



Annual Programme Report No.2 EEA Grants 2009-2014

**Programme CZ02 – Biodiversity and Ecosystem Services &
Environmental Monitoring and
Integrated Planning Control & Adaptation to Climate Change**

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: The Norwegian Environment Agency

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Acronyms:

DPP: Donor Programme Partner
FMO: Financial Mechanism Office
NFP: National Focal Point
PDP: Pre-defined Project
PO: Programme Operator
PP: Programme Partner
SGS: Small Grants Scheme

1. Executive summary

The programme CZ02 was during the year 2014 in its final phase before the implementation start, which consisted of launching open calls for individual projects and sub-projects within the Small Grants Scheme (SGS) and verification phase of Pre-defined Project (PDP) and projects recommended for funding. In total, 82 projects will start its implementation in 2015 (of which 34 will be realised as individual projects within the programme's open call and 48 as sub-projects of the SGS). The PDP was approved by the Programme Operator (PO) as the first project in August 2014.

The PO and the Programme Partner (PP; in the role as SGS Operator) will be responsible for implementation monitoring of selected projects and sub-projects. These will be monitored in two levels – via regular 4-months submission of interim reports and on-the-spot monitoring visits, which will start in the second quarter of 2015 by the PDP control. By the end of 2014, the Monitoring plan was prepared by the PO, which plans to visit 21 projects in the first phase. Selected projects for on-the-spot visits might differ in accordance with the project realisation and possible problems which might occur after the Grand Award Decision is published.

The final number of selected projects, which was higher than expected, reflected the interest of potential project promoters to submit their application mainly in certain outcomes of the programme. After the Selection Committee meeting took place in October 2014 and recommended projects were defined, there has been some needs for adjustments. The PO requested a re-allocation between the programme areas to allow high quality projects to start its implementation. Two requests for modification were sent to the Financial Mechanism Office (FMO) in 2014 to adapt to the current situation within the programme to adjust some needs of the PDP, SGS as well as individual projects.

Although the programme implementation is still delayed, according to the original monitoring plan of the Final Programme Proposal, many of the programme risks are decreased to low or middle level. Only the time risk as well as the specific programme risk (programme outcome risk) remains at a high level of importance. However, the PO has made an effort to eliminate these risks by fastening the process of verification of recommended projects for funding.

In 2014 one bilateral activity was realised within the Bilateral Fund at the programme level – measure “A” and one within the Complementary action. The match-making seminar was organised by the PP and financed from allocation of the measure “A”. The aim was to help to establish contacts and partnerships between institutions of the Czech Republic and institutions from donor states. For measure “B”, the Guideline for applicants and beneficiaries was approved. The Complementary action Fund was used for financing attendance of two PO's representatives at the 1st PO and Donor Programme Partner (DPP) workshop for EEA and Norway Grants Environmental/Energy/Climate Change Programmes in Brussels.

The PO as well as the PP keep informing about the programme and its activities via especially designed webpages for EEA Grants 2009 – 2014. Information is also updated on social media as Facebook, Twitter etc.

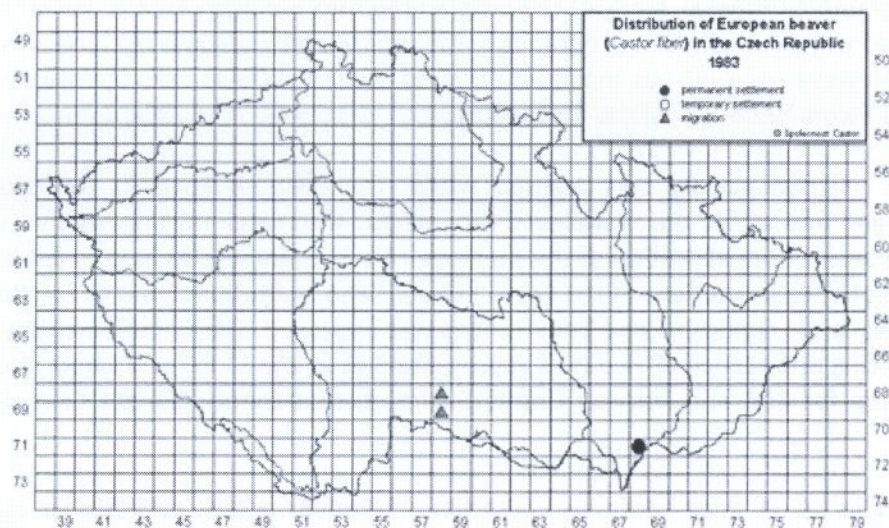
2. Programme area specific developments

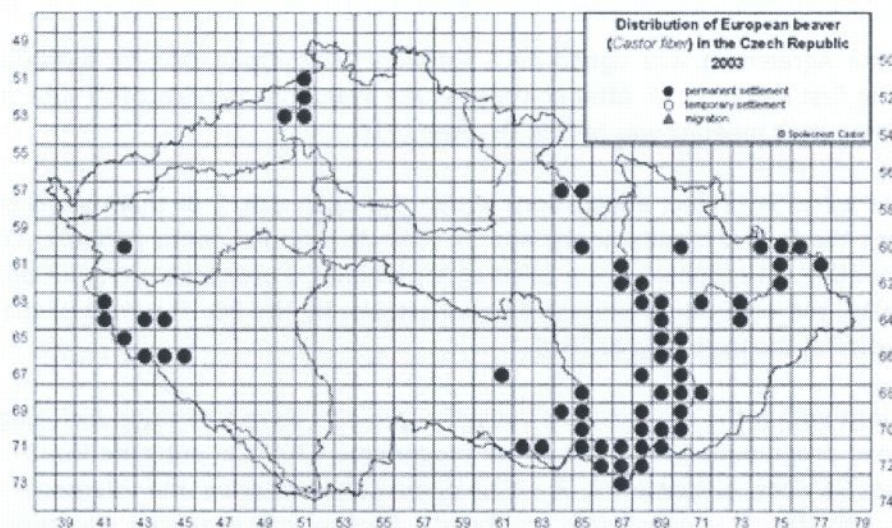
In 2014, there has been no major changes in policies or legislation that would have a negative impact to the implementation of the CZ02 programme.

State Environmental Policy 2012-2020 (adopted on 9 January 2013 by the Government Resolution No. 6) began to be implemented in 2014 as well as other partial policy documents adopted in 2013 including an updated Action plan on freshwater pearl mussel and a Management plan for the eurasian beaver (these documents are important, inter alia, in terms of implementation of the SGS, which is part of the CZ02 programme). Preparation and implementation of management plans (so called sets of recommended measures) for sites of community importance (SCI) and special protection areas as well as management plans for other protected areas were carried out.

Major legislative changes in 2014 were not directly connected with the protection of biodiversity (except for preparation of the amendment related to national parks, which will be negotiated in 2015), but with the general system of the administrative environment in the Czech Republic. Adoption of the civil service law will during 2015 result in a number of changes, but these will not have any impact on the implementation of the CZ02 programme. In the beginning of 2015, an amendment of the EIA Act and the European regulation on invasive species will also enter into force, which also will not negatively affect the implementation of the programme.

Distribution of eurasian (european) beaver in the Czech Republic in 20 years – eurasian beaver is part of one of the management plans within the SGS.





3. Reporting on outputs

During the first half of 2014, the PDP application was submitted via the IT system “CEDR”. In the second half of 2014 the PDP application was evaluated and verified. The project was approved by the PO on 5 August 2014. After approval, partnership agreements with six project partners were signed and the Grant Award Decision was issued in November 2014 by the PO, the Ministry of Finance. Among the first activities realised, a study journey of Norwegian experts to the Czech Republic was organised in August.

Outputs of individual projects within the open call will be reached through the implementation of particular projects. There were no individual projects implemented in year 2014, thus there are no outputs to report so far. One open call was announced in 2014 with expected implementation in all seven programme areas, however, some modifications about re-allocation between outcomes had to be discussed with FMO (see the Chapter 8 – Need for adjustments).

Regarding the SGS - Action plans for Endangered Species, an application for financial allocation was submitted by the PP, the Ministry of the Environment, based on an open call for the whole SGS allocation. The implementation of the sub-projects has not started yet. The selection process is described in Chapter 5 – Project selection.

4. Reporting on Programme outcome(s)

Individual projects

The Programme Agreement was signed on 5 February 2014. Open calls for individual projects were launched in the first half of 2014. After completing the evaluation process of all submitted applications, a Selection Committee meeting was held in October 2014.

In total, there were 54 project applications within the open call, 2 of them were eliminated due to failure to meet the formal requirements; and 22 projects included donor partners. After the Selection Committee meeting, 34 proposals were selected for funding; 3 proposals were put on a reserve list. At the end of 2014, the verification process was undertaken by the PO. The start of the implementation phase is expected at the beginning of 2015.

Applications within the open call for individual projects were submitted including all outcomes in the defined programme areas (PA) of the programme CZ02, i.e. outcome No. 2 – *Biodiversity and Ecosystem Services*, outcome No. 3 – *Environmental Monitoring and Integrated Planning Control* and outcome No. 7 – *Adaptation to Climate Change*, however, the allocation was not found sufficient for the amount of submitted applications (see Chapter 8 Need for adjustments).

- 20 projects were selected in outcome No. 2, however, one selected project did not accept the grant conditions during the verification procedure, though two reserve projects were included in the verification process instead.
- Within the outcome No. 3 – 6 projects were recommended for funding.
- 8 projects were recommended in the outcome No. 7

Pre-defined project (PDP)

The PDP – *Protection and sustainable Use of Wetlands in the Czech Republic* – was submitted in May 2014. The project is implemented by the PP, in cooperation with six project partners. Project implementation started on 5 August 2014. Individual project activities were designed according to the PP's priorities and international agreements in the field of biodiversity protection. The PDP is realised within the programme area No. 2, Outcome 4 – Avoid fragmentation of ecosystems. The first monitoring report is expected in the first quarter of 2015.

Small grant scheme (SGS)

Regarding the SGS - *Action plans for Endangered Species*, the re-granting application was submitted on 14 October 2014 via the IT system CEDR. Written approval from the PO was received by the PP (which is the SGS Operator) on 31 October 2014. The open call for sub-projects was launched in the first half of 2014 and the selection procedure was undertaken continuously. One of the most important aims is to stop the decline of biodiversity and stabilize the populations of selected flora and fauna species of the Czech Republic, based on a successful implementation of supported projects. A risk factor of the programme was the low number of submitted applications and thus also an insufficient number of approved applications.

4.1. Progress on horizontal concerns

The programme is not primarily focused on multicultural dialogue, integration issues etc., however, each selected project, as well as sub-projects within the SGS, will be supported to achieve some progress on horizontal concerns.

Horizontal issues of concern were/will be addressed through several phases:

1. Project selection - The assessment of horizontal project policies was part of the evaluation forms used within the evaluation of submitted applications that have been elaborated by external evaluators. Monitored horizontal policies, applying the principles of good governance, respecting of sustainable development and whether the project contributes to strengthening of bilateral relations, were monitored paragraphs of horizontal policies. Respecting these criteria shall be subject to monitoring during the implementation phase of the projects.
2. Project implementation - The final beneficiaries of the selected projects were advised to apply their professional skills and expertise, regardless of their gender, ethnicity or age. The basic premise for future cooperation in the project implementation is based only on the applicant's professional experience.
3. Outputs/indicators - It is intended that all outputs under the programme outcomes will be reached, also, where relevant, with the purpose of getting progress on horizontal concerns, if possible.

5. Project selection

Individual projects

One open call for individual projects was carried out during the reporting period. The call text was discussed with the DPP – the Norwegian Environment Agency, and the FMO prior to the launch of the call on 31 March 2014. The deadline for applications was 2 June 2014. Grant applications were submitted continuously via the IT system CEDR. A considerable amount of applicants used the opportunity to consult procedures of proper processing of the application and its annexes.

Altogether, 54 applications were submitted where 2 had to be rejected due to not fulfilling the formal criteria. Subsequently, 52 applications were assessed by the external evaluators in line with the Regulations. Total amount applied for was 22 225 987 EUR (588 988 648 CZK) while the available allocation of the call was 13 763 404 EUR. Due to the submission of a large number of well-qualified applications within certain programme areas, a request for re-allocation between the programme areas was sent to the FMO with the aim of allowing implementation of a higher number of quality projects. More info about this request for a re-allocation between outcomes is described in Chapter 8 – Need for adjustments.

The Selection Committee meeting was held on 16 and 17 October 2014 and was composed of 6 voting members and 11 observers. 34 proposals were recommended for funding and 3 were put on the reserve list. For nine submitted applications, the Committee changed the ranking list and rejected unsatisfactory projects. Out of the 34 proposals selected 1 project will be realised with project partner from Iceland and 15 projects have Norwegian partners. None of the selected project have partners from Liechtenstein.

After the selection process of the Selection Committee, the verification process started (on 21 November 2014). The verification consists of two parallel parts:

- verification of the evaluation process by an independent expert assessment; and
- communication between the PO and the applicants (clarifications, applicants' accept of budget cuts suggested by the Committee, etc.). This verification process was expected to take maximum one month after receiving the Selection Committee meeting's minutes from the PP in case no problems arose during the verification. After approval of the verification process by the Deputy Minister of Finance, applicants would be informed about the approval/non-approval of their applications by an official letter. Eligibility of expenditures was set as the date of this letter. After all partnership agreements have been uploaded to the IT System CEDR, the Grand award decision will be issued.

By the end of 2014, 16 projects have been approved. The remaining projects to be approved (approx. 16-18 projects) are expected to be processed in January 2015.

Pre-defined project (PDP)

The PDP was submitted in May 2014 and approved in August 2014 after necessary clarifications and adjustments of the application, i.e. in the description of activities, budget items, etc.

Small grant scheme (SGS)

The open call for sub-projects of SGS was launched on 26 May 2014 and finished on 28 July 2014. Delivery of project applications was conducted via mail service or personally to the registry office of the Ministry of the Environment in closed marked envelope. During the assessment of applications a conflict of interest had to be excluded for all persons involved in the process as defined in Article 6.6. of the Regulations.

Assessment of applications was ensured by the PP in the following phases:

- 1st - administrative and eligibility review;
- 2nd - quality assessment by external experts.

Every staff member of the PP, who carried out a review, and the head of a department, who signed forms and Selection Committee meeting minutes, had to sign the Declaration of Impartiality and Confidentiality before the commencement of the work.

In total there were 59 complete applications, none of them were refused due to failure in formal project processing. Received applications consisted of 37 projects in the field of supported area No. I (Implementation of approved emergency programmes and programmes of care for specially protected species of flora and fauna) and 22 projects of supported area No. II. (Updating and development of new programmes and programmes of care for specially protected species of flora and fauna).

The selection process of projects was composed of a formal evaluation, undertaken by expertise of professional evaluators, and a final decision made by the Steering Committee meeting that took place on 13 October 2014. 48 projects were selected for funding with a total budget of 63 mill. CZK. Contracts for final recipients were being prepared at the end of 2014. Initial payments will be provided after final approval by the PP.

6. Progress of bilateral relations

The programme is realised in cooperation with the DPP. Two Cooperation Committee meetings were held in Prague (in January and October 2014) to discuss the implementation process of the programme. The cooperation with the DPP is well based and fully functions. If it is necessary to discuss or comment some issue, the PO contacts the DPP via emails.

Bilateral Fund at Programme Level – Measure A (BFA)

All potential project promoters were encouraged to cooperate with project partners from donor states. Prior to the open call for individual projects was launched, a match-making seminar was organised within the Bilateral Fund at Programme level – measure “A”. The seminar was realised by the PP and took place in Prague on 29 January 2014 with the aim of helping to establish contacts and partnerships between institutions of the Czech Republic, Norway, Iceland and Liechtenstein operating in the environmental area.

The match-making seminar was organised in a cooperation between the PP, the DPP, the PO and the Norwegian Embassy. The event was divided into two separate panels. The first panel focused on the programme CZ02 and its outcomes, outputs and bilateral initiatives on programme and project level. In the second part of the seminar, introductions of the entities from donor countries took place. Institutions from Norway and Iceland were introduced, namely: Norwegian Institute for Nature Research, Bioforsk, Norconsult, Biofokus, GRID Arendal, Icelandic Met. Office, Magma Geopark AS. At the end of the afternoon panel session, the discussions between the participants took place. In total 143 participants attended the event.

No other actions were planned under measure “A”. The rest of the allocation planned for BFA will be re-allocated to BFB to increase the amount of financial resources available to spend on bilateral initiatives by project promoters.

Bilateral Fund at Programme Level – Measure B (BFB)

The PO has produced a Guideline for applicants and promoters within the BFB. The document is in line with the Amendment of the Regulation on the implementation of the EEA Grants 2009-2014. The implementation set-up, as well as the final text of the BFB open call, were sent to the PP and the DPP for comments in several rounds of commenting.

After all comments were imported in the text, the final version was sent to the FMO for information in December 2014. The open call is about to be launched at the beginning of January 2015. The first projects will then be allowed to submit their applications for bilateral initiatives within their realised projects.

6.1. Complementary action

In December 2014, two representatives of the PO participated in the “1st PO and DPP workshop for EEA and Norway Grants Environmental/Energy/Climate Change Programmes”. Their attendance at the event was financed from the funds designed for complementary actions.

The event took place in Brussels, Belgium, from 2nd to 3rd December 2014 and was preceded by an informal reception. The workshop was organized by the FMO. The Czech representatives had an opportunity to discuss the implementation of the environmental programmes and compared their

experience with other colleagues from Poland, Romania, Slovenia and other beneficiary countries as well as with attending donor programme partners from Iceland and Norway.

7. Monitoring

During the year 2014, no monitoring activities have been carried out due to the focus on open calls and selection procedures. Presumed start of the monitoring period is planned for the beginning of 2015. Monitoring of implemented projects within the programme CZ02 will be realised by the PO through the formal monitoring procedures. All projects will be monitored in two levels - monitoring reports and on-site visits.

The PP is responsible for monitoring of the sub-projects realised within the SGS through monitoring reports (these will be submitted by final beneficiaries each 6 months to the PP) and through on-the-spot monitoring. Moreover, the PP is responsible for submitting reports to the PO for SGS to inform about its outcomes and outputs, expenditures, bilateral partnerships etc. These reports started to be filled in during December 2014 and will in the remaining project period be completed monthly.

Individual projects within the open call as well as PDP will be monitored by the PO via interim reports that will be submitted by final beneficiaries each 4 months. Moreover, on-the-spot monitoring will be realised for each project. Inspection visits will be conducted with a focus on financial and professional aspects within the implementation. A monitoring plan of on-the-spot visits for 20 individual projects, 1 PDP and SGS (where the system for implementing the SGS by the PP will be monitored) for 2015 is attached to Annex 2: Monitoring Plan of this report.

The PP 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 organizations whose projects have been supported within the Selection Committee of programme CZ02 were invited to the seminar. The information about administration and implementation of public tenders in accordance with the terms of programme were part of the seminar agenda. The event was attended by 74 participants. Another seminar for project promoters to provide information on implementation will take place in February 2015.

8. Need for adjustments

The change of fixed exchange rate from 24.80 CZK/EUR to 26.50 CZK/EUR was approved by the PO and confirmed by the FMO on 7 April 2014. This rate change has increased the allocation of the whole programme in CZK.

In 2014, two separate requests for modifications were sent to the FMO. The NFP submitted a request for Programme modifications regarding changes in PDP, SGS and in re-allocation between outcomes. Due to the character of requested changes, it was necessary to update the text of the Programme Agreement. The PP was informed about all modifications.

The first letter for modification requested:

- inclusion of one new partner (Nature Conservation Agency of the Czech Republic) to the PDP's partners, which raised total number of partners from formerly 5 to 6 and a change of a name of one current partner within the PDP due to necessary changes in organisation structure, which led into its new registration as Beleco (formerly Daphne).

- Actual expenses in the Preparation costs within the management of the programme CZ02 were updated too.
- Modifications within the SGS were also requested, including increasing the number of formerly 9 management plans to 10. This change was not approved by the Programme Amendment Group, however, in order not to prejudice the selection of projects under the SGS, the FMO allowed the PO to deviate from the text of the Programme Agreement (Annex II, Article 5.4) and gave its consent to projects relating to the tenth approved management plan could also be selected.

The second letter for modification requested re-allocations between programme areas within the programme CZ02 regarding the number of recommended projects to be financed. After the Evaluation Committee meeting took place, 34 projects and 3 reserve projects were recommended for financing, however, the financial allocations within each programme area did not correspond to the number of recommended projects. According to the difference between the programme area's allocation and the number of recommended projects, the re-allocation was requested to allow the high quality projects to start its implementation in January 2015 as planned in the time schedule of those projects. By the decision made by the FMO, this proposed change falls within the provisions of Article 2.9.2 in the Programme Agreement and did not require Financial Mechanism Committee approval. Thus, in this case there was no need for modification of the Programme Agreement.

9. Risk management

The PO updated the programme risk analysis at the end of August 2014 under the guidance of the NFP. The risk analysis for CZ02 is attached to the report in Annex I. In accordance with the statement in previous Annual Programme Reports, the time risk remains at the high level of importance. However, this risk is being reduced by fastening the process of verification of applications recommended for funding and setting up an effective reporting mechanism with project promoters. The PO closely monitors all tender procedures and the time schedule in the monitoring reports that will be submitted three times per year.

In general, there is a positive trend in the evaluation of the risk analysis made in 2014 in comparison with that made in 2013. Importance of all the programme risks decreased to low or middle level, which means that there are now only two risks with a high importance. These risks are the time risk mentioned above and a specific programme risk relating to programme outcomes. The programme outcome risk refers to the possibility of not reaching all outcomes within the programme by selected individual projects due to the enormous interest for submission of application by applicants in several outcomes.

10. Information and publicity

As shown in the information mentioned above regarding the open calls, bilateral relations etc. the information about the programme activities and events are provided via several information forms. The PO has continuously been updating the central websites www.eeagrants.cz for the EEA Grants 2009-2014 to ensure in a transparent manner the awareness of the programme (incl. the open call, contact information) and all subjects involved in the programme implementation. Information is provided in English and Czech.

Information about the open call for individual projects, including guidelines for applicants with attachments, was widely publicised in order to reach all potential applicants – at the web sites

and in press (http://www.mzp.cz/cz/financni_mechanismy_ehp_norska). Three seminars for applicants were organized by the PP.

The PP (SGS Operator) informed about the open call announcement through a press release and sending mass e-mail to the contact list (relevant contacts), which is publicly available.

The first pronounced act of publicity was the launch conference of the Programme, which was held in Prague - Průhonice in January 2014 back-to-back with the match-making seminar for potential project partners. These two events were attended by almost 250 participants in total. Other activities will follow with the implementation of the projects. Promotional materials, banners, and articles about realized projects are in the process of preparation.

The highlight of the publicity action for the next monitoring period will be a seminar for final beneficiaries, which will take place in Prague in February 2015. The seminar will provide necessary information about the projects' implementation, the information system used for implementation of projects, bilateral fund etc.

11. Cross-cutting issues

Good governance

The Programme adheres to the principles of good governance. The projects are aiming at a professional realization based on transparency, effectivity, clearly defined responsibilities of each partner, the setting up of a control system, etc. The SGS is also aiming at a professional realization and preparation of measures supporting specially protected species of flora and fauna.

Environmental considerations

Only positive effects are expected during the programme implementation period. Referring to the programme areas it is clear that none of the individual projects, the pre-defined project nor the sub-projects within the SGS would have negative effects on the environment.

Economic sustainability

Projects realised within the programme should not primarily focus on generating economic profit. The final beneficiaries are allowed to create new jobs within projects which can lead to a positive impact on economic development at national, regional or local level. The economic sustainability of preserving biodiversity is difficult to estimate. The SGS will hopefully contribute to strengthen it.

Social sustainability

During this monitoring period, the Programme Operator was supported in cooperation with representatives of donor states and other beneficiary states within the PO's workshop mentioned above in point 6, and the Bilateral Fund at programme level, BFA. This meeting among the various entities created basement for future cooperation not only at the national level but also at the pan-European level.

Gender equality

These projects are not primarily aimed at promoting gender equality, however, if such opportunity arise during the implementation process, project promoters are encouraged to act in line with gender equality.

12. Attachments to the Annual Programme Report

Annex 1: Risk assessment of the programme
Annex 2: Monitoring plan 2015

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.

				<i>Optional second signature</i>		
Name	Zuzana Kudelová			Martina Bečvářová		
Position	Head of the Department of International Relations			Head of the Monitoring Unit		
Organisation	Ministry of Finance of the Czech Republic			Ministry of Finance of the Czech Republic		
Signature						
Date	Day	Month	Year	Day	Month	Year
	11	02	15	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.

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

Annex 1: Risk assessment of the programme

Type of objective ¹	Risk	Description of risk in the reporting period	Likelihood ²	Impact ³	Importance ⁴	Mitigation planned/done
Cohesion (Programme) outcomes:	Programme absorption capacity	Absorption capacity of the programme was exceeded. Applications submitted within the programme exceeded the planned allocation by approx. 220 mill. CZK. Similarly, the allocation within the SGS was exceeded by approx. 50 mill. CZK. Request for re-allocation between programme outcomes was sent.	High	Low	Middle	<ul style="list-style-type: none"> - selection of quality projects within all defined outcomes for the programme - creation of reserve list of projects
	Legislation changes	Programme is not directly connected to implementation of legislation changes. There are no planned legislation changes for the implementation phase nor the sustainability period.	Middle	Low	Low	<ul style="list-style-type: none"> - regular monitoring of possible changes in legislation connected to the environmental area
	Time risk - delay in commitment and disbursement of funds	The programme is in its implementation phase. The grant for the PDP was awarded in November 2014; open calls for individual projects and SGS sub-	High	Middle	High	<ul style="list-style-type: none"> - fastening the process before start of the implementation phase - effective communication with relevant subjects

¹ 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.

² 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)

³ 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)

⁴ 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 ¹	Risk	Description of risk in the reporting period	Likelihood ²	Impact ³	Importance ⁴	Mitigation planned/done
		<p>projects were finished. Time risk has been eliminated by shortening the verification process of selected projects from formerly 3 months to 2-3 weeks. However, the limited time for project implementation period with the length of maximum of 16 months remains.</p>				<p>(FMO, Head of Units, Director of Department, Deputy Minister)</p> <ul style="list-style-type: none"> - effective communication and reporting mechanism with project promoters
	Specific programme risk (risk identified in PP relating to PRG outcomes)	Not all selected outcomes within the programme might be reached by selected individual projects regarding the enormous interest for submission of applications in certain outcomes by applicants.	High	Middle	High	<ul style="list-style-type: none"> - submission of request to the FMO for the outcome modification in the Programme Agreement
Bilateral outcome(s):	Bilateral relations	The PO supports bilateral cooperation via bilateral initiatives financed from the Bilateral Fund at the national and programme level (measures A and B) as well as via Complementary Actions	Middle	Middle	Middle	<ul style="list-style-type: none"> - providing information to the project promoters about possible bilateral partnerships, supports for creation of such partnerships and giving clear instructions for submission of applications for bilateral initiatives
Operational issues:	Management and	Implementing System of the PO is	High	Low	Middle	<ul style="list-style-type: none"> - regular updates (if

Type of objective ¹	Risk	Description of risk in the reporting period	Likelihood ²	Impact ³	Importance ⁴	Mitigation planned/done
	control structures, programme management	based on systems of manuals and guidelines. The most complex manual "The Programme Operator intern manual" was completed in March 2014. Management structure requires deep coordination between Units of the PO.				necessary) of the guidelines and manuals - well-functioning system of control structures - effective communication and cooperation between Units - setting up system of regular controls of management and control structures
	Programme implementation set-up	System of implementation of the programme was successfully set up. Internal PO's manual and Guidelines for project promoters were completed as well as guidelines of the PP for the SGS.	Middle	Middle	Middle	- systematic updates of guidelines and manuals - regular controls from the Audit Department - actualisation of the control system by the PO
	Reports and irregularities within programme	No reports and irregularities were noticed within the programme.	Middle	Low	Low	- regular programme monitoring
	Programme audits/controls	An extra audit control of the PO's management structures and administrative procedures was realised in August 2014. No findings were identified by AO.	Middle	Middle	Middle	- setting up plan of audits and controls

Type of objective ¹	Risk	Description of risk in the reporting period	Likelihood ²	Impact ³	Importance ⁴	Mitigation planned/done
	Information system	Programme is realised within the IT system CEDR developed by the PO. The PDP application was uploaded, and the selection procedure for the open call was realised via this system. The full functioning of the system is being finished and tested via a demo version.	Middle	Middle	Middle	<ul style="list-style-type: none"> - completing full functioning of the system - training project managers in the system - functioning hot line
	Corruption risk	Implementation system is set up transparently. Programme is realised in line with guidelines and manuals published by the NFP where responsibilities of the Programme Managers are defined. Evaluation Committee meeting was established with professionals not connected to submitted project applications.	Middle	Low	Low	<ul style="list-style-type: none"> - setting up transparent implementation system and regular controls - actualization of manuals and guidelines - control of interim and financial reports by the Head of Unit - professional evaluation of project proposals by more than one person

Annex 2: Monitoring plan

Project no.	Name of the project	Planned date of on-site monitoring visit /review	Note
EHP-CZ02-PDP-1-003-2014	Protection and Sustainable use of Wetlands in the Czech Republic	2.Q.2015	PO plans to monitor the project on-the-spot during the second quarter of 2015. The control will be mainly focused on factual status of the implementation. After the project completion there will be a final financial control on-the-spot in 2016.
EHP-CZ02-OV-1-006-2014	Increasing public awareness for an active protection of biodiversity in the Czech Republic	3.Q.2015	PO plans to monitor 10 projects, which were approved at the end of 2014, on-the-spot during the third quarter of 2015. The control will be mainly focused on factual status of the implementation. After the project completion there will be a final financial control on-the-spot in 2016.
EHP-CZ02-OV-1-007-2014	Monitoring of NATURA 2000 sites as a tool for effective management and conservation of autochthonous crayfish	3.Q.2015	
EHP-CZ02-OV-1-008-2014	Creation of environmental education programmes for the study of the response to climate change	3.Q.2015	
EHP-CZ02-OV-1-009-2014	National strategy of building adaptation to climate change	3.Q.2015	
EHP-CZ02-OV-1-010-2014	Implementation of retention and infiltration adaptation measures in Morava river basin	3.Q.2015	
EHP-CZ02-OV-1-011-2014	Support of information exchange and education about the impact of climate change and adaptation measures on national and regional level	3.Q.2015	
EHP-CZ02-OV-1-012-2014	The red book of woody plants of the Czech Republic, The red book of threatened species of the floodplain forests of the Dolní Morava Biosphere reserve and The red list of threatened species of UFE Křtiny	3.Q.2015	
EHP-CZ02-OV-1-013-2014	Vysocina Region Biodiversity	3.Q.2015	

EHP-CZ02-OV-1-014-2014	Czechadapt – System for Exchange of Information on Climate Change Impacts, Vulnerability and Adaptation Measures on the Territory of the Czech Republic	3.Q.2015	PO plans to monitor next 10 projects, which were approved at the end of 2014 or at the beginning of 2015, and SGS on-the-spot during the last quarter of 2015. The control will be mainly focused on factual status of the implementation. After the project completion there will be a final financial control on-the-spot in 2016.
EHP-CZ02-OV-1-015-2014	Silvicultural measures to improve forest biodiversity in protected areas	3.Q.2015	
EHP-CZ02-OV-1-016-2014	Development of strategy for mitigation of river fragmentation impacts in the hydrological network of the Czech republic	4.Q.2015	
EHP-CZ02-OV-1-017-2014	Resiliency and adaptation to climate change in regional strategies	4.Q.2015	
EHP-CZ02-OV-1-018-2014	Monitoring of long-term changes in biological diversity of running waters during climate change: design, realization and implementation into the public information system ARROW	4.Q.2015	
EHP-CZ02-OV-1-019-2014	Frameworks and possibilities of forest adaptation measures and strategies connected with Climate change	4.Q.2015	
EHP-CZ02-OV-1-020-2014	Monitoring of small forested catchments GEOMON – research tool for strategic policy decisions in the environment	4.Q.2015	
EHP-CZ02-OV-1-024-2015	Monitoring of the status of species listed in the EU Nature Directives in Natura 2000 sites.	4.Q.2015	
EHP-CZ02-OV-1-025-2015	BIOM: Biodiversity education centre Mohelský Mill	4.Q.2015	
EHP-CZ02-OV-1-030-2015	Improving the public perception on sustainable use of water resources and landscape planning for increase of ecosystem services in global changing environment. (LaPlaNt)	4.Q.2015	

EHP-CZ02-OV-1-032-2015	Raising awareness and publicity of the importance of forest functions in the landscape and near-natural watercourses in urban areas as a part of basin ecosystem services	4.Q.2015	
EHP-CZ02-OV-1-035-2015	HUMAN TO NATURE, NATURE TO HUMAN	4.Q.2015	
EHP-CZ02-MGS-1-002-2014	Action Plans for Endangered Species II	4.Q.2015	