

STRATEGIC REPORT

FM14-21

Czech Republic

Reporting period:

01 September 2021 - 31 August 2022

1. EXECUTIVE SUMMARY

The National Focal Point (NFP) submits its fifth Strategic Report of the EEA and Norway Grants 2014-2021 in the Czech Republic 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.

Within the reporting period all 9 approved programmes were in the implementation phase. Out of 49 calls planned under the programmes, 46 have already been launched and under 43 of them the evaluations and verifications of projects were already finished. Calls shall be still launched in CZ-ENVIRONMENT programme. The commitment rate within the programmes (CZ-BF and CZ-TA not included) reached more than **90 %** of the whole allocation for EEA and Norway Grants 2014-2021 and represents 461 supported projects. Furthermore, all 24 PDPs approved within the programmes are under implementation.

The amount disbursed within all programmes (incl. CZ-BF and CZ-TA) by 30 June 2022 and certified by the Certifying Authority by 15 September 2022 equals 65,65 MEUR (ca 36,34 % of the total allocation including PRG co-financing). The amount of incurred expenditures is quite proportionate to the status of the implementation of EEA and Norway Grants in the Czech Republic.

No major problems within the programmes are reported, although the implementation is slightly delayed in some programmes. The Covid-19 pandemic in the Czech Republic has had limited effect on the implementation of the programmes. The most affected were bilateral activities across all programmes due to the travel restrictions, but since spring 2022 all bilateral activities could run fully again. The new threat is connected with high inflation, increasing prices of construction materials, energy crises and unavailability of construction workers. The Project Promoters are forced to obtain additional resources to be able to finance planned investments or in cooperation with the Programme Operators to find savings in another parts of projects and transfer them into construction works. The situation is under close monitoring of the NFP as well.

As most of the projects started recently (there are only 86 projects completed so far), the contribution of the results to the overall objectives of the EEA and Norway Grants cannot be properly measured yet.

The Joint Committee for the Bilateral Funds (JCBF) is operational and actively involved in the implementation of the Bilateral Funds. The 4th JCBF meeting was held in November 2021 followed by the launch of the 4th Open Call in April 2022. The interest in the call is very high again.

Most of already approved bilateral initiatives (pre-defined, from open calls as well as from bilateral ambitions within the programmes) decided to postpone their implementation period due to Covid-19 restrictions, but some of them were able to complete their implementation as planned.

In the publicity and promotion, the NFP focuses mainly on increasing awareness of general public on the EEA and Norway Grants, on the promotion of launched calls and newly also on information about approved projects across all programmes. The NFP continues with publicity activities through the website and social media (mainly Facebook and Instagram), and organized also some public events.

2. POLITICAL, ECONOMIC AND SOCIAL CONTEXT

Further to the restrictions related to Covid-19 pandemic that were applicable during autumn 2021 and winter 2021/2022 the Russian invasion to Ukraine caused another political, economic and social challenges in the whole Europe, including the Czech Republic.

Although the Czech economy slightly grows in first half of 2022, in the second half of 2022 the soft recession is expected that will continue also in 2023. In terms of economic development the most significant negative impact is related with the increase of prices, especially of oil, gas and energy. The abrupt increase of these prices affects all other commodities and causes very high inflation attacking almost 18 % rate in 2022 in the Czech Republic. For 2023 it is expected that the inflation rate will drop to 9 % but this is still very high rate that will cause the decline in real wages/salaries that have another economic and mainly social influences. The only positive development is expected on a labour market where the unemployment rate is on 2,5 % and this rate will last also in 2023.

As concerns the implementation of EEA and Norway Grants 2014-2021 in the Czech Republic, the Covid-19 pandemic restrictions effective in winter 2021/2022 did not caused any significant delays. Majority of programmes are implemented according to the schedule or with a slight delay only. Also the bilateral activities within projects or under the Fund for bilateral relations could fully progress since spring 2022. Although it is generally expected that the Covid-19 pandemic will return again in autumn/winter 2022, it is foreseen that there will be only small restrictions (if any). Furthermore, all stakeholders are already used to on-line forms of meetings and are able to switch most of their bilateral activities to on-line environment without any negative effects on the content or outputs.

Very different is situation with high inflation rate (4th biggest in the EU) that has very negative impact on project budgets, especially for projects with investment components. Not only the very high prices of construction works and supplies but also unavailability of constructions workers (usually Ukrainian workers) cases problems.

The Project Promoters are forced to obtain additional resources to be able to finance planned investments or in cooperation with the Programme Operators to find savings in another parts of projects and transfer them into construction works. Some activities have to be reduced or omitted and the POs must carefully observe keeping the obligatory scope of every project, adherence to indicators and achievement of objectives.

Moreover, in cases where public procurement fell into the last half year, it is difficult to conclude a contract at all, because the suppliers themselves are not able to estimate the prices of their works even in the short term of the future months and tend to cancel their bids.

3. EFFECTS OF THE GRANTS

Within the reporting period all 10 approved programmes (incl. Fund for bilateral relations) were in the implementation phase. The implementation concerned partly selection of projects, and contracting selected projects. The rate of contracted projects within the programmes (except of Fund for bilateral relations) reached more than **90 %** of the whole allocation for EEA and Norway Grants 2014-2021. Within the CZ-ENVIRONMENT programme one call is running and other three calls are to be launched. The other calls are in the stage of closed calls and projects selected or projects under verification before selection (in CZ-HUMAN RIGHTS programme). In total **485 projects** were selected, the main part (399 projects) are under realization and only small part was completed (86 projects).

The overall aim of the Grants to reduce social and economic disparities and to strengthen bilateral relations with Donor State entities was accented both in the call texts as well as in PDPs. As the main part of the projects are only in an early implementation stage the contribution of the results is hardly measurable.

The progress towards strengthening bilateral relations is being monitored in all bilateral projects (the refreshment of bilateral visits and meetings and share activities after the Covid-19 pandemic times are visible in spring/summer 2022) and also within Fund for bilateral relations. Because of the travel restriction during the Covid-19 pandemic times (from 2020 till early spring 2022), the bilateral activities are delayed in the projects or initiatives (within Fund for bilateral relations) in comparison with the plans in grant applications.

3.1 Horizontal Concerns

Horizontal concerns related to the inclusion and empowerment of Roma were supported in the Czech Republic especially within the CZ-HUMAN RIGHTS programme. Furthermore, in the Czech Republic there are Roma specific concerns addressed in the CZ-EDUCATION, CZ-CULTURE, and CZ-HEALTH programmes.

On 19 May 2022, the NFP organized the Roma Roundtable with attendance of Project Promoters, non-governmental organizations, Programme Operators, programme partners and other stakeholders actively involved into the field of Roma inclusion topics. The purpose of the event was gathering information from all participants and their experiences from preparation and implementation of projects related to Roma concerns. The event consisted of discussion among all participants which led firstly to further networking of the professionals and secondly to a possibility of presentation of experiences gathered from preparation phase of project applications, project implementation to provide a feedback to Programme Operators. The next day, a follow-up meeting took place with attendance of NFP, Programme Operators, programme partners and FMO representatives. During this meeting, main topics, which were mentioned the previous day at the Roma Roundtable, were discussed. Implementing conclusions from these two-day discussions would be highly valuable for the processes of the preparation phase of the upcoming programming period of the EEA and Norway Grants.

CZ-HUMAN RIGHTS

Roma inclusion and empowerment is a substance of two pre-defined projects – PDP1 (*Creating system for quantitative data collection to evaluate the situation of Roma in the Czech Society*) and PDP2 (*Centre of Roma and Sinti in Prague*) as well as of 20 projects that are implemented under the Programme Area “Roma Inclusion and Empowerment”. These were selected within three calls focused on Roma issue. 7 projects are being implemented under call 1A (*Support of Roma platforms in regions*), 3 projects under call 1B (*Capacity building of Roma counsellors*) and 10 projects under call 2 (*Creation of motivational holiday programs and extracurricular activities for Roma children*). These projects are implemented across most of the regions of the Czech Republic, nevertheless mostly in regions which challenges Roma issues on a daily basis.

The main aim of the PDP1 is to set up a quantitative system for data collection, which will allow better understanding of the situation of Roma in the Czech Republic and will make possible quantitative comparisons of the situation of Roma with the majority population. Project Promoter (the Research Institute for Labour and Social Affairs) has developed a professional expert platform that discusses project realization. The first sample survey of the Roma population was carried out and data on the Roma population have been collected and are currently being analysed. The first results will be available in 4Q 2022. In October 2022, a public presentation of the selected results will take place in Prague. The Project Promoter cooperates with regional coordinators for Roma affairs, who are helpful to assess the validity of the distribution of the target population.

Within the PDP2, Centre for Roma and Sinti in Prague, tender procedure for construction works is still ongoing as there are several difficulties with concerning increase of construction costs. It is envisaged that the Centre for Roma and Sinti should be operational until the end of 2023. The soft activities (exhibitions, educational activities) are being realized outside the Centre and are being fulfilled in line with the project.

The concern of Roma inclusion is reflected in the key activities of other PDPs as well – PDP3 (educational activities), PDP4 (promotion within the Hate Free campaign), PDP5 (awareness raising), PDP6 (new position of forensic social worker) and PDP8 (workshops in socially excluded localities).

The Roma cross-cutting issues evaluation is planned as the tender will be launched in September 2022; the evaluation shall take place in 3Q 2023.

CZ-EDUCATION

Democracy and citizenship education as well as Inclusive education (including Roma inclusion) were prioritized topics which had received extra points in the selection process. As the result, there are running projects from the calls for training teachers / multipliers in Roma inclusion. The Programme Operator promoted the inclusion topic with the help of the DPPs and the Royal Norwegian Embassy in Prague. The topic of inclusion was strongly emphasized during the on-line match-making event in December 2021. Projects addressing democracy and citizenship education are mainly in the Outcome 1 (notably primary school projects pay a lot of attention to these topics). The programme even includes concrete measures directly targeting Roma inclusion through the Outcome 4 that was open in three rounds of calls and where 6 projects

were supported in total. Moreover, the 2nd Call for proposals for the Outcome 4 was open only to projects covering Roma inclusion. So far, one project from the Outcome 4 has been completed and its final report is expected in September 2022.

The PO participated actively in the Roma Roundtable organized by the NFP in May 2022 and had the possibility to discuss potential overlaps with some projects from CZ-HUMAN RIGHTS. In line with the DPPs recommendations, the lessons learned can be formulated in the manner that the inclusion issue should be defined as broadly as possible in the future (e.g. to cover the topic of the Sami community or immigrants, for instance).

CZ-CULTURE

As to open calls, the Roma inclusion concerns were addressed through extra points being assigned to projects that involve the cultural heritage of minorities, e.g. German, Jewish, Roma and other. Moreover, if the project contributes to equality and integration of disadvantaged groups, especially the Roma under social, ethnical and cultural minorities, it was prioritized in the selection process. Special concerns were reflected within grant conditions prior approval of the projects selected for support.

As an example of excellently applied horizontal effect of Roma inclusion the project “Connected by Glass!” (KU-CH1-088) can be mentioned which is focused on providing open public access to the cultural heritage – the glass collections of the Municipal Museum in Železný Brod. The presentation of Romani glass art and planned co-operation with the Museum of Romani Culture in Brno will enable the involvement of the Romani minority into the cultural life in the town and introduce the Romani culture to wide public.

Concrete measures for Roma inclusion are directly targeted in the pre-defined project “*Building of a memorial to the victims of the Roma holocaust in Lety*”. After thorough planning and a quite long preparatory phase, the PDP obtained the building permit in mid March 2022. The demolition phase, representing the first part of building the memorial (but still not a part of the PDP project, to be realized outside the PDP as a precondition milestone), has started in July 2022. Due to sequencing the steps, the public procurement of construction works on building the memorial supported by the EEA Grants can be launched in September 2022 and start of the works is presumed as soon as possible, to meet the deadline by May 2023.

CZ-HEALTH

The Roma inclusion within the CZ-HEALTH programme belongs to specific objectives of the Open Call 2: (a) Improvement of targeted prevention and early diagnostics in specific communicable and non-communicable diseases in selected socially excluded localities with Romani communities and (b) Improving Health in Excluded Localities. There are two supported projects: *Improvement of targeted prevention and early diagnostics in specific communicable and non-communicable diseases in selected socially excluded localities with Romani communities* delivered by Motol University Hospital in Prague and *Saste Roma - Improving Health in Excluded Localities* delivered by St. Anne’s University Hospital in Brno. Both projects are progressing as planned. In case of the Prague project, conference was held with participation of a representative of the National Institute of Public Health (NIPH), who works

with Roma mediators from excluded localities who cooperate with paediatricians working in the localities. Record from the conference is at the disposal for further training of doctors. Leaflets created by the project describing various diagnoses will be distributed via net of the Roma mediators. E-learning platform HOBIT and development of mobile game “Game of Life” is under preparation within Saste Roma project. Two educational events took place in May 2022.

4. STATUS OF PROGRAMMES

CZ-RESEARCH Research

Progress in developing and implementing programme:

All 25 projects contracted from the single open Call for Proposals and launched in 2021 are in the implementation phase and under duly monitoring of the Programme Operator (PO). Starting with the projects implementation, the PO organized informational events for Promoters, i.e. a seminar on communication and publicity rules on 15 October 2021 and an online webinar on how to complete and submit the interim report on 1 December 2021.

The administration of the programme runs smoothly and only minor adjustments had to be done. Regarding administrative changes, in 2021 the PO updated the Management and Control System of the programme (“KAPPA Programme Manual”) according to the new organizational structure of the agency and to be in line with the related internal rules. The document was duly approved by the NFP, notified to FMO and it came into effect on 1 November 2021. In March 2022 TA CR also updated the Implementation Guide for Promoters upon approval of the version No. 3 by the Programme Committee. Details of reporting on indicators, the process of final evaluation of projects and others were simplified or adjusted.

Monitoring of the projects progress is based on annual project reports (interim reports) and on PO visits.

In January 2022, Project Promoters submitted their first interim reports. The KAPPA Programme has many specifics compared to national programmes, so for most Promoters this was their first experience of submitting the interim report. As presumed, many reports were returned to the Promoters for additions and improvements. This caused delays in the formal check and in the assessment by the rapporteurs. The PO established a new support for reporting – the “KAPPA consultants”. They organized consultations at the end of the year 2021 with the deadline in January 2022, in relation to the interim reports submission. In July 2022, another round of consultations took place with some amendments to the topics covered. As the newly established role of consultants was evaluated as very useful, it will remain during the whole implementation period of projects.

The on-the-spot monitoring was commenced in autumn 2021. The PO shall make at least one monitoring visit or public administration control for each project. The monitoring visits had been carried out for 14 projects in the period from September to November 2021. In June and July 2022 6 more monitoring visits were carried out and 3 others are planned for September 2022. In 2022, 8 public administration controls of projects are scheduled as well. No substantial irregularities have been identified so far.

Challenges faces related to implementation, absorption/disbursements, with suggested solutions:

Due to political reasons related to the new Government, the Czech Republic started the year 2022 on a provisional budget. Within the provisional budget, TA CR couldn't provide the funding to the Project Promoters in the terms stated in Project Contracts. The payments to Promoters were processed with a delay of about 2 months. This delay did not affect projects implementation as in most cases the projects had savings from 2021 to cover this period. Pursuant the rules they did not have to return the unspent funds and savings from 2021 especially due to cancelled travelling (Covid-19) and they could simply shift them to subsequent years.

In 2022 the PO identifies a new risk with high and hardly predictable inflation. Up to now, it seems that Project Promoters can mitigate it by using unspent funding.

Progress in strengthening bilateral relations with donor state entities, including the use of bilateral funds allocated to the programme:

The bilateral allocation in the CZ-RESEARCH programme is solely intended to support joint activities organized by the PO. TA CR participated in two meetings of research Programme Operators organized by the Research Council of Norway in Oslo in December 2021 and in May 2022. The meetings were focused on sharing good practices and lessons learned and on brainstorming new ideas for bilateral cooperation. Thanks to that TA CR had an opportunity to strengthen the relations with the other Programme Operators. The KAPPA Programme was also represented at the international EARMA conference on research management, administration and support in May 2022 in Oslo via a poster titled "The Story of the KAPPA Programme". The conference was focused on the most relevant knowledge and experience in research management, administration and support.

In total 25 projects are supported, 12 of them are funded from the EEA Grants and 13 from the Norway Grants. A Donor project partner is involved in each project. Icelandic project partners are involved in 2 projects and Norwegian project partners in 23 projects. The bilateral relations in the research community are of high quality and potential, they were established mainly in previous periods and now coming to the realization in joint projects. The Covid-19 pandemic affected direct personal meetings and joint works on-site, nevertheless, the research teams cope with the problems efficiently and transform the form of collaboration into virtual and remote methods with only marginal impact on results.

The project TO01000309 is one of the examples of fruitful cooperation between partners. The CEITEC VUT cooperates apart from the Charles university with two Icelandic partners - Genis hf. and TækniSetur ehf. (former IceTek). The donor project partners cooperate on the analysis and preparation of a material for polymer-phosphate bone cement that is subsequently processed and tested by the Project Promoter to be used in dentistry, traumatology, orthopaedics, neurosurgery, etc. The communication between consortium members takes place both online and in person, e.g. in 2021 the consortium meeting took place in Iceland, including site visits. In addition, the partners contribute to knowledge transfer and experience sharing via exchange of staff (or PhD students), e.g. students from the Czech Republic had an internship at IceTec and were involved in research. The project will also include a summer school at CEITEC VUT every year, which will allow students to participate in research.

How MoU special concerns and/or conditions set in the PA have been addressed, especially Roma inclusion concerns:

In the MoUs, the special concerns include the cooperation of SMEs with research institutions in applied research and that the programme CZ-RESEARCH shall be implemented in conjunction with both EEA and Norway Grants. These special concerns were fulfilled automatically thanks to the design of the KAPPA programme. The MoU also addresses the support of projects focused on carbon capture and storage in the share of approximately 30 % of the total eligible expenditures of the Norway Grants. The condition is fulfilled - two funded projects are focused on carbon capture and storage, in total 27 % from the Norway Grants. Beyond the above-mentioned condition, the PA addresses the cooperation with DPP, and the agency Research Council of Norway is closely involved in all aspects of the implementation of the programme.

The CZ-RESEARCH programme is not focused on Roma inclusion and no measures are adopted on the issue.

CZ-ENVIRONMENT Environment, Ecosystem and Climate Change

Progress in developing and implementing programme:

The Addendum No. 3 to the Programme Agreement was administered in June 2022. The modification consisted of reallocations between programme outcomes. The purpose of the modification request was based on results of open calls and withdrawal of one approved project from its realization. The PO, therefore, decided to use the available financial allocation for a project at a reserve list, which will lead to an increase of the programme efficiency. The reallocated financial resources amounted to 678 553 EUR (for Outcome 1) and 62 794 EUR (for Outcome 4). Accordingly, target values in relevant outcomes reflecting the approved modification increased.

In overall evaluation of the implementation status of the programme, the programme challenges slight delays, which are mostly visible in open call launching process. Out of the 11 open calls planned in the programme, three were launched in the reporting period of this Strategic Report. Two of them were defined as the second rounds for the two-round open calls.

Call 1 (Rago) – the second-round call was opened in October 2021. Applicants focusing on the programming area of ecosystems (within the Outcome 1 - Improved environmental status in ecosystems) submitted overall 18 applications; 15 were approved for implementation.

Call 3B (Trondheim) – realized under the Outcome 3 - the second round of the call was launched in September 2021 with the final results of 6 approved projects. After withdrawal of one applicant, the reserve project was issued the implementation contract instead.

Call 3A (Alesund) was launched in July 2022 with final date for submission of applicants on 30 September 2022. Prolongation of the call is possible as the interest from the applicants' side was weak till the end of the monitoring period of this report. The approved projects shall contribute to Outcome 3 (The adverse effects of human activities on water quality reduced).

For upcoming period, three more open calls remain for further planning by the PO: 2B, 4B (Bergen II.), SGS2 (Svalbard). The PO considers the setting and possible use of the allocation of these calls by joining of 2B and 4B together as a new call Stavanger. The modification will reflect the progress

of the implementation process of Oslo-call projects and Tromso-call projects. This modification was discussed at the Cooperation Committee among its participants.

Under the CZ-ENVIRONMENT programme, overall 127 projects have been implemented. Till the end of the monitoring period, 19 projects were completed. The fulfilment of the programme outcomes are expected to be visible at the end of 2022.

Challenges faces related to implementation, absorption/disbursements, with suggested solutions:

As mentioned above, the programme implementation is delayed. This difference is mainly caused by legislative changes (the update of the Watch List was highly awaited), internal administrative procedures and the Covid-19 pandemic too. Nevertheless, the PO deals with these delays through projects implementation schedules modifications.

Progress in strengthening bilateral relations with donor state entities, including the use of bilateral funds allocated to the programme:

The negative effect of the Covid-19 pandemic was still present within disbursement of the bilateral ambitions of the programme. As the Project Promoters of bilateral initiatives challenged difficulties in organizing their bilateral cooperation activities, the PO agreed with the DPP during the Cooperation Committee meeting on extension of the eligibility date till 31 August 2022. This opportunity enabled longer implementation phase of bilateral initiatives to ensure that planned target values were fulfilled. Due to the extension, administration process of bilateral initiatives is still ongoing. Majority of the approved initiatives will be reimbursed in late 2022/beginning 2023.

Bilateral partnerships in projects are essential for transfer of knowledge and experience among the participants. The communication between partners seems to be effective. These are encouraged and recommended by the PO, but are not mandatory. Applications submitted for projects with bilateral partnerships are given point advantage. This is mostly due to decrease of interest of Project Promoters to design Donor partnership projects.

How MoU special concerns and/or conditions set in the PA have been addressed, especially Roma inclusion concerns:

Special conditions set out in the Programme Agreement related to ownership, insurance and maintenance of buildings are fulfilled continuously within projects approval and setting conditions for grant acceptance and within changes approval.

The CZ-ENVIRONMENT programme is not focused on Roma inclusion and no measures are adopted on the issue.

CZ-HUMANRIGHTS Human Rights, Roma Inclusion and Domestic and Gender-based Violence

Progress in developing and implementing programme:

There were implemented two modifications of the Programme Agreement into the programme, both defined as technical modifications. The first modification corrected the mistake which was

pointed out by the Programme Operator regarding the eligible partners for the small grant scheme B. The second modification consisted of updating the baseline value of the Outcome 2 indicator - Share of young persons with concern for human rights and equality.

Altogether 8 pre-defined projects and 34 projects under the calls for proposals 1A, 1B, 2, 3 and MGSA are being implemented.

Outcome 1 - 10 projects selected under calls **1A** and **1B** are fully in implementation.

Call 2 (*The creation of motivational leisure time programmes and extracurricular activities for Roma children*) – 10 projects have been under implementation since January 2022.

Outcome 2 - **SGS A** (*Support of research, raising awareness and improving national implementation of human rights standards*) – 9 projects have been implemented since November 2021.

Outcome 3 - **Call 3** (*Establishing new specialized services for victims of gender-based violence*) – altogether 5 projects have been implemented since October 2021.

Call SGS B - The PO announced the Call in January 2022. The PO received 9 grant applications. Following the assessment carried out by external independent evaluators 5 grant applications has met all respective assessment criteria. The selection committee meeting shall take place in September 2022. Considering the allocation of financial means for the call, the PO expects all 5 projects to be recommended for a grant support. As only 5 projects are expected to receive a grant, ca 11 mil. CZK (415 000 EUR) will not be committed under this call. In compliance with PA (Annex II, Art. 4) the PO decided to reallocate the respective financial means to Call for proposals SGS C with sufficient absorption capacity.

Call SGS C - The Call was launched in December 2021. Overall 18 grant applications were received, out of them 16 were recommended for appraisal by selection committee. The selection committee meeting took place in August 2022. The PO decided to increase the initial allocation by uncommitted financial means from SGS B (as mentioned above) and SGS D (only 3 projects were finally supported by a grant out of 6 grant applications received). The Selection Committee recommended 11 projects for grant support and 3 projects as reserve. The verification of the selection procedure should be completed by the end of October 2022.

SGS D (*Increasing the capacity of organisations providing interventions for violent offenders*) – altogether 3 projects were approved in July 2022 and their implementation will start in September 2022.

PDP1 – The first sample survey of the Roma population in the Czech Republic was carried out. Data on the Roma population have been collected and are currently being analysed. The first results will be available in 4Q 2022.

PDP2 – Within the tender for construction works issues regarding the higher construction prices of the only bid are being solved. The Museum of Romani Culture is discussing with the Ministry of Culture the utilization of financial resources from the state budget. The contract with the supplier of Centre for Roma and Sinti project will be concluded until early November 2022 at the latest. The soft activities (exhibitions, educational activities) are being realized outside the Centre and are being fulfilled in line with the project.

PDP3 – all activities are under implementation. In June 2022, the Office organized the first children's conference of its kind with topics such as participation of children in public life, where to look for help with solving problems, etc.

PDP4 – all activities are under implementation. The nationwide media Hatefree campaign is running with almost 2 million people reached by the campaign. Altogether 28 schools were supported to prevent and resolve conflicts and 1 694 people were trained in resolving conflicts, especially in the area of hate speech in schools. A total of 84 press agents and spokespersons were trained on crisis communication related to human rights protection in socially excluded regions.

PDP5 – the Project Promoter continues to work on content of the web portal on human rights in the Czech language, specifically translations of documents, creation of thematic handbooks and manual of compatibility. A supplier of web portal was selected based on a realized public procurement. The delivery of the web portal is expected in mid of 2023. Practically all educational activities realized by project partner have been finished.

PDP6 – several educational seminars for professional staff were organized. A total of 2 315 people were trained. Preparation of HELP e-learning courses is under way. Nine new employees took up the position of forensic social worker in the partner district courts in order to facilitate communication between courts and vulnerable groups. Conference about Forensic social work and forensic social workers took place in October 2021 and public TV reported it.

PDP7 – the Institute of Criminology and Social Prevention works on mapping of the current situation in the field of domestic and gender based violence offenders and victim support as well as evaluation of existing measures applied to perpetrators. A project expert panel was formed.

PDP8 – all activities are under implementation. A total of 43 trainers were trained on the prevention of rape and sexual violence. Altogether 221 workshops for children and youth in the area of prevention of sexual violence at elementary and secondary schools were held and more than 4 000 pupils/students were trained on the topic. A total of 55 representatives of public institutions were trained on Istanbul Convention standards and 45 Police trainers were trained on combatting domestic violence and gender-based violence.

Challenges faced related to implementation, absorption/disbursements, with suggested solutions:

A new operational programme risk has arisen related to the increase in the prices of real estate and building materials. The risk is relevant for projects in open calls 1A (small reconstructions of apartments serving as community centres), open call 3 (establishment of centres for victims of domestic violence – purchase of flats, reconstruction of flats) and PDP2 (Centre of Roma and Sinti). The Programme Operator discusses with Project Promoters possible project modifications as well as design of project documentation. In the risk analysis, on the other hand, the programme risk of insufficient absorption capacity in the programme area of Roma Inclusion was eliminated due to the fact that a total of 20 projects were approved and are being implemented nowadays.

Progress in strengthening bilateral relations with donor state entities, including the use of bilateral funds allocated to the programme:

So far eight bilateral initiatives have been approved and successfully implemented.

Ca 32 000 EUR remains uncommitted, out of them 10 000 EUR is reserved for the planned bilateral initiative by the Czech organization Subjektiv and its Norwegian partner organisation InorAdopt concerning creation of texts and podcasts about international adoption of Roma children. Remaining funds within Bilateral Ambitions of the programme could be transferred to the Fund for bilateral relations.

Four PDPs - 2, 3, 4 and 8 - are being implemented in cooperation with Norwegian partners and PDP5 with IPO. Bilateral cooperation in all the above-mentioned projects has been extensive since the beginning. As regards projects within open calls, altogether 8 projects are being realized in cooperation with Norwegian partners.

How MoU special concerns and/or conditions set in the PA have been addressed, especially Roma inclusion concerns:

All conditions set in the PA have been continuously addressed and some conditions were already fulfilled. There have been no obstacles when fulfilling the conditions so far.

Roma inclusion and empowerment are emphasized topics of PDP1 and PDP2 as well as of 20 projects that are implemented under the Programme Area "Roma Inclusion and Empowerment". Less not least, the Roma issue is also included in the project activities of other PDPs as well – PDP3 (educational activities), PDP4 (promotion within the Hate Free campaign), PDP5 (awareness raising), PDP6 (new position of forensic social worker) and PDP8 (workshops in socially excluded localities).

CZ-JUSTICE Justice

Progress in developing and implementing programme:

Amendment No. 3 to the Programme Agreement was approved on 14 December 2021. The amendment concerned deletion of one of the outcome indicators, namely "Percentage of prisoners involved in the mentoring programme who returned back to prison within 2 years after release". Due to the delay of the announcement of the Open Call for Outcome 2, the PO expects that high number of projects will finish their implementation at the latest deadline (during the spring 2024). Therefore, the PO will not have all relevant data for fulfilment of the indicator by the deadline for submission of the Final programme report (in 2025).

Two calls under the Outcome 2 launched in January 2021 were finished by the end of the year. Under the Small grant scheme call "*Support of reintegration of persons conditionally released and released from prison*" 4 projects were approved for funding. Implementation of all projects started in November 2021. Initial phase focused on preparation of manuals and syllabuses as well as selection and training of mentors and selection of inmates to be included in the mentoring programme. Work with inmates gradually begins. 3 out of 4 projects are implemented in partnership with Norwegian partners. So far, joint activities have been realised online and cooperation has been evaluated positively.

Under the Open Call for proposals "*Professional care for imprisoned drug users and its continuity after release*" 1 project was approved for funding. Project implementation started in December 2021. Initial phase was dedicated mainly to setting up of rules and procedures among all partners (NGOs and prisons), preparation of methodological procedures for application of case

management and training of case managers. Selection of inmates is ongoing and work with inmates gradually begins. In April 2022, the name and legal form of the Project Promoter changed with no impact on the eligibility or content of the project.

All PDPs are under implementation.

PDP1 – Covid-19 restrictions negatively affected project implementation from autumn 2021 to spring 2022. Educational courses and workshops were organized online where possible or were postponed to later period where physical presence was vital. This fact may influence the target values of trained persons depending on pandemic situation later this year and in 2023. Study visits are planned in autumn 2022.

PDP2 – Reconstruction of spaces and purchase of equipment for application of new programmes started. Bilateral cooperation and preparation of new programmes for inmates was negatively influenced by Covid-19 restrictions, as setting of programmes is dependent on job shadowing and exchange of experience. Communication between partners is smooth and the Project Promoter highlights proactive approach of the Norwegian partner. The series of study visits runs from April 2022.

PDP3 – Reconstruction of the future probation house started in February 2022 and the Project Promoter plans to launch its operation in November 2022. In the meanwhile, the Project Promoter recruits workers, sets up functioning of the house and prepares manuals for training of the workers. All 5 programming centres continue in provision of their services. The series of study visits organised in cooperation with the Norwegian partner runs from April 2022.

Challenges faced related to implementation, absorption/disbursements, with suggested solutions:

In comparison to the previous reporting period, the programme and its projects were negatively affected by the Covid-19 pandemic, mainly as concerns bilateral activities and planned training in project activities. The only risks, which raised in the monitoring period, are the risk of insufficient participation rate in courses/programmes and lack of enrolling experienced professionals and lecturers into projects. Lower number of participants or lack of professional or lectures is mostly caused by previous Covid-19 pandemic. Active seeking of solutions (i.e. by change of the contract with the experts) or good promoting activities for planned programmes shall mitigate these. On the other hand, the risk of time delays in reconstruction of Probation house within PDP3 was lowered as the construction works proceed in line with the set time schedule and the Project Promoter closely oversees progress of work.

The NFP will continue in monitoring and communication of the state of the projects with the PO to ensure the projects' outputs will be fulfilled in the scope they were planned. For mitigation of the risk, all activities and schedules are regularly monitored by the PO.

Progress in strengthening bilateral relations with donor state entities, including the use of bilateral funds allocated to the programme:

The bilateral cooperation within the Bilateral ambitions is ongoing, however affected by Covid-19 pandemic. The only initiative implemented by open prisons Bastoy and Jiřice seems to be implemented finally after several postponements. The first part of the initiative (a study trip to

Norway), was realised in May 2022. The second part, the visit to the Czech Republic, is planned in September 2022.

In June 2022, the Cooperation Committee approved financing of another bilateral initiative – participation of the representatives of the Prison service at the international Prison Radio Conference.

Among other things, in general final beneficiaries appreciate the possibility of exchanging experiences among prison entities and NGOs from variety of countries.

Altogether 6 out of 8 projects are implemented in partnership. Bilateral activities within projects were significantly affected by the Covid-19 pandemic restrictions from autumn 2021 to spring 2022. Despite the difficulties, the cooperation between Czech and Norwegian partners continued satisfactorily on virtual platforms, whether it was the exchange of experience and consultations or online training. Still, the Covid-19 restrictions posed a risk mainly to implementation of PDP2 where input of the Norwegian partner is crucial for implementation of new programmes for inmates. To the delight of all involved, the bilateral activities have been transferred from online to physical form since April 2022.

How MoU special concerns and/or conditions set in the PA have been addressed, especially Roma inclusion concerns:

Conditions set in the PA have not reported any changes, these are continuously monitored as projects are selected for funding or during the further implementation process.

The CZ-JUSTICE programme is not focused on Roma inclusion and no special measures are adopted in relation to the issue.

CZ-HOMEAFFAIRS Home Affairs

Progress in developing and implementing programme:

Implementation of the CZ-HOME AFFAIRS programme is progressing, however, there is new substantial risk of not meeting value of indicator of achievement within PDP2 (as described further in the text). The third PA modification was approved by the FMO in May 2022. It mainly concerned exclusion of IS development for the Department of the chief psychologist and its substitution with development of registration software for the Anonymous Crisis Helpline plus development of relevant mobile application. No further PA modifications are currently expected or reported to the NFP.

All four PDPs and one SGS are under intensive implementation. New team of the Programme Operator was established (at the Ministry of Interior). Communication between the new PO and NFP is better than before. Communication of the PO and Project Promoters is kept on regular monthly meetings and is considered as good/well established.

PDP1 is very complex project with number of training activities. Majority of these activities is to be delivered in the 2nd half of 2022 and in 2023, so that implementation of planned activities and those postponed due to Covid-19 will inevitably be in parallel. Number of activities are already done in person and - if possible - in the premises of the Ministry of Interior. In some cases, however,

it is necessary to launch tender for accommodation and congress services which are not always successful and must be re-tendered and it may slow down the implementation process. PDP1 generates savings (mainly resulting from transfer of some activities into online environment). Thanks to savings, it was possible to train more participants (to realise additional training and/or to purchase more pieces of equipment). Existing savings will be essential to cover increased prices (resulting mainly from the high inflation in the Czech Republic). Bilateral activities within PDP1 have not been realized yet. As far as the next period is concerned, it is going to be very demanding, but still, the risk of not meeting the results is considered low. Part of training activities to be delivered in 2023 should already take place in the new facilities of the Training Centre in Kutná Hora financed from PDP2. However, reconstruction of the Training Centre is currently seriously delayed and it is possible that it will not be able to use it for PDP1 activities. The Project Promoter takes this risk into account and will – in case of need - use other premises.

PDP2 - Construction works continued intensively. Unfortunately, there is noticeable lack of workers and coordination of tasks among three different suppliers is not optimal. The works have been suffering from number of external factors (Covid-19 restrictive measures, outflow of labourers to Ukraine, high increase of prices of building materials). As reported previously, the total price is very significantly co-financed from the national resources. All eligible expenses were already spent and future works and large number of extra-works are paid by the Czech Police. The Project Promoter recently reported another serious inconvenience affecting smooth implementation of the project. One of the three suppliers (not financed from the Norwegian resources) withdraw from the contract. Even though the company went through thorough control and succeeded in the tender, in connection with exchange of managers of the company it went bankrupt. The remaining two suppliers, however, depend on works to be provided by the bankrupted company. As for the upcoming period, the Project Promoter has to promptly find one new supplier. The process is under close supervision by the NFP. Immediately after completion/putting into operation of (at least) part of the reconstructed building (congress centre) training activities from PDP1 will be moved to the new premises. In other words, there is sufficient time gap to finish construction works by the end of the implementation deadline, there is no risk of not meeting the deadline. But the risk of not meeting the indicator "*Capacity usage of the new training centre during the first year of operation*" (in the requested level of 66%) is now critically high and should be consulted with the FMO.

PDP3 was updated within the 3rd PA amendment (as indicated in previous Strategic Report). Its implementation (trainings, IT training, developments of IS) is smooth and in line with plans, number of tenders is under preparation (including those for the new SW for Anonymous Crisis Helpline). No risks are identified, slight savings will cover increased prices (e.g. of the Vienna test systems).

PDP4 - as reported previously, the risk of not meeting stipulated results is low and the project is progressing well. Actually, it is highly probable, that indicator "Number of municipalities piloting the model of information exchange and cooperation with the national Police" will not reach planned value of 150 municipalities. There is 110 municipalities involved and it is considered as very high number while the previously planned number of 150 was no doubt overestimated. The lower number of municipalities involved has no impact on the quality of the project. Moreover, additional municipalities (above those 110) will be invited to the final conference and will be well informed. It was decided not to include the additional municipalities into the indicator. Some activities within PDP4 are highly appreciated (strengthening competencies of police psychology experts), some are expected to continue even beyond the EEA/Norway Grants. Important nationwide training of members of anti-conflict teams and order police teams took place in Jaroměř in September 2022 (i.e. slightly after cut-off date).

Challenges related to implementation, absorption/disbursements, with suggested solutions:

It should be mentioned that even though the resort of the Ministry of Interior (Programme Operator) has not been facing any changes of priorities/legislation or approaches of leaders that would have an impact on implementation of the programme or its components, the resort is on the long-term basis fully occupied with its inevitable involvement firstly in the coronavirus crisis, secondly in the russo-ukrainian war and inflow of Ukrainian immigrants to the Czech Republic and last but not least, relevant experts have to be involved in the Czech Presidency. Therefore, personal (expert) capacities of the resort are overloaded in 2021 – 2022. And not only personal capacities, but even training and accommodation facilities are busy because a high number of these facilities of the resort is used for accommodation of refugees. These external factors have a serious impact mainly on this resort.

New and significant risk concerning delayed construction of Police training Centre in Kutná Hora occurred.

Progress in strengthening bilateral relations with donor state entities, including the use of bilateral funds allocated to the programme:

Second bilateral activity was approved by the JCBF (“Development of knowledge in the field of forensic expertise and new methods of investigation”). Now, both bilateral activities are nearly finished (even financially) with slight savings that could be used for another (last and small) bilateral activity.

Two SGS projects are implemented with Norwegian partner (Universitetet i Sorost-Norge, Apenhet AS). Trip to Norway within PDP4 is planned for 2023.

How MoU special concerns and/or conditions set in the PA have been addressed, especially Roma inclusion concerns:

The CZ-HOME AFFAIRS programme is not focused on Roma inclusion and no measures are adopted on the issue.

Special conditions set out in the PA are mostly fulfilled. The only open issues (the fourth and the fifth preconditions) were partially communicated with the FMO in June 2022. The remaining information concerning baseline value of “Police officers’ level of knowledge of preventing and combating crime, providing public security, and safeguarding human rights” and baseline value for “Annual number of public order and security offenses reported to the police in pilot municipalities” will be communicated with the FMO as soon as possible (in September/October 2022).

CZ-EDUCATION Education

Progress in developing and implementing programme:

The Programme is running smoothly, four rounds of open Calls took place:

The first round from late 2018/spring 2019 with 19 supported projects, **the second round** from late 2019/1Q 2020 with 38 supported projects, **the third round** from late 2020/1Q 2021 with 37 supported projects, and **the fourth round**, announced within the Outcome 1 (Institutional

Cooperation Projects) only on 15 October 2021 with the deadline in February 2022. 24 applications were submitted and 10 (+3 on the reserve list) projects were supported.

From the **1st round of calls**, all 19 projects were completed, but 4 projects have their final reports still under review. From the **2nd round of calls**, out of 38 contracted projects, 12 are running and 26 projects were completed (the majority of completed projects are under their final reports review). From the **3rd round of calls**, out of 37 contracted projects, 26 are running and 11 were completed (all the completed projects have their final reports under review). The **4th round of call** was closed in spring 2022. 13 projects were supported, including 3 projects from the reserve list. The projects were launched in August 2022 and are duly running.

In June 2022, the second amendment to the Programme Agreement was approved which enabled the reallocation of savings from projects of Outcome 2 where no more calls were planned to the Outcome 1, thus the financial support of three additional projects from the reserve list of the 4th Call was enabled. The NFP and the Cooperation Committee supported the reallocation on 21 April 2022 and the PA modification was approved in mid-June 2022. Thanks to this final adjustment the total commitment of programme's re-granting is very high.

Challenges faces related to implementation, absorption/disbursements, with suggested solutions:

The year 2022 brought a significant improvement in the pandemic situation. Most travel restrictions were lifted, so the projects took advantage of this fact and organised the activities that had so far been postponed. Unfortunately, some obstacles remained. Firstly, it was travel restrictions on local or institutional levels in the donor states. Secondly, project coordinators and participants struggled with other commitments that could not be fulfilled earlier due to the pandemic. They were overloaded with responsibilities and lacked the capacity to implement all the project activities they originally planned for. In addition, the war in Ukraine began in 2022 which brought with it the fear of travelling to/from the Czech Republic (either the schools were afraid to send their pupils, students and staff abroad, or the participants themselves were scared). Therefore, the PO approved project extensions in well-justified cases. Thanks to prolongations, the PO expects regular budget absorption. Finally, there was a significant increase in ticket prices, so the PO recommended using the on-line form of the meetings whenever relevant. On the programme level, the PO reallocated unutilised savings from projects of Outcome 2 to the Outcome 1 (via PA amendment in mid-2022) where the absorption capacity proved to be very high, and organized the 4th Call for institutional projects. The measure shall result in excellent use of the Programme re-granting allocation.

Progress in strengthening bilateral relations with donor state entities, including the use of bilateral funds allocated to the programme:

Fully in line with the previous measures supporting establishing and strengthening bilateral relations, the PO organised a next on-line match-making seminar related to the 4th Call for Institutional Cooperation Projects (Outcome 1) in December 2021. Two project applications resulted from this initiative.

To support the VET aspect in the programme, the PO, in cooperation with the Liechtenstein DPP, is organising a two-day study trip for representatives of the Czech regional authorities to Liechtenstein in September 2022.

Partnership with entities from the Donor States is mandatory for all the projects under all the Outcomes. After 4 selection rounds in 2019, 2020, 2021 and 2022, in total 107 projects with the partners from the Donor States were approved. The target set for the bilateral output indicator (i.e., 170 bilateral partnerships supported) will not be formally achieved, because the allocation is being absorbed by fewer projects than originally envisaged, however, the involvement of partners in projects is 100%.

How MoU special concerns and/or conditions set in the PA have been addressed, especially Roma inclusion concerns:

Democracy and citizenship education as well as Inclusive education (including Roma inclusion) are prioritized topics receiving extra points in the selection process. The PO promoted the inclusion topic with the help of the DPPs and the Royal Norwegian Embassy in Prague. The topic of inclusion was strongly emphasized during the on-line match-making event in December 2021. Projects addressing democracy and citizenship education are mainly in the Outcome 1 (notably primary school projects pay a lot of attention to these topics). It is in particular through the Outcome 4 that the programme includes concrete measures directly targeting Roma inclusion. The 2nd Call for proposals for the Outcome 4 was open only to projects covering Roma inclusion. So far, only one project from the Outcome 4 was completed and its final report is expected in September 2022.

CZ-HEALTH Health

Progress in developing and implementing programme:

All components of the CZ-HEALTH programme are under implementation. Five amendments of the PA were reported previously, the sixth amendment was approved by the FMO at the beginning of 2022. It concerned reallocation from SGS2 and SGS3 to SGS1 and update of target value in Outcome 1 indicator. One additional project was financed within SGS1 thanks to this amendment. Some delays occurred in connection with Covid-19 restrictive measures persist, however it should not influence successful delivery of outcomes/outputs of the programme.

PDP1 (Outcome1) is implemented by the Ministry of Health and the Health Care Centres ("Centres") selected in the Open Call. In December 2021 the Project Promoter declared problems with signature of legal acts with selected Centres. Five Centres took part in the Call and all of them were selected. Subsequently, four out of five Centres refused to sign the legal act and cancelled further cooperation. It was necessary to launch another (second) Call with updated conditions. The second Call was continuous and included consultations of applicant with members of the project team (of the Project Promoter). The approach is successful as there are already 11 signed legal acts and the continuous call is suspended (information from September 2022, i.e. slightly after cut-off date). There will be at least 2 trained Triple P experts in every selected Centre. There were noticeable personal changes at the Project Promoter (Ministry of Health) and the PO asked for regular meetings with the Project Promoter to communicate about problems, their solution and development within agreed topics. The project and the team is now considered as stabilized but it is under supervision of the PO and the NFP.

Implementation of **PDP2** (Outcome 2) is progressing very well. The National Institute of Public Health (NIPH) published the Guideline for appropriate use of antibiotics. The risk of not meeting stipulated indicators of achievement is low. Indicator “Increase in antibiotic use in the Czech Republic” (Outcome 2), is considered as monitoring of the overall status of utilisation of antibiotics in the Czech Republic, it is therefore necessary to mention that it reports on the state in the Czech Republic not about the result of this individual PDP as such. On the other side, campaign financed from this project was very visible in the Czech Republic (see: feedit.cz/2022/09/13/zlata-medaile-pro-projekt-antibiotika-v-soutezi-imc-czech-awards-2022/) and significantly contributed to the widely discussed topic “antibiotic resistance” which is becoming more and more visible. Slightly after cut-off date, the NFP was informed that campaign “Antibiotics” received gold medal within the national contest “IMC Czech Awards 2022”. It was the only one health-oriented-campaign and it won in the category “Public Customer”. Results of the campaign exceeded expectations and based on surveys that were made the campaign verifiably improved understanding of the excessive use of antibiotics and subsequent antibiotic resistance in the Czech Republic.

PDP3 (Outcome 3) Patients HUB is also progressing well, indicators are being fulfilled (in case of trainings even exceeded). Should some HUB-related indicators not be reached in the extent indicated in the PA, the difference would only be small and risks of not meeting planned values are considered low. Sustainability of the HUB and all the work that was done may be the main task for the rest of the implementation period.

As far as **SGSs** (**SGS1** - mental health of children and adolescents, **SGS2** - prevention measures targeting dementia and **SGS3** – support of patient organizations) are concerned, as reported previously, there were in total 24 selected projects and all of them are under implementation. The launch of implementation was slightly delayed but no risks are identified so far. Even 15 projects supported within **Open Calls** (Open Call 1 – mental health of children, Open Call 2 – prevention of communicable and non-communicable diseases), are progressing and no obstacles to successful implementation are known. It should be noted that there are only two projects dedicated to the Roma issue (Open Call 2) and it is possible to assume that taking their allocations into account, precondition in the PA stipulating that “at least 10% of the total programme allocation shall address improved access to health for vulnerable groups/people and deprived areas” will not be fulfilled. The definite ratio, however, can be only calculated in the Final programme report (after disbursement deadline).

Challenges related to implementation, absorption/disbursements, with suggested solutions:

No fundamental challenges are foreseen. Priorities of the programme are stable and cover areas where additional financial support is indeed essential (mental health, prevention of diseases, etc.).

Progress in strengthening bilateral relations with donor state entities, including the use of bilateral funds allocated to the programme:

All PDPs are implemented in cooperation with Norwegian partners as well as number of projects realized within Calls or SGSs. All bilateral initiatives were closed and no new bilateral initiatives are planned at the moment. The 2nd network meeting for children’s and adolescents’ health will be organized in Prague on 21-22 September 2022. The meeting is organised by the Czech Ministries of Finance and Health in cooperation with the Norwegian Institute of Public Health and Norwegian Directorate for Health and it aims to strengthen cooperation and exchange experience and best

practices between POs and similar entities within the Beneficiary States and Donor States, as well as international organisations.

How MoU special concerns and/or conditions set in the PA have been addressed, especially Roma inclusion concerns:

The Roma inclusion belongs to specific objectives of the Open Call 2 which was concluded with two selected projects (delivered by two well-established hospitals: the Motol University Hospital in Prague and St. Anne's University Hospital in Brno).

As far as conditions set in the PA are concerned, most of them are fulfilled, but there are even pending issues. As mentioned in the text above, the PA stipulates that "at least 10% of the total programme allocation shall address improved access to health for vulnerable groups/people and deprived areas". Taking allocation of projects supported under Call 2 into consideration, this precondition is likely not to be fulfilled.

The FMO asked for overall budget to be spent on all Centres involved in PDP1 and for separate budgets for individual Centres. This task has not yet been responded, the number of Centres was changing. Slightly after cut-off date the final number of Centres is known (eleven signed legal acts). The Project Promoter asked for a change of the budget of PDP1 and the change is under consideration of the PO/it is waiting for PO's approval. Only after this change is well justified and approved by the PO, the above mentioned budgets can be submitted to the FMO. The change, the first monitoring report and the first payment request are about to be finalized. It is expected the requested information will be provided to the FMO in the second half of 2022.

CZ-CULTURE Culture

Progress in developing and implementing programme:

The programme is in the advance stage of implementation. After two rounds of open calls (2020, 2021) 115 projects were selected in total, contracted and most of them in implementation. As to the first round of calls (April 2020), there are 7 projects that already successfully finished their implementation. The other projects are running, cultural activities, events and workshops are taking place after some postponement in the beginning due to the Covid-19 restrictions and safety measurements. Within the call CH1 the administration of public procurements for construction works has been mostly done.

After the deadline for submission of applications in the second round of Open Calls (in particular – the CB2: 26/7/2021, CA2: 31/8/2021, CH2: 1/11/2021), project evaluation and selection took place in autumn and winter 2021 with the last Selection Committee meeting (CH2) held on 2/3/2022. In total, 51 projects were approved (CB2: 15 projects and CA2: 21 projects within the Outcome 1, CH2: 15 projects within Outcome 1) in the first half of 2022 and put into implementation thus they are in an early phase with no results yet.

A need for the Programme Agreement modification was discussed at the Cooperation Committee meeting in June 2022 based on the intention of the PO to offset the estimated additional expenses in the Outcome 1 which are justified here in the "Risks" section with savings from the Outcome 2 and from programme management.

The PDP Lety project is delayed from the very beginning but it is still in the framework of feasible implementation. After difficulties in coordination and mutual communication between stakeholders (the PO, the Programme partner – the Ministry of Culture, and the Project Promoter – Museum of Romani Culture) the NFP keeps applying a series of facilitated meetings of all members on monthly basis since 9/2021. The measure has brought excellent results, the project is back on track, the grant application for the PDP was officially submitted to the PO on 17/12/2021. Following the positive appraisal, the PDP was approved on 28/1/2022. The Legal Act was issued on 23/3/2022 and the Project contract was signed on 13/6/2022. The demolition phase, representing the first part of establishing the memorial (but still not a part of the PDP project), has started in July 2022, promoted by the winner of the tender for demolition and covered from national sources. The public procurement for the building of the memorial financed by EEA Grants shall follow in September 2022 and the proper building works may be launched and completed as soon as possible in order to keep the deadline in May 2023.

Challenges faces related to implementation, absorption/disbursements, with suggested solutions:

The overall risk of the programme has not changed much in the first half of the year 2022, compared to the previous period. The programme complexity is still under control. The collaboration between the PO and programme partners is close. Some partial risks were successfully mitigated (the Time risk - delay in the commitment and disbursements of funds; Poor financial efficiency - insufficient financial resources and cash flow of the Project Promoters in contemporary art projects) or fully eliminated (PDP Lety – insufficient political will and support). As to the Covid-19 issue, the problems were mostly solved and the promoters learned how to cope with restrictions, delays and obstacles associated with the safe mode.

On the contrary, a new risk arose in 2021 - “Increased prices of construction materials, unavailability of construction workers and high inflation and energy crises in Europe”. During 2022 with the War in Ukraine the risk has increased and provides now a very negative impact on projects from both Outcomes. Most endangered are projects within the call from CH1 and it is possible that some of the projects might not be able to finish on time in April 2024.

The PDP remains a risky issue although the most of threats were mitigated or eliminated. The project had overcome all complicated risks connected with political will, budgetary obstacles, obtaining necessary permits and guaranties, and it entered finally in the implementation phase which can be controlled in a common manner. The labour of the MRK (the Promoter) is fully supported by the MoC and the MF as well. The joint effort should lead to meeting the deadline in 2023 and to opening the memorial in time.

Progress in strengthening bilateral relations with donor state entities, including the use of bilateral funds allocated to the programme:

The bilateral partnerships with Donor States were encouraged in all projects while preparing the grant applications. The programme has 90 projects in bilateral cooperation with at least one Donor State partner (out of 116 projects from all calls including the PDP Lety). Out of 51 projects approved in the second round Open Calls, 38 are implemented in bilateral partnership (CB2: 7 projects, CA2: 19 projects, CH2: 12 projects). Unfortunately there is no project in cooperation with Liechtenstein at the end (applications with partnership from Liechtenstein were submitted but none succeeded in the selection due to lower ranking of the particular grant application).

Bilateral cooperation with donor partners within open calls was optional, however the bilateral partnerships were favoured by extra points in the evaluation process. The partnerships with the Donor State entities are appreciated and considered to be successful and working, while the cooperation with natural self-employed persons in the fields of arts is more complicated and less reliable than partnerships with institutions in the area of cultural heritage.

With the approval of the bilateral initiative “Post Covid Adaptation Models in Culture”, implemented by the Czech Programme partner (Arts and Theatre Institute) and Arts Council Norway since April 2022, all bilateral funds earmarked to the programme have been allocated. With regard to the recent geopolitical issues, previous intention to bound potential bilateral initiative, connecting culture and arts with environmental topics, to the Czech EU Presidency was abandoned so far. Nevertheless, the Cooperation Committee decided in June 2022 to proceed with the preparation of the bilateral initiative intent to organize the event later in 2022 or 2023 and to obtain the support from the Bilateral Fund if approved by the JCBF.

How MoU special concerns and/or conditions set in the PA have been addressed, especially Roma inclusion concerns:

Special concerns and conditions were reflected within grant conditions prior approval of the projects selected for support.

Roma inclusion concerns were addressed in the announced open calls through extra points being assigned to projects that involve the cultural heritage of minorities, e.g. German, Jewish, Roma and other and if the project contributes to equality and integration of disadvantaged groups (mainly the Roma, but also other social, ethnical and cultural minorities).

Concrete measures for Roma inclusion are directly targeted in the pre-defined project “*Building of a memorial to the victims of the Roma holocaust in Lety*”. The PDP obtained the building permit in mid March 2022. The demolition phase, representing the first part of the project (but still not part of the PDP project), has started in July 2022. The public procurement for the building of the memorial supported by the EEA Grants shall be launched in September 2022.

CZ-GOVERNANCE Good Governance

Progress in developing and implementing programme:

Despite the number of difficulties at the beginning of implementation or before the implementation started (mainly within PDP2 and PDP3), the programme is progressing (within extended deadlines). Mainly the PDP3 is evolving well. It is expected some programme components will generate savings.

The last significant input by the NFP was the 2nd modification of the PA that consisted in the removal of the Project Partner (OECD) from PDP3 (approved by the FMO in December 2021). No further PA modifications are expected or reported to the NFP as well as there are no important changes in the Czech Republic that could have an impact on implementation or development of the programme.

As far as individual parts of the programme are concerned, all five PDPs are under implementation. The **SGS** call was closed in October 2021 with six received applications. The number of applications

is considered sufficient mainly with the fact in mind that there was mandatory partnership with donor states and applications had to be submitted in English. The number of applications is even equal to allocation of the Call. Five applications were discussed by the Selection Committee (in February 2022) and all of them were recommended for financing. Three Project Promoters have already started implementation (spring 2022), one shall start soon after the Legal Act is issued, and one approved application was cancelled by the applicant. (The target values of related SGS indicators in Outcome 1 and Output 1.2 increased by approx. 10% in relation with reallocation of funds from PDP3).

Time schedule of the **PDP1** is adhered to, except activities requesting traveling which were postponed after Covid-19 phase-out. The Project Promoter has completed the public tender procedure “Acquirement of public movement and locations data from telecommunication networks” and has contracted the service provider INTENS Corporation, which shall dispose of signal data of all the main mobile operators in the Czech market. The Project Promoter has already received the test database for verification of data usability for set purposes and for verification of parameters from the provider and realized respective stakeholders meetings. The Project Promoter shall complete the Analysis of the movements and distribution of the population in time by the end of 2022 and the subsequent formulation of specific recommendation for the optimization of territorial public administration performance by April 2024. It was necessary to extend the project by 3 months due to the need for more time capacity for preparation of alternative proposals for offices/authorities distributions. The cooperation with donor project partners is smooth.

PDP2 started in September 2021 but the technical launch event and Scoping missions were held only in December 2021 (high level launch event took place in March 2022). The Core group was set up and the first draft Inception Report was prepared. The OECD policy experts have already realized two Fact-finding missions in the Czech Republic, interviews, and Public Governance Review (PGR) data collection. PGR shall be completed by spring 2023, so as its promotion. The providers of the subsequent trainings (autumn 2022) have already been selected: a) Training programme for the development of competencies of analysts working in public administration and the creation of a data sharing platform for analytical work) and b) Training programme to improve the pro-client approach of public administration bodies and pilot testing of training programme. The Project was extended till April 2024.

PDP3 – The change in PDP3 and the 2nd modification of the PA, consisted in the removal of Project Partner (OECD) from the project and initiated a subsequent shift of saved funds to the SGS (shift from Outcome 2 to Outcome 1) while the target values of PDP3 outcomes/outputs remained unchanged. The modification was consulted with IPO and finally approved by the FMO in December 2021. Despite the primary difficulties the project proved to be well designed and structured, implemented and managed and the Project Promoter (along with his partners) have already completed the key activities - Knowledge acquirement and best practise collection from other European countries and Impartial expert assessment of public finance management system and control (five analyses elaborated). Unfortunately, despite the big interest and attempts made by the Project Promoter, it was not possible to visit approached Norwegian institutions as the Norwegians declared they could not cooperate on the issue. Another five countries agreed with cooperation (Austria, Great Britain, Latvia, Poland and Portugal) and all the trips abroad were highly appreciated. As for the prospect, the Project Promoter plans an international conference (September 2022, the FMO and the Norwegian Embassy were invited) Public Consultations and preparation of the Initial draft act on management and control of public finance. It is presumed this project will be concluded successfully within given deadline and will generate savings. It is possible

the indicator “Number of civil servants taking part in public consultation procedure on the initial draft Act on Financial Control” concerning 600 civil servants representing institutions that will be impacted by the new Act on Financial Control if adopted may not be delivered in the full extent, but it is not considered as risk. Even if the Project Promoter reports less than 600 servants, the number will probably be sufficient.

PDP4 is running as planned. Even this Project is considering extension of implementation (up to February 2024), to be able to complete the activities postponed due to the Covid-19 restrictions. The Project Promoter purchased both pieces of specialized analytical software for virtual currency tracing (Chainalysis, Elliptic). There may be savings caused due to lower expenditures reached within procurement prices attained with no effect on outcomes or outputs. The PO has already consulted the use of potential saving with the FMO. In the next period the Project Promoter will continue with organization of NOCA’s specialized trainings, foreign trips, Asset Recovery Office meetings and participation in international conferences on virtual currencies.

PDP5 – the Project Promoter has completed procurements for “Conflicts of interest – comparative studies, brochures and training methodologies” and “Whistleblowing protection – comparative studies and brochures”. The project was extended to April 2024. During the next months, the Project Promoter shall elaborate Comparative studies, brochures, training material and shall organize trainings and international workshops. The number of activities ahead needs to be coordinated by a new Project and Finance Manager but the position still remains open and the Project Promoter is unsuccessfully looking for a suitable candidate (not to jeopardize the implementation, the position must be temporarily occupied by an internal employee).

Challenges related to implementation, absorption/disbursements, with suggested solutions:

There were sufficient time gaps within time schedules of PDP1, PDP2 and PDP5 so that these PDPs could have been prolonged not to be implemented in time pressure. Occupancy of the open position of Project and Finance Manager within PDP5 and the acceptance of project outputs by judges is under close supervision by the Project Promoter. Savings (resulting from public tenders) are expected mainly within PDP3, and PDP4, there is available amount within Bilateral ambitions.

Progress in strengthening bilateral relations with donor state entities, including the use of bilateral funds allocated to the programme:

In line with the PA, the SGS focuses on topics related to the involvement of the public in decision-making processes. The mandatory partnership of the Donors States enables to share their knowledge and best practices on how to communicate with citizens effectively and involve them in community activities. There are three partners within PDP1 (Norwegian public institutions) and cooperation is running based on online participation in working groups. There was one bilateral initiative financed from the Bilateral ambitions and generated savings that could be used in the Fund for bilateral relations.

How MoU special concerns and/or conditions set in the PA have been addressed, especially Roma inclusion concerns:

The CZ-GOVERNANCE programme is not focused on Roma inclusion.

Ex-ante controls of public procurement procedures and documentation for the pre-defined project under section 5.1 of Annex II to the Programme Agreement, are carried out by the PO. No

international conferences took place in the monitored period. The FMO and the Royal Norwegian Embassy in Prague will be duly informed about important occasions. The Invitation to the High level launch event the OECD Public Governance review (PGR) of the Czech Republic “*Evaluation of the public administration performance in the Czech Republic and recommendations for the future strategic development*” was distributed by the Project Promoter (March 2022). Invitation to the international conference organized within PDP3 “Strengthening public financial management and control” (to be held in Prague in September 2022) was distributed by the PO.

5. STATUS OF BILATERAL FUNDS

As travel restrictions in connection with the Covid-19 pandemic have been gradually revoked, the Bilateral Fund was in full progress again in spring 2022 after quite long period of its limited implementation.

The **4th JCBF meeting** was held online on 11 November 2021. The main aim of it was to discuss the 4th Open Call text and framework together with the amendments to the Guidelines for Applicants and Final Beneficiaries based on lessons learned from previous Open Calls. Furthermore, the **Work Plan was up-dated** reflecting not only the results related to the 4th Open Call, but also the findings of the Audit Authority to BF procedures.

The **4th Open Call** with the allocation of 400 000 EUR has been launched on 28 April 2022. The NFP preannounced the Call on its website already in February 2022 as agreed in the Work Plan. The launch of the 4th Open Call was also supported by the promo article published in nationwide newspapers, on the EEA/Norway Grants websites, and on social media. Due to the high interest of the applicants, the NFP proposed to increase the Call's allocation by 100 000 EUR, as stated in the Open Call text. The increase was approved by the JCBF on 7 September 2022.

As the 4th Open Call could be open until 31 December 2023, the NFP considers increasing the call allocation again in case of additional available funds to meet the demand from applicants. The JCBF would be then asked for the approval.

The evaluation of applications is ongoing. By the end of August 2022, 32 applications were submitted, and 12 initiatives were approved in the total amount of over 200 000 EUR. In addition, the JCBF has recommended six more grant applications for funding (the total grant is over 100 000 EUR) which will be approved, soon and rejected one application so far. When requested in project applications, the advance payments are reimbursed to final beneficiaries, after initiative approval.

As for the **pre-defined initiatives (PDIs)**, two initiatives related to the Czech-Liechtenstein school exchange have been approved in 2022 (one to “replace” cancelled exchanges in 2020 and 2021 due to Covid-19 restrictions and one regular for 2022). Also the initiative under the Czech-Liechtenstein Commission of Historians called “The Liechtensteins in Czechoslovakia and Central European Legal Science” was approved. For the PDI “My Father’s Story” that was approved already in 2020, the implementation period was prolonged till autumn 2022. The implementation is ongoing.

For the PDI “Exchange of good practices in the implementation of modern technologies Iceland - Czech Republic” that was approved in the Work Plan already in 2020 the application was not submitted yet as it was postponed by the applicant till spring 2023.

Following the amendment of the Work Plan approved by the JCBF per rollam in May 2022 the Ministry of Education, Youth and Sports submitted the PDI aimed at addressing the urgent need for proper integration of Ukrainian refugees into Czech society by increasing their knowledge of the Czech language as well as the Czech culture. By this PDI, the NFP reacted to the letter of the Chair of the Financial Mechanism Committee of 11 March 2022 with the subject "The use of funds to address the refugee crisis in Beneficiary States as a result of Russia's invasion of Ukraine" and allow to use the part of the BF allocation to address the refugee crisis. The JCBF members approved the PDI on 24 June 2022 with the grant amount of almost 700 000 EUR.

As stated above, the Covid-19 pandemic negatively influenced the implementation process of approved initiatives. The project promoters had to deal with restrictions, which disabled travelling and organization of physical meetings. Therefore, several initiatives decided to postpone their implementation period, as the pandemic situation was still unpleasant for organizing bilateral activities. Such modifications were always discussed and approved by their bilateral partners prior submission to Programme/Fund Operators. Nevertheless, several initiatives were able to complete their implementation despite the pandemic situation.

Within the **Bilateral ambitions in programmes**, no major progress in disbursement of the funds was noticed. The Programme Operators indicated lower number of payment requests submitted by Project Promoters for their reimbursement. The own PO's activities were mostly postponed for future periods as well. Obstacles due to the pandemic resulted in delays; nevertheless, progress in several programmes (as CZ-JUSTICE, CZ-HUMAN RIGHTS) was visible, as bilateral initiatives were organized in the respective period.

For the above-mentioned reasons the overall balance of the Bilateral Funds only slightly increased compared to the previous year. From the allocation of 3 690 000 EUR the amount of 1 424 822 EUR has been spent (by 30 June 2022, IFR No. 8) which represents 38,6 %.

The National Focal point expects the increase in disbursement of the Bilateral Fund at national level in following period, as the pandemic situation shall improve. Overall 40 open call initiatives and 5 pre-defined initiatives are currently under implementation process. Two of them were submitted by applicants from Norway.

By the end of 2021, the external on-the-spot monitoring of 5 bilateral initiatives (carried out in cooperation with the external contractor Deloitte Advisory Ltd.) was completed. During the on-the-spot monitoring activities, no findings were identified and no substantial recommendations were necessary to give.

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

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 5th JCBF meeting in 2022.

6. MANAGEMENT AND IMPLEMENTATION

a. Management and control systems (MCS)

The national level Management and Control System (MCS) was officially acknowledged by the Donors in December 2018. No changes to the MCS have been carried out since then and no changes are expected in the near future. The same applies to the setup of the national authorities.

As concerns staffing of the National Focal Point, one experienced NFP employee left in September 2021 but was replaced by new experienced employee since May 2022.

The staffing of the Certifying Authority is generally stable. During the given period (1 September 2021 – 31 August 2022) there was one vacancy to be filled by an experienced person returning from the maternity leave since October 2022.

As concerns staffing of the Audit Authority, one new employee joined the AA in January 2022 and left in April 2022, one experienced AA employee left in May 2022 and was replaced by new experienced employee hired for the half-time job since June 2022. A proper administrative capacity of the AA is currently tight but not threatened.

The external assistance Deloitte Advisory, Ltd. that was contracted for the whole implementation period of EEA and Norway Grants 2014-2021 provided duly the annual supervision of the NFP activities, responsibilities and verification of compliance with the set Methodology and set conditions.

The regular 3rd supervision covered the period 5/2021 – 4/2022, using the approved methodology of investigations and interviews. The NFP staff was duly examined, as well as the POs of chosen programmes – CZ-HEALTH (managed by the PO-MF) and CZ-EDUCATION (managed by an external PO). The 3rd report was completed in June 2022. No findings were identified and one recommendation was formulated towards the NFP regarding minimisation of the administrative burden of POs during APR submitting/approval in January/February each year. In frame of the feedback, the NFP had to refuse the recommendation with the reference to the FMO rules on keeping the overall NFP responsibility and NFP will continue checking the APRs before submitting to the FMO.

b. Complaints

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.eeagrants.cz and www.norwaygrants.cz. The information was also included in the call texts of all programmes.

In the reporting period 6 complaints were submitted to the NFP – 4 of them were related to the programme CZ-ENVIRONMENT (4 different projects), 1 complaint was related to the programme CZ-HUMAN RIGHTS and 1 was related to the programme CZ-HEALTH.

The NFP always consulted the respective Programme Operators and their answers are considered when preparing the answers to the complainers.

For complaints related to CZ-ENVIRONMENT, 2 complaints were evaluated as non-relevant, but 2 complaints are considered as suspicion of irregularity and were submitted to the Programme Operator for investigation in accordance with the Methodology of financial flows, control and certification. Both are still under investigation.

A complaint related to CZ-HUMAN RIGHTS was evaluated as non-relevant.

A complaint related to CZ-HEALTH is still under investigation but preliminarily the NFP has not found any irregularity.

For complaints that are still under review the NFP is in contact with complainers, informing them about the course of investigation and the steps undertaken.

c. Irregularities

The irregularities till now were discovered in programmes:

- CZ-BF (**IR-4**: closed/error in payment claim/amount reported in irregularity report - 24,70 EUR - only Grant part; **IR-3**: closed/error in payment claim/219,13 EUR - only Grant part; **IR-22**: closed/error in payment claim/125,94 EUR - only Grant part),
- CZ-HEALTH (**IR-7**: closed/error in payment claim/533,41 EUR - including PRG co-financing; **IR-117**: ongoing/error in financial report/213,25 EUR - including PRG co-financing),
- CZ-CULTURE (**IR-5**: closed/error in payment claim/131,06 EUR - including PRG co-financing; **IR-6**: closed/error in payment claim/81,58 EUR - including PRG co-financing; **IR-60**: closed/error in payment claim/38,14 EUR - including PRG co-financing; **IR-118**: ongoing/error in financial report/319,82 EUR - including PRG co-financing),
- CZ-JUSTICE (**IR-8**: closed/error in payment claim/20,86 EUR - including PRG co-financing; **IR-120**: ongoing/error in financial report/1 217,07 EUR - including PRG co-financing),
- CZ-RESEARCH (**IR-59**: closed/error in payment claim/1 EUR - including PRG co-financing),
- CZ-ENVIRONMENT (**IR-61**: closed/error in payment claim/4,62 EUR - including PRG co-financing, **IR-78**: closed/error in financial report/616,42 EUR - including PRG co-financing, **IR-122**: ongoing/error in financial report/131,47 EUR - including PRG co-financing),
- CZ-HUMANRIGHTS (**IR-79**: closed/error in financial report/75,36 EUR - including PRG co-financing, **IR-119**: ongoing/error in financial report/1 903,27 EUR - including PRG co-financing),
- CZ-EDUCATION (**IR-123**: ongoing/error in financial report/1 179,46 EUR - including PRG co-financing),

- CZ-GOVERNANCE (IR-124: ongoing/error in financial report/5 763,49 EUR - including PRG co-financing),
- CZ-HOMEAFFAIRS (IR-121: ongoing/error in financial report/484, 70 EUR - including PRG co-financing).

The irregularity cases were reported to the FMO in November 2019 (3Q 2019 – IR-3, IR-4, IR-5, IR-6, IR-7, IR-8), in February 2020 (4Q 2019 – IR-22), in May 2021 (1Q 2021 – IR-59, IR-60, IR-61), in November 2021 (3Q 2021 – IR-78, IR-79) and in May 2022 (1Q 2022 – IR-117, IR-118, IR-119, IR-120, IR-121, IR-122, IR-123, IR-124).

All the irregularities that have been discovered and reported to the FMO so far, have been discovered during the CO verification of the PO's and PP's management cost. PO (or PP) mostly claimed expenses that are considered ineligible from the Guideline of NFP for eligible expenditures under EEA/Norwegian FM 2014-2021 or Regulation point of view (e.g. expenses not accounted under FM, incorrectly calculated or demanded wage cost or travel expenses). The PO was notified of these irregularities so the similar expenditures were no longer claimed in the following certifications.

d. Audit

In accordance with the audit strategy, 3 system audits were completed in 2021:

- the audit of the NFP systems in terms of fulfilling its specific responsibilities arising from the Regulations (FM3/2021/S/001) with no findings identified,
- the system audit of the programmes CZ-HEALTH, CZ-CULTURE, CZ-GOVERNANCE, CZ-HUMANRIGHTS and CZ-JUSTICE at the PO Ministry of Finance (FM3/2021/S/002) with no findings identified and
- the system audit of the CZ-ENVIRONMENT programme at the PO State Environmental Fund (FM3/2021/S/003) with 11 findings with a low significance and no financial impact identified.

The scope of these audits and their results were described in the annual audit report 2021.

Furthermore, 1 follow-up audit to verify the implementation of the actions taken by the auditee for findings identified within the system audit aimed at verifying the functionality of the management and control system of the Fund for bilateral relations (FM3/2020/S/002) was carried out in 2021.

In 2022 the AA has updated the audit strategy. The update consists mainly in system audits plan update and in minor adjustments of terminology and human resources specification. The updated audit strategy has been provided to the FMO in March 2022.

The AA has started 5 system audits in 2022: the system audits aimed at verification of all key requirements of the programme CZ-RESEARCH at the PO Technology Agency (FM3/2022/S/001) and of the programme CZ-HOMEAFFAIRS at the PO Ministry of Interior (FM3/2022/S/002) and the system audits aimed at verification of the key requirement No. 4 – Adequate management verifications of the programme CZ-EDUCATION at the PO Centre for International Cooperation in Education, of the programmes CZ-HEALTH, CZ-CULTURE, CZ-

GOVERNANCE, CZ-HUMANRIGHTS and CZ-JUSTICE at the PO Ministry of Finance, and of the programme CZ-ENVIRONMENT at the PO State Environmental Fund (audits FM3/2022/S/003, FM3/2022/S/004 and FM3/2022/S/005), which were not possible to perform during previously carried out system audits with regards to the implementation phase and effects of Covid-19 restrictions.

A sample of expenditure for audits of operation has been selected for the audit reference period covering period from 1 July 2020 to 30 June 2021. From the selected sample of expenditure, the AA has compiled an audit plan to ensure auditing of actual expenditures declared within the given reference period, which contains – with regard to the implementation phase – expenditure for projects implemented within the programmes CZ-EDUCATION, CZ-HUMANRIGHTS and CZ-HEALTH and expenditure for bilateral initiatives, programme management and Technical assistance.

The scope and results of the system audits and audits of operations will be described in the annual audit report 2022.

7. COMMUNICATION

As the main goal of the NFP Communication Strategy is to increase awareness of general public on the EEA and Norway Grants, the most of activities made and planned in past months were focused on general public. The NFP continues with publicity activities through the website and social media (mainly Facebook and Instagram), and organized also some public events. In this period, the NFP also emphasised the promotion of supported projects.

The overview of promotional activities made in September 2021 – August 2022:

- The NFP prepared **promotional materials** (food boxes, stuffed reindeers, PC cleaners, mugs, cooler bags, pens) planned to be used during events for public like Day of Europe, Colours of Ostrava and Open Day of the Ministry of Finance.
- *“The third period of the EEA and Norway Grants is underway”* - this was a name of the **article in national wide newspaper** published in December 2021. The article briefly mentioned the status of the implementation, highlighted the main facts of the EEA and Norway Grants and presented three very interesting projects in the fields of culture, environment and health.
- **Facebook Christmas Competition** - the NFP prepared a competition, which was primarily realized on the EEA and Norway Grants Facebook page, supported by Instagram and website. The aim was to increase traffic to the EEA and Norway Grants Facebook page. There were 2 rounds with 5 questions each focused on Christmas traditions and customs in the donor countries - Norway, Iceland and Liechtenstein. In two weeks (from 1 - 12 December 2021), every day from Wednesday to Sunday, one question with a Christmas theme was published. The winners were chosen from those who answered all the questions, based on creativity and the content of the answers. Each round had 3 winners who received special Nordic Christmas gift packages.

Campaign results:

- Each post reached an average of 4 800 users.

- A total of 29,5 thousand users were reached during the competition.
- Total number of responses to the questions: 596
- During the competition, the number of followers of the website increased by 4,5 % (from 1 675 followers to 1 751 followers).
- **Travel with the EEA and Norway Grants** - a social media campaign that started in mid-June 2022 and ran to the end of August 2022. Every week the NFP published 2-3 posts related to the supported project, which were also an interesting tip for a visit during the holidays. For this campaign a flyer with the top 10 projects worth visiting was prepared as well.
- After a two-year break caused by the Covid-19 restriction, the NFP together with the Royal Norwegian Embassy in Prague and the Programme Operators of 4 programmes (CZ-ENVIRONMENT, CZ-HUMAN RIGHTS, CZ-HEALTH and CZ-RESEARCH) prepared a **presentation at the stand at Colours of Ostrava Festival**. The stand was divided into 4 zones, where each of the programmes prepared interesting activities for the public. The NFP together with the Norwegian Embassy provided general information of EEA and Norway Grants. An interesting common activity was the joint competition with the European Commission representation who had their presentation right next. Visitors had to complete at least two activities from any programmes at the EEA and Norway Grants stand and one activity at the European Commission stand. For each completed activity, they received a stamp on a competition card where they filled also their contact details and a feedback questionnaire. Each day there was a joint lottery for the Grants and European Commission packages. Average attendance of the stand was 2 000 people per day, the competition was attended by 1 400 people. A month before the festival itself, the NFP prepared a campaign on social networks informing about Grant's participation at Colours of Ostrava Festival connected with competition for tickets (the questions were related to the 4 mentioned programmes).
- The **website** www.eeagrants.cz and www.norwaygrants.cz is continuously updated to be more user friendly and to provide relevant and actual information. The section of approved projects is regularly updated after the approval of projects within programmes. For better clarity, the visual map of supported projects has been also created with the function of sorting by region and programme.
- The NFP regularly uses **social media** such as Facebook, Twitter, Instagram and YouTube. The main topics of the information published were calls within programmes, bilateral initiatives and mainly presentation of approved projects.

The NFP plans to organize the **Conference on the Progress in Implementation of the EEA and Norway Grants 2014 - 2021 in the Czech Republic and Best Practice** (20 September 2022). The conference will be focused on the summary of the progress in the implementation of the EEA and Norway Grants 2014 - 2021 in the Czech Republic and the presentation of selected projects. An article from the conference will be published in a national newspaper.

On 28 September 2022 the Open Day of Ministry of Finance is to be held, where the participation of the EEA and Norway Grants is also planned.

In the coming period the NFP will also continue in communication activities aimed at general public to increase awareness of the EEA and Norway Grants mainly through websites and social channels and in cooperation with the Royal Norwegian Embassy in Prague.

The NFP will also cooperate with Programme Operators in promotion of the programmes and information about approved projects.

8. MONITORING AND EVALUATION

a. Monitoring

The NFP regular monitoring tools consist in organisation of Steering Committee meetings. After release of Covid-19 restrictions most of them could take place in person again. The NFP staff keeps participation also at meetings of Cooperation Committees and Programme Committees in relevant programmes as an observer. As usually, the NFP checked the APRs and IFRs (indicators) of the programmes prior submitting to the FMO. Moreover, the NFP monitors the bilateral ambitions in programmes via regular semi-annual monitoring reports submitted by POs in relation to preparation of the Bilateral Fund IFR.

The NFP provided also the on-the-spot verification of programmes, including samples of projects with help of the contracted service Deloitte Advisory, Ltd. In this reporting period the contractor focused on the CZ-BF and CZ-HEALTH programmes in autumn 2021 and CZ-CULTURE programme in spring 2022. The CZ-HEALTH programme was assessed by interviews and checks at the PO level as well as at two projects, the report was ready in November 2021. Within the Bilateral Fund, five bilateral initiatives across the first two calls were examined and the report was completed in January 2022. As to the CZ-CULTURE programme, the contractor visited the PO, 2 programme partners and consequently 2 projects in the first half of 2022 and the report was ready in June 2022. Altogether, there were no negative findings identified in the mentioned programmes at all, however, the on-spot monitoring helped the NFP to be informed and to stay in closer touch with POs and even with projects and to prevent some problems indicated.

The next round of visits shall include the programmes CZ-JUSTICE and CZ-HOME AFFAIRS in the second half of 2022 (the reports to be ready in November 2022).

b. Evaluation

The Terms of Reference (ToR) for independent external evaluation of the EEA and Norway Grants 2014-2021 were prepared in close cooperation with the Legal Department of the Ministry of Finance of the Czech Republic and ToR quality assurance was undertaken by NFP. As far as content of the ToR is concerned, it is fully in line with the respective chapter of the Results Guideline (updated in March 2021). Special emphasis was given to the description of mandatory and additional evaluation questions (while specific evaluation questions will always be included in the kick-off papers launching every evaluation), content and length of individual parts of evaluation reports and time schedule of the whole process. In contrary to the information provided in the previous Strategic Report, but based on the information and mutual consultations received during the Results & Evaluation Network workshop for NFPs (taken place in Malta in May 2022), the Bilateral Fund will not be included in the evaluation. It

was well noted that individual evaluation shall be as much topic (programme outputs/outcomes) oriented as possible while established implementation procedures shall not be extensively evaluated. It would be rather difficult to find a linking element among high number of different initiatives financed from the Bilateral Fund (not to mention the bilateral aspect as such) therefore it was decided not to evaluate initiatives financed from Bilateral Fund.

The new evaluation plan annexed to this Strategic Report was modified to be in line with the ToR and consists of nine independent evaluations (programme/horizontally oriented) and one Final Evaluation Report, which should be debriefed in March 2025 at the latest). It is assumed the tender procedure should be launched slightly after cut-off date of this Strategic Report (i.e. by the end of September 2022) with 30 days long deadline for submission of bids.

From the NFP's point of view, there are two issues that should be pointed out in relation to evaluation. First, ownership and impact of recommendations provided in evaluation reports should be clearly defined. Unfortunately, it is presumed that the evaluation process will proceed in parallel with preparation of the forthcoming EEA/Norway Grants and it may not be possible to make use of the evaluation results/recommendations during programming. Second, it is difficult to focus evaluation on those programme outcomes that describe rather a status within certain sector in the Czech Republic than specific programme achievement. In some cases the logical framework matrixes include values of indicators that are only partially connected with programmes financed from the EEA/Norway Grants. These indicators or their values reflects general developments in the Czech Republic even though financial contribution from the EEA/Norway Grants create only a very small part of resources dedicated to the issue (e.g. number of corruption cases, number of criminal offences, number of the use of antibiotics, number of detected cases of something, corruption perception index score published by Transparency International).

9. ISSUES FOR THE ANNUAL MEETING

Within this monitoring period the implementation of all programmes is affected by subsequent effects of the Covid-19 pandemic and war in Ukraine which led, among others, to high inflation. The stakeholders have to challenge difficulties resulting in delays in the project activities and increase of costs especially in projects containing construction works. On 6 September 2022 the NFP received the letter of Donor's decision not to extend the period of eligibility of expenditures in projects supported by EEA and Norway Grants 2014-2021. In that sense the NFP **would like to clarify the possibility of extension of individual projects** (for example delayed pre-defined project "Lety" within CZ-CULTURE programme) beyond the final deadline (April 2024) with prolongation of eligibility of expenditures or without eligibility of expenditures (financed from other sources).

As for the increased costs of construction works in the projects and based on the Donors letter dated 10 June 2022, the NFP **would also like to discuss possible increase of allocation of the CZ-CULTURE programme in the area of preservation of culture heritage** for already approved projects containing construction works from remaining funds from other programmes (for example CZ-GOVERNANCE programme). Project Promoters of these projects are often non-

profit organisations or small regional bodies which struggle with finding of additional financing more than state organisations.

ANNEXES

A. Risk assessment and management plan

B. Evaluation plan

C. Cooperation with Donor Programme Partners and International Partner Organisations

D. Technical assistance report