the 1st Call, especially the evidence of expenditures was simplified and the maximum grant amount was reduced from 50 000 EUR to 20 000 EUR, in line with the 2nd JCBF meeting conclusion. The evaluation of applications is on-going – by the end of August, 32 applications were submitted and 11 initiatives were approved in total amount over 155 000 EUR. Disbursement of advance payments to approved initiatives is being provided since August 2019.

In line with the Work Plan, the **3rd Open Call** shall be announced in 2020. The timing will depend on the commitment of the 2nd Open Call.

Two **pre-defined initiatives** planned for 2018 have been successfully finished, one reimbursed. The regular school exchange between Liechtenstein and the CR shall continue in 2019, a joint grant application for financing of the schools' activities (second round) has been submitted and approved in August 2019. Similarly, the work of Czech-Liechtenstein Commission of Historians continues in 2019, the grant application in partnership with the Historic Association of Liechtenstein has been submitted. As for 2019/2020, two new pre-defined initiatives for cooperation with Iceland aimed at a) exchange of good practices in the implementation of modern technologies and b) cooperation of experts in the field of gender pay gap were confirmed by the JCBF, were included into the Work Plan and are in preparation.

At **programme level**, the bilateral ambitions are being enhanced via open calls for bilateral initiatives within respective programmes (CZ-Health, CZ-Culture and CZ-Environment) and specific activities organized by the POs. These are targeted mainly at networking, match-making, information activities prior to the launch of Open Calls for project proposals, exchange of know-how in areas of mutual interest, and, last but not least, preparation of strategic projects in partnership with the donor state entities.

Match-making seminars aimed at establishing and development of contacts, partnerships and effort for joint applications in future Open Calls for project proposals have been organized in the programmes CZ-Health (in January 2019), CZ-Environment (in April 2019) and CZ-Culture (in May 2019). Mutual visits of PO and the DPP in order to establish working contacts and to agree upon strategies for future implementation took place in CZ-Research (with RCN in Oslo, to network with RANNIS in Reykjavik) and also in programmes within pre-defined projects such as CZ-Health (3 pre-defined bilateral study trips), CZ-Justice (2 study visits), CZ-Human Rights (4 visits and 1 joint attendance of an international event).

In the near future, the call for preparatory visits will be launched in CZ-Education (September 2019). The CZ-Research programme is designed without any Open Call for bilateral initiatives so the PO shall encourage applicants to utilize PO's joint match-making events or to apply in the NFP open calls for bilateral initiatives.

The programmes composed of PDPs shall continue in bilateral activities via pre-defined initiatives within the particular PDP, such as mutual visits and meetings and working sessions, round tables etc.

So far, **the NFP itself** has not implemented any bilateral initiative. In addition, no activities are planned in the following 12 months.

The overall balance of the bilateral funds is quite proportionate, relevant to the very start of the programming period. From the allocation of 3 690 000 EUR the amount of 285 183 EUR has been spent (by 30/6/2019, IFR2).

In the upcoming year utilization of bilateral funds is expected in the larger extent than in 2019, because the launch of Open Calls for project proposals in programmes shall require effective support for operative networking, meetings and joint events for applicants. Also the planned and approved pre-defined initiatives shall strengthen the bilateral cooperation.

The text of this chapter was consulted and agreed on by the JCBF via written procedure and it was also agreed by the JCBF that there is currently no need to organize the third JCBF meeting in 2019.

6 MANAGEMENT AND IMPLEMENTATION

6.1 Management and Control Systems (MCS)

The **national level Management and Control System (MCS)** was officially acknowledged by the donors in December 2018 after incorporation of specific conditions of the donors related to separation of functions between the PO and the NFP placed at the Ministry of Finance. Other specific and pre-payment conditions related to the separation of functions were set in the relevant Programme Agreements and are followed by the NFP.

The **Methodology of Financial Flows, Control and Certification of Programmes financed from the EEA and Norwegian Financial Mechanisms 2014–2021** (hereinafter the “Methodology”), a key document setting up financial flows, investigation of irregularities, certification procedures and controls of the FM 2014-2021 in the Czech Republic, was approved by the Government of the CR and issued in November 2018. The English version of the Methodology was submitted to the FMO for information in March 2019.

During 2019, the NFP has issued more detailed written guidelines – the Guideline for Eligible Expenditures, Small-scale Public Procurement Guidance and Guidelines for POs. The documents are based on the procedures used for implementation of FM 2009-2014; however when updating the documents in line with requirements set in the Regulations for FM 2014-2021, the emphasis was placed on simplification and better clarification of rules and reduction of all unnecessary additional requirements.

No changes to the MCS and other documents have been carried out and no changes are expected in the near future.

The staffing of the national authorities is stable; there was only one more significant personal change at the position of the Certifying Authority (CA) Head of Unit (unit 5505, the National Fund Department of the Ministry of Finance). Mr. Petr Vránek left the position of the Head of Unit and the position is now represented by Mr. Josef Kurtiš, an experienced employee of the National Fund Department of the Ministry of Finance.

The descriptions of **MCS at the level of POs (PO MCS)** have been drafted and gradually submitted to the NFP for approval within the deadlines set by the Regulation.

The **PO MCS of the Centre for International Cooperation in Education (DZS)** managing the **CZ-EDUCATION** programme was submitted to the NFP in May 2019. The quality of the document was very high and after incorporation of the NFP comments and preliminary approval, the document was submitted to the Audit Authority (AA) in July 2019. The AA assessed the compliance of the MCS with the Regulation and generally accepted accounting principles. The AA issued an audit report pointing out several findings on which the audited entity (DZS) took corrective action plan. The findings in the report did not have negative impact on the positive opinion on the PO MCS. The NFP informed the FMO about approval of the PO MCS in August and September 2019 respectively.

The **PO MCS for programmes managed by the Ministry of Finance, i.e. CZ-CULTURE, CZ-HEALTH, CZ-GOVERNANCE, CZ-HUMAN RIGHTS and CZ-JUSTICE**, was drafted as one document. After settlement of the NFP comments the PO MCS was submitted to the AA in July 2019. It is expected that the audit report

and opinion of the AA will be issued by the end of September 2019. The PO MCS accompanied with the audit report and the opinion will be then submitted to the FMO in line with pre-payment condition set out in the respective Programme Agreements.

The draft versions **PO MCS** for programmes managed by the **Ministry of Interior (CZ-HOME AFFAIRS)** and the **State Environmental Fund (CZ-ENVIRONMENT)** have already been submitted to the NFP. With regard to less experience of the two new POs with particularities of the FMs and in order to ensure relevant quality of the documents, the NFP has been providing continuous assistance to the POs in drafting of the documents including meetings to clarify open issues and NFP's comments. It is assumed that both documents will be finalised and submitted to the AA in 4Q/2019.

The deadline for submission of **PO MCS for CZ-RESEARCH** programme managed by the **Technology Agency** is December 2019; however the PO plans to submit the first version of the document to the NFP earlier.

A change of the Annex B of the Memoranda of Understanding on the implementation of the EEA Financial Mechanism 2014-2021 and the Norwegian Financial Mechanism 2014-2021 was implemented. It related to the change of the PO of the CZ-RESEARCH programme. Originally, the Ministry of Finance was designated as the PO for CZ-RESEARCH in the MoU where was stated that the Technology Agency (TAČR) shall "be actively involved in and effectively contributing to the development and implementation of the programme". Taking into account the specifics of the CZ-RESEARCH programme, competences and experience in the area of applied research and in order to simplify the administrative procedures and financial flows it was agreed with the FMO and the Donors that the TAČR will officially take over the responsibilities of the PO. The change of Annex B of the MoUs was completed on 30 October 2018 and from this date it is valid.

6.2 Complaints

Although the complaint mechanism for EEA and Norway Grants 2014-2021 is established and procedures how to submit complaints are visible on the NFP website www.eegrants.cz and www.norwaygrants.cz, no complaints have been submitted so far.

This is because the EEA and Norway Grants 2014-2021 in the Czech Republic are only in their early stage, almost all of the Programme Agreements have been signed, but no call has been launched so far.

6.3 Irregularities

The first irregularities were discovered during certification of September 2019 IFRs. Actual irregularities were discovered in programmes CZ-BF (CZ-RESEARCH part), CZ-HEALTH (programme management) and CZ-JUSTICE (programme management). The irregularity cases will be reported to the FMO in November 2019 for the period July – September 2019. The irregularities were discovered before submission of September IFRs to the FMO and therefore, the respective expenditure will not enter the IFRs and will not be reported to the FMO as actually incurred.

Programme	Irregularity period	Nature of irregularity	Amount of irregularity	
			Grant part	PRG Co-financing
CZ-BF	3Q 2019	Error in payment claim	25 EUR	0 EUR
CZ-HEALTH	3Q 2019	Error in payment claim	452 EUR	81 EUR
CZ-JUSTICE	3Q 2019	Error in payment claim	to be confirmed by the PO	

6.4 Audit

With regard to current status of programmes implementation, the Audit Authority carried out neither audits assessing the functioning of the management and control system, nor audits of operations.

The AA has carried out an audit assessing the MCS of the CZ-EDUCATION Programme Operator with no major findings. An audit assessing the MCS of the CZ-HEALTH, CZ-JUSTICE, CZ-CULTURE, CZ-HUMANRIGHTS, CZ-GOVERNANCE Programme Operator is ongoing. Details about audits of PO MCS are included in the chapter 6.1.

7 COMMUNICATION

The Communication Strategy has been approved on 16 November 2018. As the main goal of the Communication Strategy is to increase awareness of general public on the EEA and Norway Grants, the most of activities made in past months were/are focused mainly on general public.

The overview of promotional activities made in September 2018 – August 2019:

- **Launch Event of the EEA and Norway Grants 2014-2021** where the programmes were presented took place in Planetarium Prague on 20 February 2019. The Czech Republic was represented by Ms Lenka Dupáková, Deputy Minister of Finance of the Czech Republic. The donor states were represented by H. E. Robert Kvile, the Norwegian Ambassador to the Czech Republic, H.E. Thórir Ibsen, the Ambassador of Iceland and Mr Dominik Marxer, Deputy Head of Mission at the Embassy of Liechtenstein to the Czech Republic. In total almost 80 participants (NFP, POs, programme partners, DPPs, FMO) attended the event.
- **Participation in the “Day of Europe 2019”** in Prague on 9 May 2019, where the stand was prepared in cooperation with the Royal Norwegian Embassy in Prague and the EEA and Norway Grants were presented to general public. It was a second participation of the EEA and Norway Grants at this event.
- As a very good opportunity to approach the general public the **NFP participated in popular 4-day musical festival “Colours of Ostrava 2019”** from 19 to 22 July 2019 as in the last year. The presentation of EEA and Norway Grants in the Czech Republic was organized together with the Royal Norwegian Embassy in Prague and the State Environmental Fund of the Czech Republic (PO for CZ-ENVIRONMENT). The main message was “15 years of the EEA and Norway Grants in the Czech Republic”. Competitions, workshops and activities aimed at ecology, environment and also research were prepared for public. Publicity was ensured by advertisement in festival bulletin, websites and Facebook.
- **Two promotional videos** of EEA and Norway Grants 2014-2021 (in Czech and English) were prepared by the NFP. The first one is animated video explaining meaning of the EEA and Norway Grants and their particular programmes. The second video is promoting the search for partners for bilateral cooperation through partner database. The videos are shared on the Facebook, YouTube and the NFP website.
- **Informational leaflet** promoting the new period of the EEA and Norway Grants 2014-2021 was created and distributed mainly during the “Day of Europe 2019”, “Colours of Ostrava 2019” and further events.
- **Promotional materials**, such as notebooks, pens, pencils, stickers, bags, balloons, menthols, lamps, spinners, etc. for usage at the promo events were created and delivered to the NFP.

- The **article promoting the launch of the 2nd open call within the Fund for bilateral relations** was published in national wide newspapers (Lidové noviny) on 26 June 2019.
- **Interviews with chosen project promoters** (from previous funding periods) to give examples of good practice were made in August 2019 and will continue till October 2019. Aim of this activity is to promote interesting projects from past two periods of the EEA and Norway grants at the opportunity of 15 years Anniversary. Articles and pictures regarding projects will be published at the website and social media.
- The **website** is continuously updated to be more user friendly and to provide relevant and actual information. The new section to assist to find a project partner including partner database was created.
- The NFP regularly uses **social media** such as Facebook, Twitter, Instagram and YouTube.
- The NFP participates at the activity of the Royal Norwegian Embassy in Prague – **competition “Grants in Movie”** for high school and universities. The aim is to promote best supported projects from last two periods in a short videos shared at the social media. The competition is under preparation and will be launched on 9 September 2019. Winner will be announced at the end of November 2019.

In the next months the NFP will continue in a communication activities aimed at general public to increase awareness of the EEA and Norway Grants and in cooperation with the Royal Norwegian Embassy in Prague. The NFP will also cooperate with Programme operators in promotion of the programmes open calls. The NFP will focus mainly on promoting results of bilateral initiatives that are already under implementation and will also prepare the article regarding the 15 years anniversary of EEA and Norway Grants in the Czech Republic and promoting the launch of the open calls within all programmes.

8 MONITORING AND EVALUATION

8.1 Monitoring

Besides informal monitoring activities based on a day-to-day contact with POs, the formalised monitoring activities carried out by the NFP-CFA2 can be divided into three main areas:

1) Monitoring of bilateral fund activities – Bilateral fund on the national level managed by NFP and Bilateral ambitions managed by respective POs – both through monitoring reports and on-the-spot check (not carried out so far due to short implementation period).

On the national level the monitoring of individual bilateral initiatives (both pre-defined and open call) runs through interim and final monitoring reports via electronic system CEDR.

Concerning the Bilateral ambitions managed by the POs – monitoring of the use of funds is carried out bi-annually on the basis of the written monitoring reports. Respective data and information is then used for preparation of the Interim Financial Reports (IFR) for CZ-BF.

2) Steering Committees and Cooperation Committees

NFP-CFA2 sets the so called Steering committees (SC) for each programme so as to regularly monitor the activities of the PO. The aim of the SC is to exchange information on current programme implementation development and to discuss possible difficulties and concerns of all involved stakeholders, NFP, PO and Programme partners. The first SC was organized in June 2019 for CZ-EDUCATION, for the rest of programmes the SCs are planned by the end of 2019.

NFP also regularly takes part in Cooperation Committees managed by PO as an observer.

3) Monitoring via external assistance

In line with the condition stated in PAs of the CZ-CULTURE, CZ-HEALTH, CZ- GOVERNANCE, CZ-HUMANRIGHTS and CZ-JUSTICE programmes, the NFP responsibilities regarding continuous structured risk assessment described in Article 5.3.3 of the Regulation, and the regular monitoring of the Programmes described in Article 5.3.4 of the Regulation shall be externalised and be carried out by a legal entity independent of and unrelated to the NFP. NFP plans to launch a public tender for the provider of the above mentioned service during September 2019. Subsequently the contract could be signed in October/November 2019.

There are three main areas of the public tender covering among other requirements stemming from the above mentioned condition:

a) Development of methodology for monitoring and programme risk management:

In cooperation with the external independent company, the NFP will develop methodology focused on FM3 programme monitoring and risk management in order to guarantee both the internal and external independence of the NFP as well as objectivity, impartiality and equal treatment of individual POs in accordance with MoUs, Regulations and PAs.

The output will be a written document that will be submitted to the FMO for review at the turn of 2019 – 2020.

b) Supervision of NFP's activities:

The external independent company will continuously monitor and verify compliance of NFP activities including monitoring described under points 1) and 2) above, risk management, adherence to methodologies and adherence to request for the separation of functions among NFP and PO placed at the Ministry of Finance.

The output will be a report on NFP activities drafted by the external company, created on an annual basis and including a summary to be added to the Strategic report. The report will provide information on compliance of the NFP with conditions related to separation of functions. The supervision shall be provided in the period 2020 – 2025.

c) Verification of programmes' implementation (on-the-spot):

The external independent company will carry out on-the-spot verification of programme implementation, which shall cover all PO activities related to fulfilment of the programme objectives, obligations set in the PIA, other contracts and guidelines and methodologies issued by NFP, CA or FMO. The on-the-spot checks will also include identification of risks in the programme and their solution and the possible changes in the programme.

The output will be a report including a check-list from each on-the-spot verification. Altogether 11 verifications (9 – for each programme, 2 – optional as needed) are planned during the period 2020 - 2023.

8.2 Evaluation

The evaluation plan annexed to this Strategic Report shall be understood as a preliminary portfolio of evaluations to be commissioned by the NFP. While the plan respects the structure of the mandatory template and the requirement of Regulations to evaluate each programme at least once, the NFP's ambition for the current programming period is to focus more on thematic (rather than programme) evaluations and to gain maximum formative evaluation findings and recommendations so as to be able to improve the performance or design of programmes where possible.

The evaluation plan will be further developed with the POs and PPs/DPPs. Key aspects such as timing of the evaluation with respect to programme developments or its main purpose (evaluation questions) shall be specified by the end of 2019, when the Terms of Reference will be prepared.

9 ISSUES FOR THE ANNUAL MEETING

As the Ministry of Finance acts as the National Focal Point and it is also the Programme Operator for 5 programmes (CZ-CULTURE, CZ-HEALTH, CZ-JUSTICE, CZ-GOVERNANCE and CZ-HUMAN RIGHTS), the separation of functions is ensured with the particular emphasis on the equal approach to both “internal” and “external” POs. The conditions connected with the separation of functions proposed by the Donors were accepted by the NFP as well as by the PO and following the discussion during the last Annual Meeting they were incorporated to the national level Management and Control System and are also stipulated as the conditions (general, pre-payment) in the Programme Agreements of the respective programmes. The Programme Operator respected these conditions also when preparing the PO MCS that needs to be submitted to the FMO (expected in October 2019). The NFP responsibilities regarding continuous structured risk assessment and the regular monitoring of the Programmes will be externalised and be carried out by a legal entity independent of and unrelated to the NFP as described in chapter 8.1.

ANNEXES (not published)

- A. Risk assessment and management plan
- B. Evaluation plan
- C. Cooperation with Donor Programme Partners and International Partner Organizations
- D. Technical assistance report

Annexes are provided in separate files.