

15 November 2024

Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the third payment request submitted by Czechia on 16 September 2024, transmitted to the Economic and Financial Committee by the European Commission

Executive summary

In accordance with Article 24(2) of Regulation (EU) 2021/241, Czechia submitted a request for payment for the fourth and fifth instalments of the non-repayable support and the first instalment of the loan support on 16 September 2024. The payment request was accompanied by the required management declaration and summary of audits. To support its payment request, Czechia provided due justification of the satisfactory fulfilment of 38 out of 39 milestones and targets of the fourth instalment and 23 out of 24 milestones and targets of the fifth instalment of the non-repayable support, and two milestones and targets of the first instalment of the loan support, as set out in Section 2.1.2. and Section 2.1.3 of the Council Implementing Decision of 24 October 2024 amending the Council Implementing Decision of 8 September 2021 on the approval of the assessment of the recovery and resilience plan for Czechia¹.

For nine targets covering a large number of recipients, in addition to the summary documents and official listings provided by Czechia, the Commission services have assessed a statistically significant sample of individual files. The sample size has been uniformly set at 60, which corresponds to a confidence level of 95% or above in all cases.

In its payment request, Czechia has confirmed that measures related to previously satisfactorily fulfilled milestones and targets have not been reversed. The Commission does not have evidence of the contrary. Upon receipt of the payment request, the Commission has assessed on a preliminary basis the satisfactory fulfilment of the relevant milestones and targets. Based on the information provided by Czechia, the Commission has made a positive preliminary assessment of the satisfactory fulfilment of 63 milestones and targets out of 65 milestones and targets.

The milestones and targets positively assessed as part of this payment request demonstrate significant steps in the implementation of Czechia's Recovery and Resilience Plan. They notably highlight the continuation of the reform momentum in key policy areas. This includes, among others, the implementation of legislative reforms such as the establishing energy communities and energy sharing and reforms in the area of waste management and whistle-blower protection. The milestones and targets also confirm progress towards the completion of investment projects related to rail infrastructure digitalisation and electrification, the reconstruction of railway bridges and stations, energy efficient renovations of public and private buildings, the revitalisation of water courses and water reservoirs to increase water retention, industrial research in enterprises, and the digitalisation of courtrooms. Investments in the development of government IT systems to better support the self-employed, to improve the management of social security information as well as to better manage data by the Czech Statistical Office are also covered.

By the transmission of this positive preliminary assessment and in accordance with Article 24(4) of Regulation (EU) 2021/241, the Commission asks for the opinion of the Economic and Financial Committee on the satisfactory fulfilment of the relevant milestones and targets.

¹ ST 11047/21 INIT; ST 11047/21 ADD 1; ST 11047/21 ADD 1 COR 1; ST 14663/24 INIT; ST 14663/24 ADD 1 REV 2.

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Non-repayable support

CZ-C[C1.1]-I[I1]-M[1]: Finalisation of data audit at the levels of the central government, and adoption of the conceptual document “Strategy of controlled access to data to ensure conditions for quality management of the public administration data collection” by the Government, forming a basis for new data management legislation

Related Measure: C1.1.R1 Conditions for quality data pool management and ensuring controlled data access

Qualitative Indicator: Conclusion of data audit of central government bodies (a total of 32 institutions), and adoption of the strategy conceptual document by the government

Time: Q4 2023

1. Context:

The reform aims to establish a comprehensive legislative, standardisation and organisational framework for high-quality governance and public administration data management. The reform shall lead to the creation of a data-sharing (“managed access”) methodologies to allow other parts of the public administration, as well as qualified third entities, access to non-public government data in line with the FAIR principles (Findability, Accessibility, Interoperability and Reusability).

The data audit and the consequent strategy shall serve as a basis for the preparation of legislative changes to incorporate good data management in public administration in line with the FAIR principles and in line with the envisaged European Data Governance Act

Milestone 1 is the first step of the implementation of the reform. It will be followed by target 2, related to the introduction of new data management methodologies in public administration. The reform has a final expected date for implementation on 31 December 2025.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|--|
| 1 | Summary document (dated 14 October 2024) | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Annex 1 – Conclusions of the data audit | The document concluding the findings of the data audit at the central level of the government. |
| 3 | Annex 2 – Strategy for controlled access to data in the civil service | The strategy of controlled access to data to ensure conditions for quality management of the PA data collection (2024 - 2030). |
| 4 | Annex 3 – Methodology of data audit performing | The methodology for carrying out the data audit, prepared by the Digital and Information Agency. |
| 5 | Annex 4 – Management summary of the strategy | The management summary for the Strategy for controlled access to data to ensure conditions for quality management of the PA data collection. |

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| 6 | Annex 5 – Government decree n. 287 | The government decree reference no. 287 dated 30. April 2024, adopting the Strategy for controlled access to data in the civil service of the Czech Republic. |
| 7 | Annex 6 – Draft Data Governance and Controlled Data Access Act | The draft Data Governance and Controlled Data Access Act, amending the rules for controlled access to data based on Regulation (EU) 2022/868 of the European Parliament and of the Council of 30 May 2022 on European data governance and amending Regulation (EU) 2018/1724 (Data Governance Act) |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

Finalisation of data audit at the levels of the central government, and adoption for the conceptual document “Strategy of controlled access to data to ensure conditions for quality management of the public administration data collection, [...]”

As evidenced by Annex 1, which provides a comprehensive summary report of the findings from the data audit, which was carried out with 34 central government bodies, the audit has been finalised. The document details the current state of data management in various organizations within the Czech public administration apparatus and outlines the findings in several key areas related to data management. These form the basis of the Strategy for controlled access to data to ensure conditions for quality management of the public administration data collection, hereinafter referred to as the “Strategy” (p. 4 of Annex 1).

The Strategy defines goals and measures aimed at creating the necessary prerequisites for good management and use of data, the most important of which will be established as a binding legislative obligation by the Data Governance and Controlled Data Access Act (Annex 6, “the draft law”), which is being prepared (p. 31 of Annex 2).

The data audit and the consequent strategy shall serve as a basis for the preparation of legislative changes to incorporate good data management in public administration. [...]

The responsibility of authorities to handle data appropriately is clearly defined in the draft law under Title II, paragraph 5, point (1), which states that “The data manager shall properly manage data and operational data.” This responsibility is set out in more detail in the draft law’s explanatory memorandum. Aspects which define the authorities’ responsibility to handle data were formulated based on insights gained from expert consultations during the data audit process. Detailed references to these consultations are available in Chapter 2.1 of the Summary Reports and Section 2.1.2 of the Strategy document.

In addition, the description of data and definition of metadata are laid down in the draft law under Title I, paragraph 3, section a), Title II, paragraph 6 point (1) and furthermore under Title II, paragraph 7 point (1). These are also in line with the Strategy document, specifically proposed measure 1.3.1 (“Describe data and define its meaning”).

Lastly, the data sovereignty description in the draft law (Title II, paragraph 5 section (2) and corresponding explanatory memorandum) is in line with measure 1.4.2 of the Strategy, which states that the offices “ensures its data sovereignty and independence from suppliers in the sense

corresponding to the principle P18 "Data sovereignty and independence" in the Information Concept of the Czech Republic.

[...] in line with the FAIR principles and in line with the envisaged European Data Governance Act

Together, the Strategy and the draft law aim to establish a comprehensive legislative, standardisation, and organizational framework for high-quality governance and public administration data management which is in line with with FAIR principles (findability, accessibility, interoperability, and reusability). These principles were first published in 2016 by Force11² and now form the basis for the Council Conclusions on the Transition towards an Open Science System and the European Commission's European Data Strategy (COM(2020) 66 final). The strategy's commitment to findability is evident in measure 1.3.2 to create and maintain a comprehensive local data catalogue, which feeds into a national data catalogue, making data easily discoverable across public administration entities (p. 24 of Annex 2). Accessibility is addressed by the aim to ensure that data is well-managed and readily available for sharing among public authorities, thereby facilitating the provision of services and supporting informed decision-making (pp. 24-25 of Annex 2). The strategy also focuses on interoperability by standardizing metadata work and managing data dictionaries, which enables seamless data exchange and use across various systems and sectors (pp. 38-39 of annex 2). Lastly, the strategy promotes the reusability of data by advocating for the publication of public data as open data and by standardizing data descriptions in measure 1.4.3, thus allowing data to be utilized beyond its initial context and application (p. 39 of Annex 2).

The Strategy also underscores the need to implement the Data Governance Act within the Czech public administration (pp. 5-6 & p. 30 of Annex 2), a move that resonates with the EU's vision for data governance. The strategy prioritizes data sharing among public authorities, advocating for the "data once only" principle (pp. 17-18 of Annex 2), which is a cornerstone of the European Data Strategy. It further aims to ensure data quality, security, and operational efficiency, which are pivotal for reliable data sharing within the EU. Additionally, the strategy includes provisions for training and knowledge exchange to build data competencies (pp. 22-23 of Annex 2), as well as the development of supportive data management tools (p. 24 of Annex 2), both of which are crucial for achieving interoperability and standardization in line with the EU's objectives for a common data space, also featured in the European Data Governance Act.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

² An international coalition of researchers, librarians, publishers and research funders working to reform or enhance the research publishing and communication system.

CZ-C[C1.1]-I[I1]-M[7]: Full operation of the Single Digital Gateway**Related Measure:** C1.1.I1 Digital services for end users**Qualitative Indicator:** Entry into operation of the Single Digital Gateway providing the services to citizens and businesses**Time:** Q4 2023**1. Context:**

The investment aims to increase the number of eGovernment services available through Citizens' and Entrepreneurs' portals and the number of forms pre-filled based on the information stored in the information system in the public administration. The investment simplifies citizens' and businesses' access to more digital public services via a single platform of federated portals and connects the information systems of Czech public administration.

Milestone 7 requires a single platform for citizens and businesses enabling at least the submission of an initial application for admission to a public higher education institution, the application for designation of applicable legislation in accordance with Title II of Regulation (EC) No 883/2004 on the coordination of social security systems, the application for a pension benefits from compulsory schemes, and the application for funding for higher education, for example in the form of a scholarship and loan from a public authority or institution.

Milestone 7 is the first step of the implementation of the investment. It will be followed by milestone 8 related to the completion of new information systems, milestone 9 related to full operation of four information systems and target 10 related to the completion of the listed projects leading to an increase of the number of filled forms sent by natural and legal persons to state authorities in a digital way. The investment has a final expected date for implementation on 31 March 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|---|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Annex 1 – Signed certificates of the completion of works for higher education services | Certificates of the completion of works implementing the Single Digital Gateway (SDG) for initial applications for admission to a public higher education institution and applications for funding for higher education, signed by the contractor and partner higher education institutions and the contractor in accordance with national legislation. |
| 3 | Annex 2 – Links to the web services | List of links to the web service for applying for funding for higher education of each partner higher education institution. |
| 4 | Annex 3 – Acceptance protocol for the delivery of the services | The acceptance protocol for the delivery of the SDG for new functionalities on the ePortal of the CSSA, signed by the contractor and the CSSA in |

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| | for the Czech Social Security Administration (CSSA) | accordance with national legislation on 12 October 2023. |
| 5 | Annex 4 - Contract for the delivery of the services for the CSSA | The contract for the delivery of the SDG for new functionalities on the ePortal of the CSSA, signed by the contractor and the CSSA in accordance with national legislation on 12 June 2023. |
| 6 | Annex 5 - Framework agreement on the development and maintenance CSSA systems | The framework agreement on the development and maintenance of the application software for block support systems ZDV, DMS (ATV), and ATR - III, signed by the contractor and the Czech Social Security Administration in accordance with national legislation on 11 September 2019. |
| 7 | Annex 6 – Print screens of the services listed on the Your Europe website | Print screens of the new SDG services being listed on the Your Europe website, proving that the services are accessible through this platform. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

Entry into operation of the Single Digital Gateway providing services to citizens and businesses

The Single Digital gateway is operational and provides services to citizens and businesses since the electronic services in the fields of higher education and social services have been implemented and made accessible by Czechia via the “Your Europe” portal which serves as the primary access point to the Single Digital Gateway (hereinafter referred to as “SDG”) as operated by the European Commission. This is demonstrated by print screens of the platform’s search results (p. 1 of Annex 6). This has been achieved through the creation of a central electronic directory that guides users directly to the relevant university information systems and their online application platforms. Students can access services which relate to study opportunities across public universities on the website of the relevant public university and from the central directory in both Czech and English (<https://www.sdg2023.cz/> & <https://www.sdg2023.cz/en/>), which are accessible via the SDG.

Furthermore, new electronic services related to social security were introduced to be provided to citizens and businesses electronically via the SDG. The project enables clients to make full submissions without restrictions, including submissions from another country. All new social security services can be accessed through centralised directories hosted on the government’s electronic portal, portal.gov, as evidenced by working links provided throughout this assessment (p. 5 of the Summary document). The services are also accessible via the “Your Europe” platform which serves as the primary access point to the Single Digital Gateway as referenced above.

A single platform for citizens and businesses enabling at least:

(i) submission of an initial application for admission to a public higher education institution; [...]

As evidenced by certificates of the completion of works contained in Annex 1, all 26 public universities in Czechia have implemented the service for submitting an initial electronic application for admission to a public higher education institution. The service is available on the website of the relevant public university and from the central directory of the project in both Czech and English (<https://www.sdg2023.cz/> & <https://www.sdg2023.cz/en/>). The services can be accessed by through the centralised “Your Europe” website (p. 1 of Annex 6).

Under the project to complete the SDG Czechia has created a list covering all public higher education institutions with links that direct prospective students to the respective university's website. Under those links, the students can complete and submit their application (see Annex 2).

[...] (ii) application for designation of applicable legislation in accordance with Title II of Regulation (EC) No 883/2004 on the coordination of social security systems; [...]

The Czech Social Security Administration (herein referred to as "CSSA") has implemented the service "Legislation applicable on-line" which allows users to submit an application for designation of applicable legislation (Annex 3). Users are able to electronically complete three types of requests: a) A joint request from the employee and the employer for the issue of a certificate of affiliation to the social security legislation (SZZVPP); b) Application by a self-employed person for a certificate of affiliation to social security legislation (ZOSVCP), and c) Joint application by employee, employer and self-employed person for a certificate of affiliation to social security legislation (SZZ_OSVC_VPP). The modifications which were necessary to implement this feature were made according to the technical specifications set out in Annex No. 1 of the framework agreement (pp. 37-53 of Annex 5) and began to be implemented based on the contract for the delivery of the new functionalities for the Single Digital Gateway (p. 7 of Annex 4). The service's availability is evidenced by the following link: <https://eportal.cssz.cz/web/portal/-/tiskopisy/szzvpp>.

The service is available on the ePortal CSSA and the back-end applications were made available to internal users of the CSSA at the same time. The output is the specific "issuance of a decision on the applicable legislation", which is available to clients electronically. The service is also linked to the CSSA signpost, which refers to Title II of Regulation (EC) No 883/2004. This is evidenced by the following link: <https://www.cssz.cz/web/cz/koordinace-socialniho-zabezpeceni>.

The list to the CSSA ePortal and back-end applications can be accessed by through the centralised "Your Europe" website (p. 1 of Annex 6).

[...] (iii) application for pension from compulsory schemes; [...]

The CSSA has implemented the service "Online Pension Application" which allows users to submit an electronic application for pension from compulsory schemes, more specifically old-age, invalidity or survivors' pension. Once a user logs into the CSSA ePortal, the available personal data is filled in from the resources of the integrated information system of the CSSA. The modifications which were necessary to implement this feature were made according to the technical specifications set out in Annex No. 1 of the framework agreement (pp. 37-53 of Annex 5) and began to be implemented based on the contract for the delivery of the new functionalities for the Single Digital Gateway (p. 7 of Annex 4).

The availability of the different service to electronically apply for a pension from compulsory schemes is evidenced by the following link to the government ePortal: <https://eportal.cssz.cz/web/portal/-/sluzby/zadost-o-duchod>. Additionally, the services are available through the portal.gov.cz, which is managed by the Ministry of Labour and Social Affairs:

- Old age pension: <https://portal.gov.cz/en/sluzby-vs/starobni-duchod-zadost-vyrizuje-cssz-S82>
- Disability pension: <https://portal.gov.cz/en/sluzby-vs/invalidni-duchod-zadost-vyrizuje-cssz-S83>
- Widow's and widower's pension: <https://portal.gov.cz/en/sluzby-vs/vdovsky-a-vdovecky-duchodzadost-vyrizuje-cssz-S84>

- Orphan's pension: <https://portal.gov.cz/en/sluzby-vs/sirotci-duchod-zadost-vyrizuje-cssz-S101>

Lastly, the services are also already connected to the "Your Europe" website, available for access through the website in section "Social security rights and obligations in the EU, including pensions" (p. 3 of Annex 6).

Based on Declaration by the Czech Republic pursuant to Article 9 of Regulation (EC) No 883/2004, a "pre-retirement benefits" type of service is not available in Czechia. This is therefore not a part of the application.

[...] (iv) application for funding for higher education, for example in the form of a scholarship and loan from a public authority or institution.

As evidenced by certificates of the completion of works contained in Annex 1, all 26 public universities in the Czech Republic have implemented the service for submitting an electronic application for funding for higher education, for example in the form of a scholarship and loan from a public authority or institution.

In order to realise the SDG solution, Czechia implemented the National Citizen Identity Portal (hereinafter referred to as "NIA") on each public university's website for the purpose of user authentication. Before creating an application for funding for higher education, each Czech applicant is identified through the NIA (Annex 2). Foreign applicants must provide a proof of previous studies, which can be done electronically.

The certain form of a scholarship is mandatory service that has been implemented and is available at every public university in the Czech Republic in at least two languages: Czech and English. The service is available on the website of the relevant public university and from the central directory of the project in both Czech and English (<https://www.sdg2023.cz/> & <https://www.sdg2023.cz/en/>). In both cases, the applicant receives an automatic confirmation of receipt and additional instructions. The service is also available through the portal.gov.cz, which is managed by the Ministry of Education. Lastly, the services are also already connected to the "Your Europe" website, available for access through the website (p. 2 of Annex 6).

The milestone is further specified in the Operational Arrangements, which requires that for the purposes of these operational arrangements, the fulfilment of this milestone entails that the services listed in the description of the milestone need to become available to users.

The new online services to obtain all information either on study opportunities or on their social security life situations are provided and accessible to users via the "Your Europe" platform which serves as the primary access point to the Single Digital Gateway. This is evidenced by working links which the Czech authorities have provided, and which are cited throughout this assessment.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C1.1]-I[I1]-M[8]: Completion of new information systems

Related Measure: C1.1.I1. Digital services for end users

Qualitative Indicator: Successful upgrade of existing systems and development of new systems

Time: Q4 2023

1. Context:

The investment concerns implementation of four interconnected projects and aims at increasing the number of eGovernment services available through Citizens' and Entrepreneurs' portals and the number of forms pre-filled based on the information stored in the information system in the public administration. The objective is to simplify access for citizens and business to digital public services via a single platform. As a result, an increased number of digital services shall become available to end-users via a single login platform and the number of pre-filled forms and electronic submission to public administration shall increase.

Milestone 8 requires that new information systems are completed for the following projects: DIP – Information Obligations Database, List of forensic experts and interpreters, Client zone, Creation of registration authority at the Ministry of Interior.

Milestone 8 is the second milestone of the investment, and it follows the completion of the milestone 7 which concerned the full operation of the Single Digital Gateway. It will be followed by milestone 9 related to the entry into operation of the four developed information systems providing access to end-users, and target 10 related to the completion of the listed projects leading to an increase of the number of filled forms sent by natural and legal persons to state authorities in a digital way. The investment has a final expected date for implementation on 31 March 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|--|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Annex 1 - Acceptance protocol of the completion of work on the Information Obligations Database (DIP) | The acceptance protocol order reference no. 116/23/31700 of the completion of work signed by the contractor and the Ministry of Industry and Trade of the Czech Republic on 6 December 2023 in accordance with national legislation, confirming that the DIP was delivered, is functional, and available to end users. |
| 3 | Annex 2 - Transfer and acceptance protocol of the completion of work on the List of forensic experts and interpreters (SEZNAT) | The transfer protocol and acceptance protocol of the completion of work signed by the contractor and the Ministry of Interior of the Czech Republic on 24 November 2022 and 25 November 2023 respectively, in accordance with national legislation, confirming that the information system for searching forensic |

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| | | experts and interpreters was delivered, is functional, and available to end users. |
| 4 | Annex 3 - Analysis of technical specifications for the IT tool for online processing of social benefits | The analysis of technical specifications for the IT tool for online processing of social benefits, dated 12 June 2023, signed by the contractor and the guarantor of the working group of the Czech office for Employment on 22-23 June 2023. |
| 5 | Annex 4 - Acceptance protocol of the completion of work on the IT tool for online processing of social benefits | The acceptance protocol of the completion of work signed by the contractor and the guarantor of the working group of the Czech office for Employment on 12 December 2023, in accordance with national legislation, confirming that the IT tool for online processing of social benefits was delivered, is functional, and available to end users. |
| 6 | Annex 5 - Acceptance protocol of the completion of work on the NCARA application | The acceptance protocol of the completion of work signed by the contractor and the Ministry of Interior of the Czech Republic on 12 December 2023, in accordance with national legislation, confirming that the NCARA application was delivered, is functional, and available to end users. |
| 7 | Annex 6 - Acceptance protocol of the completion of work on the confirming that the 2-factor authentication system | The acceptance protocol of the completion of work signed by the contractor and the Ministry of Interior of the Czech Republic on 12 December 2023, in accordance with national legislation, confirming that the 2-factor authentication system has been delivered, is functional, and available to end users. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

Completion of new information systems for the following projects: DIP – Information Obligations Database, [...]

This newly created system “Information Obligations Database” consists of a database with the information obligations imposed on entrepreneurs, as extracted from the relevant selected legislation in force. The system allows for continuous monitoring of regulatory burden imposed on enterprises and provides information on the form and way of compliance and possible sanctions for non-compliance.

According to the acceptance certificate signed on 6 December 2023 (Annex 1), the system has been made available to end users, which are officials from the relevant state administration.

[...] List of forensic experts and interpreters, [...]

The objective of this project is to create a user-friendly information system which allows searching for court experts and interpreters. The search engine can be used by both the general public and public administration. The system is composed by an internal (non-public) interface, as well as an external (public) one. The internal part allows for data editing by the authorised staff of the Ministry of Justice. The Czech authorities provided the link to the external part of the system: <https://seznat.justice.cz/> as well as the acceptance protocol attesting the project completion, signed by the Ministry of Justice and IT service provider on 24 November 2022 (Annex 2).

[...] Client zone, [...]

The project 'Client zone of the Ministry of Labour and Social Affairs called Jenda' concerns a new IT solution for online processing of social benefits. It simplifies the administrative process for the beneficiaries of social benefits and the administration, moving away from paper-based procedures. The users can fill in the online application forms for social benefits, attach documents, track the status of their application and report changes through the system.

The system has been successfully implemented and deployed in the production environment as attested by the acceptance protocol, attesting the project completion, signed by the Ministry of Labour and Social Affairs and the IT service provider in December 2023 (Annex 4). The authorities also provided the link to the system: <https://jenda.mpsv.cz/>.

[...] Creation of registration authority at the Ministry of Interior.

The project 'Two-factor authentication' concerns the implementation of two-factor authentication procedures, essential for managing IT security risks at the Ministry of Interior. For this project, a system consisting of a web application has been created, which processes the user's data, their certificates, cards, and entitlements to hold different types of certificates.

An additional system has been implemented within the same project, which concerns two-factor authentication card management system. This included the creation of a qualified electronic signature and the use of contactless part of the smart card for access control systems.

The acceptance certificates attesting completion of the works for both parts of the project, signed by the Ministry of Interior and IT service provider in December 2023, have been provided by the Czech authorities (Annex 5 and 6).

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C1.1]-I[I3]-M[13]: Deployment of a new technology platform of the Justice Portal, which shall make digital services available to citizens and shall be connected to the central Citizen's Portal

Related Measure: C1.1.I3.M13 Digital service for justice

Qualitative Indicator: The update and full operation of the Justice Portal with extended functionalities

Time: Q4 2023

1. Context:

The investment has the objective to increase transparency of the national justice system by creating an eJustice portal that meets cybersecurity requirements and provides online services and access to information to end-users. This portal shall be interconnected with the Citizen's Portal.

Milestone 13 shall create a new Justice portal connected to the Citizen's portal. Functionalities and design shall be defined following needs assessment and user surveys. The redesign of justice.cz portal was planned to be implemented in 8 packages of thematically similar sites. Each package was expected to be composed of a user-oriented survey phase and design phase of the content.

Milestone 13 is the first step of the implementation of the investment, and it will be followed by target 14, related to equipping courtrooms with audio-visual data recorders. The investment has a final expected indicative date for implementation on 31 December 2023.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|--|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Annex 1 - Summary report of the needs assessment and user surveys on the eJustice portal | This report was produced by the contractor for the Ministry of Justice of the Czech Republic on 31 January 2024. |
| 3 | Annex 2 - Transfer and acceptance protocols for the analysis for the redesign of the eJustice portal | These protocols were signed by the contractor and the Ministry of Justice of the Czech Republic in accordance with national legislation on 12 and 18 December 2023, and 29 and 31 January 2024 respectively. |
| 4 | Annex 3 - Acceptance protocol for the client testing (T3) of the upgrade of the eJustice portal | This protocol was signed by the contractor and the Ministry of Justice of the Czech Republic in accordance with national legislation on 30 January 2024. |
| 5 | Annex 4 - Analytical report for the support and development of the eJustice portal | This report is dated 20 November 2023. |
| 6 | Annex 5 - Transfer and acceptance protocol for the analysis, platform upgrade, and client testing for the upgrade of the eJustice | These protocols were signed by the contractor and the Ministry of Justice of the Czech Republic in accordance with national legislation |

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| | | on 12 and 18 December 2023, 4, 15, 25 and 30 January 2024. |
| 7 | Annex 6 - Service contract for the support and development of the eJustice portal | This service contract was signed by the contractor and the Ministry of Justice of the Czech Republic in accordance with national legislation on 23 October 2023. |
| 8 | Annex 7 - Attachment to the service contract for the support and development of the eJustice portal | The attachment no. 5 to the service contract sets out the requirements for IT suppliers by the Ministry of Justice of the Czech Republic. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

According to the qualitative indicator description: **The update and full operation of the Justice Portal with extended functionalities.**

The portal <https://justice.cz/> has been updated and is in full operation, which is evidenced by the Annex 5 signed by the contractor and the Ministry of Justice.

Furthermore, in line with the milestone description. **The measure shall create a new Justice portal connected to the Citizen's portal. Furthermore, in line with the description of the measure, this portal shall be interconnected with the Citizen's Portal.**

The Justice portal has been updated as a part of the investment and provides information about the justice system to both professionals and the general public. The acceptance protocol attesting the upgrade of the system has been completed and signed by the Ministry of Justice and the IT contractor on 30 January 2024 and the portal is accessible to the public at the following link: <https://justice.cz/>.

The link to the Citizen's portal allows to easily navigate between the two websites. This requirement is achieved through a hyperlink provided in the top right corner of the website, which allows to easily access the Citizen's portal.

Functionalities and design shall be defined following needs assessment and user surveys.

The project included the needs assessment and users survey which helped to define the necessary changes to the portal. This has been demonstrated by evidence item 2 – report summarising the findings of the needs analysis and user surveys. As a result of the survey, an optimal information architecture was designed and necessary changes to the portal were defined. The portal was divided into eight key areas and a map was proposed to organise the information in a more user-friendly manner.

The redesign of justice.cz portal shall be implemented in 8 packages of thematically similar sites. Each package is expected to be composed of a user-oriented survey phase and design phase of the content.

The analytical report for the support and development of the eJustice portal requests the redesign of the portal to be implemented in 8 packages of thematic similar sites. These packages are: ministry, courts, public prosecution services, other ministerial units, judicial professions, e-services and

infoservices, careers and public procurement. Each of the eight parts of the portal contain the thematically related information, for instance in the “ministry” section one can find the basic information about the organisational structure of the ministry, the contact details, information about legislation, policy regarding conflict of interest and fight against corruption etc. The detailed map of each category is provided in evidence item 2 pages 21-25.

The design of each of the 8 packages has been defined on the basis of user surveys and analysis and it increased the eJustice portal’s accessibility and usability. Thanks to the needs assessment and user surveys, the content redesign deliberately reflects the current expectations of web users.

Furthermore, in line with the description of the measure, the investment has the objective to increase transparency of the national justice system **by creating an eJustice portal that meets cybersecurity requirements and provides online services and access to information to end-users.**

The new eJustice Portal allows to access the information and provides online services, such as InfoDesk, to end users. It also complies with cybersecurity requirements set out by the “Cybersecurity Decree” No. 82/2018 Coll. and the internal requirements of the Ministry of Justice for information systems (Annex 7). The signed service contract stipulates in Chapter 24 that the contractor is in charge of ensuring compliance with the information security principles and security measures in accordance with the Cybersecurity decree and the Ministry’s internal requirements (Annex 6, pp. 30-32).

As part of the platform upgrade, the portal was upgraded to the latest version, which increases its cybersecurity level. The upgrade took into account the future development needs, including transactional part of the portal.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C1.1]-I[I3]-T[14]: Equipment of courtrooms with audio-visual data recorders

Related Measure: C1.1.I3 Digital service for justice

Quantitative Indicator: Number of courtrooms

Baseline: 370

Target: 1100

Time: Q4 2023

1. Context:

The investment has the objective to increase transparency of the national justice system by creating an eJustice portal that meets cybersecurity requirements and provides online services and access to information to end-users. Further increases in transparency and efficiency will be achieved by digitalising the records of court hearings and by equipping court hearing rooms with audio-visual data recorders.

Target 14 requires procurement of audio-visual equipment for courtrooms in order to enable digital recording of hearings and procedures for greater transparency.

Target 14 is the second and last target of the investment, and it follows the completion of milestone 13, related to the update and full operation of the Justice Portal with extended functionalities. The investment has a final expected date for implementation on 31 December 2023.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|--|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Annex 1 - The list of certificates of the completion of works of the installation of new audiovisual equipment | A table containing the list of the certificates of the completion of works of the installation of new audiovisual equipment for 770 courtrooms, listed by the Ministry of Justice of the Czech Republic. |
| 3 | Annex 2 - Certificates of the completion of works of the installation of new audiovisual equipment | Certificates of the completion of works of the installation of new audiovisual equipment for 770 courtrooms, signed by the supplier and the Ministry of Justice of the Czech Republic. |
| 4 | Annex 3 - Detailed orders of the new audio-visual equipment procured for 3 selected courtrooms | Detailed orders of the new audio-visual equipment procured for one large courtroom in the Regional Court of Hradec Kralové, and two small courtrooms in the District Courts of Cheb and Svitavy. |
| 5 | Annex 4 - Detailed orders of the new audio-visual equipment for a sample of 60 courtrooms | Detailed orders of the new audio-visual equipment for a sample of 60 courtrooms (26 September 2024). |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the target.

The measure shall procure audio-visual equipment for courtrooms [...]

The Czech authorities provided the certificate of the completion of works of the installation of new audio-visual equipment for 770 courtrooms in Czechia. The certificates of the completion of works signed by the supplier include the specific individual identification codes of each of the 770 courtrooms sets.

Following the selection of a random sample of 60 units, Czechia submitted inventory cards of the sets of audio-visual equipment, containing the price of each item (Annex 4). The evidence provided for a sample of 60 courtrooms confirmed that this requirement of the target has been met. Each one of the inventory cards submitted as part of the sample contained a courtroom identification code corresponding to a certificate of the completion of works contained within Annex 1, proving that the equipment had been procured and installed.

[...] in order to enable digital recording of hearings and procedures for greater transparency.

Following the selection of a random sample of 60 units, Czechia submitted inventory cards of the sets of audio-visual equipment, containing details about the equipment procured for each courtroom (Annex 4). The evidence provided for a sample of 60 courtrooms confirmed that this requirement of the target has been met. Each one of the inventory cards submitted as part of the sample stated that the courtrooms are fitted with audio-visual recorders such as microphones for secondary recordings, control panels, audio monitors, and information displays of the recordings, proving that it is possible to digitally record hearings and procedures in each courtroom.

Digitalising the records of court hearings increases transparency and efficiency of court hearings by significantly reducing the administrative burden of the court staff as well as the potential for misunderstandings or disputes that may arise from human errors inherent in written transcripts. In addition, digital recordings enable members of the public, media, and legal professionals to observe the justice process even if they cannot attend in person, increasing transparency in the justice system.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C1.2]-I[I2]-T[18]: Contracting the execution of the listed information system projects forming the back-end basis of the information systems' development for public administration

Related Measure: C1.2.I1 Developing and improving individual information systems

Quantitative Indicator: Number

Baseline: 0

Target: 8

Time: Q2 2024

1. Context:

The investment supports projects aiming at updating, improving and connecting back-end age-related information systems, to enable the provision of new and enhanced services to citizens and businesses in the areas of employment policy, social security, medical assessment, statistics, passport and visa and services. These projects shall lead to the development or improvement of at least ten information systems in total.

Target 18 requires contracting the following projects:

1. Centralisation of system for self-employed persons
2. Electronic Exchange of Social Security Information
3. Portal and forms solution of the Ministry of Interior
4. Medical Assessment Service
5. Optimising data repository for social security administration
6. Decision database and judicial anonymizer
7. Central Authentication Point for Czech Statistical Office and the integration of statistical registries into connected data pool
8. Museum Collections information system.

Target 18 is the third target of the investment, and it follows the completion of milestone 15 related to the implementation and operation of the CzechPOINT 2.0 and the CAAIS systems, and milestone 16 related to the successful upgrade and operation of the ePassport system and EVC2 visa system. It will be followed by target 19 related to completing the installation of new or upgraded information systems for public administration, and milestone 17 related to the successful operation of the Integrated Foreigners system. The investment has a final expected date for implementation on 31 March 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|---|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Annex 1_1 - Call for the implementation of the sub-contract to create a new service | Call for the implementation of the sub-contract to create a new service for the settlement of advances in pension insurance premiums for self-employed persons on the ČSSZ ePortal, |

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| | centralising the system for self-employed persons | signed by the implementing body on 5 June 2024. |
| 3 | Annex 1_2 - Framework contract for the development and maintenance of application programming equipment for systems for self-employed persons | The framework contract for the development and maintenance of application programming equipment for the selection of pension insurance premiums for self-employed persons and control activities, signed by the contractor and the implementing body on 28 July 2020. |
| 4 | Annex 1_3 - Sub-contract to create a new service centralising the system for self-employed persons | The sub-contract to create a new service for the settlement of advances in pension insurance premiums for self-employed persons on the ČSSZ ePortal, signed by the contractor and implementing body on 23 July 2024. |
| 5 | Annex 2_1 - Tender specifications for the support and development of the Electronic Exchange of Social Security Information (EESSI) | Tender specifications for the support and development of application software for the area of pension benefits, signed by the implementing authority on 7 October 2021. |
| 6 | Annex 2_2 – 2_3 - Calls for the implementation of the development of EESSI | Calls for the implementation of the development of the application that enables an electronic exchange of social security information – UI3001, signed by the implementing authority on 2 December 2022 and 20 October 2023. |
| 7 | Annex 2_4 - Framework agreement for the support and development of EESSI | The framework agreement for the support and development of application software for the area of pension benefits, signed by the contractor and the implementing authority on 22 December 2021. |
| 8 | Annex 2_5 – 2_6 - Sub-contracts for the implementation of the development of the EESSI | Sub-contracts for the implementation of the development of the application that enables an electronic exchange of social security information – UI3001, signed by the implementing authority on 2 December 2022 and 20 October 2023. |
| 9 | Annex 3_1 - Act 134/2016 Coll. on Public procurement | Act 134/2016 Coll. on Public procurement, adopted by the government of the Czech Republic on 19 April 2016. |
| 10 | Annex 3_2 - Contract for works on the portal and forms solutions of the Ministry of Interior of the Czech Republic | Contract for works on the electronic portal and forms solutions of the Ministry of Interior of the Czech Republic, signed by the contractor and the implementing body on 4 November 2024. |
| 11 | Attachment no. 1 of Annex 3_2 – Technical solution design for the portal and forms solutions of the Ministry of Interior of the Czech Republic | A detailed overview of the technical specifications and design of the Czech Ministry of Interior's electronic portal and forms solution, as described by the contractor in an attachment to the contract for works on the project. |
| 12 | Annex 4_1 - Tender specifications for the support and development of the Medical Assessment Service | Tender specifications for the support and development of application software for insurance benefits, signed by the implementing authority on 16 May 2022. |

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| 13 | Annex 4_2 - Call for a sub-contract to the Framework Agreement for the Medical Assessment Service | Call for a sub-contract to the Framework Agreement for the Support and Development of APVs for insurance benefits – ‘LPS – Medical Assessment Service’ – New LPS module, signed by the implementing body on 19 March 2024. |
| 14 | Annex 4_3 - Framework Agreement for the Support and Development of the Medical Assessment Service | The Framework Agreement for the Support and Development of APVs for insurance benefits, signed by the contractor and the implementing body on 29 September 2022. |
| 15 | Annex 4_4 - Sub-contract for the implementation of the Framework Agreement for the Support and Development of the Medical Assessment Service | Sub-contract for the implementation of the Framework Agreement for the Support and Development of APVs for insurance benefits, signed by the contractor and the implementing body on 31 May 2024. |
| 16 | Annex 5_1 - Tender specifications for optimising the data repository for social security administration | Tender specifications for the provision of management and operational services of the central data repository for social security administration, signed by the implementing body on 17 October 2022. |
| 17 | Annex 5_2 - Contract for the provision of management and operational services of the central data repository | Contract for the provision of management and operational services of the central data repository, signed by the contractor and the implementing body on 21 December 2022. |
| 18 | Annex 6_1 - Tender documentation for an above-threshold public procurement for the Judicial anonymizer and database of decisions | Tender documentation for an above-threshold public procurement for the creation, servicing, and development of the Judicial anonymizer and database of decisions, signed by the implementing body on 20 December 2022. |
| 19 | Annex 6_2 - Contract for works on the judicial decisions and judicial anonymiser | Contract for works on the creation of a database of judicial decisions and judicial anonymiser, signed by the contractor and the implementing body on 7 March 2023. |
| 20 | Annex 7_1 – 7_6 - Calls for tender and terms of reference for the implementation of the central authentication point for the Czech Statistical Office | The calls for tender and terms of reference for the implementation of the central authentication point for the Czech Statistical Office, its implementation and provision of related services and activities, including corresponding annexes. |
| 21 | Annex 7_7 – Annex 7_12 - Contracts for the creation of a central authentication point for the Czech Statistical Office | Contracts for the creation of a central authentication point for the Czech Statistical Office, its implementation and provision of related services and activities, signed by the contractor and the implementing body concluded between December 2021 and May 2024. |
| 22 | Annex 8_1 - Tender documentation for the Museums Collections information system | Tender documentation for the purchase and implementation of solutions for the Museums Collections information system, signed by the implementing body on 8 April 2024. |

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| 23 | Annex 8_2 - Contract for the Museums Collections information system | Contract for the purchase and implementation of solutions for the Museums Collections information system, signed by the contractor and the Moravian Museum on 26 June 2024. |
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3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the target.

The target is being achieved upon contracting the following projects: 1. Centralisation of system for self-employed persons [...]

The project to centralise the system of self-employed persons has been contracted. The contract for the development and maintenance of application programming equipment requires the creation of a new service relating to the calculation of the pension insurance premiums for self-employed persons, including tracking the situation of unpaid insurance, due interests and fines (see page 5, 6 of Annex 1_3).

The project executed by the contract develops the back-end processes of the system for self-employed persons by aggregating and processing data from individual Czech Social Security Administration (CSSA) branches under one centralised platform - CSSA ePortal. This is seen in the specifications for data handling adjustments made through the "APV LOK" system, which outlines how individual branches feed their data into CSSA ePortal, making the data more accessible and uniformly managed (see page 6 of Annex 1_3). Automatic updates to records and calculations by the CSSA further illustrate the centralisation. Individual CSSA branches are tasked with collecting data, but the processing, including the issuance of prepayments and adjustments, is controlled and executed centrally. The new service further ensures standardized data structures across all entities, including tables like "OSVYM_SOUHRN" which is used to summarize annual records for self-employed individuals (see pages 6,7 of Annex 1_3)

Centralisation has a positive impact on the quality of data sources, ensures data consistency, prevents duplication, eliminates errors and strengthens the authority over the system's functionality.

[...] 2. Electronic Exchange of Social Security Information [...]

The project to develop and set up the system of Electronic Exchange of Social Security Information (EESSI) has been contracted, as evidenced by the signing of the sub-contracts for the implementation of the development of the application which enables EESSI (see pages 5 of Annex 2_5 & Annex 2_6).

The works executed by the signing of the sub-contracts will enhance the system's back end functionalities by facilitating integration with foreign pensions and insurance institutions, allowing data exchanges for individuals who have worked or lived abroad (i.e. an individual who has worked in multiple countries within the EU is now able to access their insurance and pension records consolidated through the system for easier calculation and data management). Also, the system includes functionalities for dealing with historical pension data, allowing for corrections and calculations based on past work periods or adjustments for people who were previously exempt from insurance contributions (see Attachment 1 of Annex 2_5). Additionally, the system introduces automated generation of pension request intervals, adding mechanisms for submitting pension claims,

improves the interface to support sending documents in PDF format and tracking of pension-related documentation (see Attachment 1 of Annex 2_6)

The contracts cover the complete adoption of codes from the EU, connecting the pension agenda to EESSI and the provision of further development of EESSI applications, as well as national applications and information systems (see Attachment 1 of Annex 2_5 & Annex 2_6). Electronic processing and archiving of requests for pensions, documents related to insurance, retirement and other benefits, with the capability to calculate contributions and payouts automatically reduces administrative burden and errors. The project is a part of the broader integration of electronic systems in the Czech Social Security Administration (CSSA) and improves the automation, efficiency, and centralization of processes.

[...] 3. Portal and forms solution of the Ministry of Interior [...]

The project to build a portal and forms solution according to Digital Service Rights Act 12/2020 Coll. has been contracted, as evidenced by the signing of the contract of works on the electronic portal and forms solutions of the Ministry of Interior (see page 15 of Annex 3_1).

The portal will significantly enhance user experience through better back-end functionalities. These include pre-filled forms for authenticated users, thereby simplifying the submission process. Furthermore, the portal is designed with a responsive and accessible interface, guiding users through form completion with ease. It integrates with existing systems for efficient data retrieval and submission, ensuring a secure and reliable digital environment through rigorous security testing. The portal's architecture includes robust notification and logging features, complemented by a solid backup and monitoring framework. Post-launch, the portal will continue to evolve, with ongoing service and development to meet the dynamic needs of citizens, thus representing a significant stride in the digital transformation of the Ministry's services (see Attachment no 1 of Annex 3_2).

Compared to the other projects included in the Target, the delivery is not carried out through a public tender procedure. All works were realised by the National Agency for Communication and Information Technology (NAKIT). Therefore, “§11- Vertical cooperation” of the Public Procurement Act regarding MoI and NAKIT cooperation applies, i.e., in the framework of vertical cooperation (see page 4 of Annex 3_2).

[...] 4. Medical Assessment Service [...]

The project of “medical assessment service” leading to the development of a new application for insurance benefits based on the medical assessment service has been contracted, as evidenced by the signing of the sub-contract for the implementation of the Framework Agreement for the Support and Development of APVs for insurance benefits (see page 5 of Annex 4_4).

The contract executes works on the development of the back-end system architecture of the future CSSA environment with an integrated Medical Assessment Service (MAS) module based on the description of the required processes, and work on the development of a new MAS module.

The module will support various processes related to medical assessment and social security benefits. In the area of pension insurance, these include disability pension proceedings, the issuance of a disability assessment for the purpose of a medical examination and providing documents for a judicial review. Secondly, the module will cover non-insurance benefits such as care allowance and providing documents for appeal proceedings. In the area of sickness insurance, the platform will integrate, for

example, reviews of temporary work disability assessments and justifications and the issuance of written consent by physicians for the purpose of sickness insurance. Lastly, persons with health disabilities will be able to use the module to issue an assessment on their health disability and the recognition of their health disability status as well as its withdrawal (pp. 6-9 of Annex 4_4).

[...] 5. Optimising data repository for social security administration [...]

The project to optimise the data repository for the CSSA has been contracted, as evidenced by the signing of the Contract for the provision of management and operational services of the central data repository (see page 30 of Annex 5_2).

The works executed by the signing of the contract concern implementing new back-end processes and functionalities into the data repository for the CSSA. This involves a new multitier environment which will significantly reduce the requirements for processing time, data recovery, and incident resolution. The optimization will be achieved through the use of Oracle technology such as the Oracle DataGuard and involve the integration of these technologies into the environment of the Central Data Repository. The project also implements Optimization of Historical data (OHD) into the repository, supports the migration of the repository's technological infrastructure and draws up a new system architecture that will eventually be implemented into the system as a whole (pp. 16-24 of Annex 5_2).

These steps are meant to reduce the processing time for data transfers, reducing data recovery time in case of incidents which lead to a loss of data, improve the performance and efficiency of the Central Data Repository, and better support the CSSA's business processes.

[...] 6. Decision database and judicial anonymizer [...]

The project to develop and implement back-end application software of an information database of judicial decisions and an anonymiser for the Ministry of Justice and its organizational units has been contracted, as evidenced by the signing of the Contract for works on the creation of a database of judicial decisions and judicial anonymiser (see page 18 of Annex 6_2).

The contracts will execute works on designing judicial database that enables operators to store and manage judicial decisions, including metadata and full-text documents. The database will be searchable and will allow for the retrieval of decisions based on various criteria, such as court, date, and keywords. The judicial anonymiser will be a tool that automatically anonymizes personal data in judicial decisions, such as names, addresses, and dates of birth. The anonymiser will use advanced algorithms and natural language processing techniques to identify and remove personal data from the decisions (pp. 19-36 of Annex 6_2).

Thus, the project will make it possible to ensure the process of judicial publication decisions on the Internet in the database of court decisions with the help of automatic anonymization decisions issued by district, regional and high courts, including the Supreme Court, in all relevant agendas.

[...] 7. Central Authentication Point for Czech Statistical Office and the integration of statistical registries into connected data pool [...]

The execution of works on the project, which consists of developing two systems – the Central Authentication point for the Czech Statistical Office and the integration of statistical registries into a connected data pools – has begun and was contracted, as evidenced by the signing of contracts for the

creation of a central authentication point for the Czech Statistical Office, its implementation and provision of related services and activities (see Annexes 7_7 – 7_12).

The Central Authentical Point will be a portal with several newly developed back-end capabilities, including mediating several authentication options for external users of the Czech Statistical Office's applications on the SIS 5.0 information system. The contract on the Central Authentication Point was signed with supplier NEWPS.CZ, the procurement documentation and contract are part of Annexes 7_1 and 7_7. As part of the gradual integration with SIS 5.0 applications, the Central Authentication Point was connected to the DANTE WEB application in 2023. For this purpose, the contract with Supplier Asseco CE was signed (see page 21 of Annex 7_8). The procurement documentation and contract are part of Annexes 7_2 and 7_8.

The Integration of statistical registries into connected data pool responds to new initiatives in the field of digitization and eGovernment in the Czech Republic, in particular to the construction of a connected data fund, which will serve as the main tool for data exchange within the public administration. The contract on The Integration of statistical registries into connected data pool was signed with supplier BIOS (compilation of a data model), the procurement documentation and contract are part of Annexes 7_3 and 7_9. Operation support, 6 modification and development are part of contract Support and development of the Framework of statistical registers, which was signed with the supplier TESCO SW a.s. – documents are part of annexes 7_4 and 7_10. The decisive part of the implementation of Statistical Registers Framework took place on the basis of the subcontract for the provision of development and support services with supplier Aricoma Digital (Solution element), procurement documentation and contract with Aricoma are part of annexes 7_5 and 7_11. Documents relating to framework agreement for the provision of development and support services SIS 5.0 (with 10 suppliers) are part of annexes 7_6 and 7_12.

[...] 8. Museum Collections information system [...]

The execution of works to modernise the information system for museum collections (ISMUS) has begun and was contracted, as evidenced by the signing of Contract for the purchase and implementation of solutions for the Museum Collections information system (see page 31 of Annex 8_2).

In order to achieve the modernization of the system, a tender was conducted for the supply and implementation of hardware solutions, including a software system and backup capabilities to enhance the system's back-end capabilities (see pages 7-8 of Annex 8_1). This will ensure compatibility with up-to-date technologies and improve the system's performance.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C1.2]-R[R2]-M[27]: Extension of Shared Drug Recording (ePrescription) to narcotics and psychotropic substances and to electronic vouchers for medical devices

Related Measure: C1.2.R2.M27 Developing systems supporting the digitalisation of health

Qualitative Indicator: Functionalities of ePrescription are extended with prescriptions for narcotics and psychotropic substances and with the prescription of medical device vouchers

Time: Q4 2023

1. Context:

The reform shall accelerate and facilitate the creation of a coherent e-health infrastructure, including the stabilisation and standardisation of the healthcare data pool. The measure is divided into several interlinked projects implementing reference registers of Health Service Providers, Health Professionals and Patients, interconnected with eGovernment reference registers. The measure also includes the provision of training programmes to expand the use of eHealth and digital services in the health sector, aimed primarily at healthcare staff.

The existing functionalities of the ePrescription service shall be extended to enable the prescription of narcotics and psychotropic substances and vouchers for the purchase of medical devices.

Milestone 27 is the first step of the implementation of the reform and it will be followed by milestone 28, related to completing projects that consolidate and develop the electronic healthcare infrastructure to create interlinked databases and improve digital healthcare services. The reform has a final expected date for implementation on 31 December 2025.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|--|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Annex 1 - Acceptance protocol for the delivery of the extensions of the ePrescription service | Acceptance protocol for the delivery of the extensions of the ePrescription service signed by the contractor and the Czech Institute for Drug Control in accordance with national legislation on 18 December 2023. |
| 3 | Annex 2 - Link to the statistical data containing information on the ePrescription service | Link to the statistical data containing information on the use cases of the ePrescription service since its expansion, including information on dispensing in pharmacies: https://www.epreskripce.cz/statistika-systemu-erecept . |
| 4 | Annex 3 - Print screens from the ePrescription mobile applications | Print screens from the ePrescription mobile applications, demonstrating the functioning of the expanded service provided by the contractor. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

The existing functionalities of the ePrescription shall be extended by this measure enabling the prescription of narcotics and psychotropic substances [...]

As evidenced by acceptance protocols for the delivery of the extensions of the ePrescription service, the existing electronic prescription system used by end-system suppliers was extended to enable and include prescriptions for narcotics and psychotropic substances, known as "blue stripe" prescriptions (pp. 3-4 of Annex 1).

The ability for users to prescribe and receive prescriptions of narcotics and psychotropic substances meets all functional requirements and adheres to the possibility of authentication through the state electronic identity. At the same time, all web and mobile applications through which the service can be accessed respect the design of the gov.cz system and are also available for patients via the citizen portal and other departmental portals (p. 4 of Annex 1).

The blue stripe prescriptions issued by the doctors using ePrescription are stored in the so-called Central Repository of Electronic Prescriptions (hereinafter referred to as "CÚER"). Each ePrescription is assigned a unique identifier. The pharmacist reads the ePrescription identifier and, if the ePrescription is found in the CÚER, dispenses the prescribed medicine to the patient. At the same time, the information on the dispensing of the medicine is stored in the CÚER (p. 4 of Annex 1).

[...] and vouchers for the purchase of medical devices.

As demonstrated by the acceptance protocol for the delivery for the extensions of the ePrescription service, the ePrescription system was expanded to also include a module for electronic vouchers for the purchase of medical devices. Similarly to the blue stripe prescriptions, a central repository of electronic vouchers was created, including a record of prescribed and issued medical devices. Another module was added to ensure the issuing and recording of electronic vouchers (eVouchers) for medical devices and the electronisation of related processes (p. 3 of Annex 1).

The ability for users to prescribe and receive electronic vouchers for the purchase of medical devices meets all functional requirements and adheres to the possibility of authentication through the state electronic identity. At the same time, all web and mobile applications through which the service can be accessed respect the design of the gov.cz system and are also available for patients via the citizen portal and other departmental portals (p. 4 of Annex 1).

The issuance and storage of electronic vouchers for the purchase of medical devices issued by the doctors work along the same principles as with the ePrescription for narcotics and psychotropics (p. 3 of Annex 1).

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C1.4]-I[I2]-[M250]: Launch of the extended CEDMO hub

Related Measure: C1.4.I2.M250 European Digital Media Observatory Hub (EDMO)

Qualitative Indicator: Signature of grant agreement

Time: Q2 2024

1. Context:

This investment establishes the Central European Digital Media Observatory (CEDMO), a regional institution led by the Charles University in partnership with the Czech Technical University of Prague (ČVUT) and the fact-checking website demagog.cz under the European Digital Media Observatory. This has already been positively assessed under previous payment requests. It is to provide methodological support to tackle disinformation in the digital space, support media literacy and to analyse the impact of disinformation on society and democracy. The last plan revision expanded the activities of CEDMO supported which concerns this milestone assessed.

Milestone 250 requires that grant agreement for the expanded Digital Media Hub as part of the European Digital Media Observatory network shall be signed for three new supported activities.

Milestone 250 is the second milestone of the investment, and it follows the completion of milestone 51. It will be followed by target 52, related to the publication of research result by CEDMO. The investment has a final expected date for implementation by 31 December 2025.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---------------------------|--|
| 1 | Summary document | Summary document duly justifying how the milestone was satisfactorily fulfilled |
| 2 | Annex I - Grant agreement | Grant agreement signed on 2 September 2024 by the representative of the implementing consortium and the Ministry of Industry and Trade as subsidy provider |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

Grant agreement for the expanded Digital Media Hub as part of the EDMO network shall be signed for the three new supported activities. The milestone is further specified in the Operational Arrangements, which requires that for the purposes of these operational arrangements, grant agreement for the expanded Digital Media Hub as part of the EDMO network shall be signed for the three new supported activities.

A grant agreement was signed between the Charles University as leading consortium member and the Ministry of Industry and Trade of the Czech Republic as subsidy provider on 2 September 2024, as demonstrated by Annex I (page 12). The aim of the grant is to support the research and the publication of research results of the Central Digital Media Observatory (hereinafter referred to as "CEDMO"),

which is part of the European Network of Media Observatories hubs (EDMO hubs), which was already established and assessed under previous milestone 51.

As specified in Article 3(3) sub-paragraph 1 of the grant agreement, it supports three new activities of the CEDMO, notably:

- a) AI applications in the digital media ecosystem – threats
- b) Artificial intelligence supporting media recovery and transformation – opportunities
- c) regulating AI journalism – risks

These three activities are new and complementary to the activities, that were envisaged under the initial concluded call constituting the launch of CEDMO assessed under milestone 51. The initial activities of CEDMO included (i) the detection and analysis of the impact on disinformation on the society in Czechia, (ii) improving media literacy and the provision of support to media services and (iii) framework activities supporting the activities (i) and (ii).

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C1.4]-I[I5]-M[55]: Grant agreement signed with the recipient for implementing the use-case for SMEs

Related Measure: C1.4.I5.M55 European Blockchain Services Infrastructure (EBSI) – DLT bonds for SME financing

Qualitative Indicator: Signature of grant agreement

Time: Q4 2023

1. Context:

The measure aims to provide support to the creation of a use-case demonstrating the feasibility and the functioning of a pan-European platform based on Distributed Ledger Technology (DLT) for SME debt financing. The project contributes to enabling SMEs to have easier access to finance, to reduce costs and increase transparency. The use case is planned to be compatible with the European Blockchain Services Infrastructure (EBSI).

Milestone 55 requires the signature of a grant agreement for the implementation of the SME use case.

Milestone 55 is the first step of the implementation of the investment. It is accompanied by target 56 in this payment request, related to support provided to SMEs in order to enable them to offer digital bonds. The investment has a final expected date for implementation on 30 June 2024.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---------------------------|--|
| 1 | Summary document | Summary document duly justifying how the milestone was satisfactorily fulfilled |
| 2 | Annex I - Grant agreement | Grant decision dated 2024 and signed by the Ministry of Industry and Trade and addressed to the Czech Technical University of Prague |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

Grant agreement shall be signed for the implementation of the SME use case.

The Czech authorities provided a copy of the grant decision (Annex I) signed in 2024 by the Ministry of Industry, in its capacity of subsidy provider, and addressed to the Czech Technical University of Prague, in its capacity of recipient and a lead member of the consortium in charge of implementing the SME use-case. In addition, Article 3 of the grant decision stipulates that (i) the objective of the support is to establish a distributed ledger technology (DLT) based platform for SME financing, which constitutes the use case for SMEs and (ii) the solution should be compatible with European Blockchain Services Infrastructure.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C1.4]-I[I5]-T[56]: Number of SMEs enabled to offer digital bonds via EBSI

Related Measure: C1.4.I5. T56 European Blockchain Services Infrastructure (compatible with EBSI) DLT bonds for SME financing

Quantitative Indicator: Number

Baseline: 0

Target: 190

Time: Q2 2024

1. Context:

The measure supports the implementation of a demonstrative use case focused on creation of pan-European (Distributed Ledger Technology) DLT platform for SME debt financing. The project contributes to enabling SMEs easier access to finance, to reducing costs and increasing transparency. The platform is to be created in close cooperation with the European Blockchain Services Infrastructure and is to be compatible with it.

The investment shall be completed by 30 June 2024.

The support shall enable SMEs to offer bonds based on Distributed Ledger Technology, without prejudice to the participating companies' decision on bond issuance.

Target 56 is the second and last target of the investment concerning the completion of the use case and SMEs having been enabled for its use, and it is accompanied by the completion of milestone 55 in this payment request, related to the signature of a grant agreement for the project completion with the beneficiary.

Following the completion of this target, in line with the description of the measure in the Council Implementing Decision, Czechia will connect to the European Blockchain Services Infrastructure when such connection becomes available and will roll-out the production version and expand the platform for wider use. This is a further step of this measure that is not linked to the milestones and targets in the Council Implementing Decision.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|--|
| 1 | Summary document | Summary document duly justifying how the milestone was satisfactorily fulfilled |
| 2 | Annex I – Certificate of completion | Certificate of completion, signed by the representative of the implementing consortium on 30 August 2024, attesting the operability of the platform |
| 3 | Annex II – Certificate of support to SMEs | Certificate of completion, signed by the representative of the implementing consortium on 2 October 2024, attesting that sampled SME benefitted from non-financial support |
| 4 | Annex III – partnership contract | Partnership contract laying down the conditions of cooperation on the project by the consortium |

| | | |
|---|---|--|
| | | members, signed by the members on 20 February 2024 |
| 5 | Annex IV – signed Letters of Intent | Letters of intents signed by SMEs interested in the project attesting that their economic viability and SME status |
| 6 | Annex V – List of SMEs | List of SME supported under the project in the form of non-financial support |
| 7 | Annex VI – Declaration of compatibility | Description of the technological solution including data extracts signed by the implementing consortium on 4 November 2024 |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the target.

190 SMEs enabled to offer digital bonds [...]. The support shall enable SMEs to offer bonds [...], without prejudice to the participating companies' decision on bond issuance.

The target is further specified in the Operational Arrangements, which requires: **For the purposes of these operational arrangements, the number of enabled SMEs means the number of SMEs which received support for the preparation to issue bonds based on DLT and signed a letter of intent to list their newly offered bonds using the EBSI.**

Following the selection of a random sample of 60 units, Czechia submitted a certificate signed by the Czech technical university as lead member of the implementing consortium describing the support given to the sampled SMEs (Annex II). Czechia informed the Commission that (i) two ID numbers included typos and had to be corrected (ID 44827385 and 06105076). The evidence provided for a sample of 60 units confirmed that the requirement of the target has been met by having provided non-financial support to the SMEs support in order to be able to offer bonds based on Distributed Ledger Technology as demonstrated by Annex II (page 1). The form of the support constituted of individual consultations, online consultations, workshops and personal presentations (page 1). In addition, Annex I confirms that all participating companies were provided with access to a pilot version of the platform for bond issuance (page 2 and 6) to be able to test the functionalities.

The participating companies, in coordination with the members of the implementing consortium, confirmed their SME status in the signed letters of intent under Annex IV on the basis of the applicable national legislation and within the meaning of Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises. For the purposes of this assessment the declarations of the 60 sampled SMEs were considered by the Commission, which all include such declaration (page 1 of each letter).

According to the evidence provided, Czechia supported 212 SMEs in the form of non-financial support such as individual consultations and workshop and provided access to all participating SMEs to a pilot version of the platform for bond issuance. Therefore, Czechia has enabled 212 SMEs to offer digital bonds as specified in the Operational Arrangements, thus exceeding the goal of Target 56 (the target under assessment) by 22.

Furthermore, in line with the description of the measure, **the measure shall support the implementation of a use case focused on creation of pan-European (Distributed Ledger Technology) DLT bond platform [...]**

The certificate of operability, issued by the Ministry of Industry and signed by the Czech technical University as member of the implementing consortium on 30 August 2024, confirms that the use case

was successfully implemented and demonstrates the functioning of a platform for issuing securities including bonds (Annex I, pages 1-2). In particular, the certificate list the nodes and node operators creating and operating the DLT network and includes data extracts presenting the performance of the nodes in operation and the successful transaction of bond representing token issuance (pages 3-5).

Furthermore, the pan-European focus of the use case is demonstrated by the partnership contract laying down the conditions of cooperation on the project by the consortium members (Annex III), signed on 20 February 2024 by the members of the implementing consortium, which are from several member states of the EU notably Czechia, Slovakia, Bulgaria, Greece, Spain and Poland (pages 1-4). In addition, Annex II confirms that all the supported SMEs sampled operate in Czechia, Slovakia, Bulgaria, Greece, Spain or Poland.

Furthermore, in line with the description of the measure, **the project shall contribute to enabling SMEs easier access to finance, to reducing costs and increasing transparency and shall be compatible with EBSI.**

The project contributes to enabling SMEs' easier access to finance by demonstrating an alternative new method for issuing securities and for reaching potential investors in a decentralised manner (Annex I pages 3-5) and by training participating SMEs and involving them in testing this environment (page 6). The project also contributes to enable SME's reducing costs and increase transparency by providing non-financial support in the form of consultations and advisory services to participating SMEs as demonstrated by Annex II (page 1) and by supporting the creation a decentralised system of node operators to record the potential transactions and operating the network (Annex I, page 3-5).

Lastly, the project is compatible with the technological solution of EBSI, notably HyperLedger Besu, as such compatibility was confirmed by the declaration and data extracts signed by the lead consortium member on behalf of the consortium developing the use case and operating the nodes of the DLT platform (Annex VI, pages 1-4).

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C1.4]-I[I7]-M[59]: Support of projects aiming at innovation in medical and digital solutions to cope with the effects of COVID-19 and with its economic and social consequences

Related Measure: C1.4.I7 Czech Rise-Up programme

Quantitative Indicator: Number

Baseline: 0

Target: 30

Time: Q4 2023

1. Context:

The measure aims to tackle the economic and social impact of the pandemic through two separate calls for projects. The first call shall be open to project proposals aiming at COVID-related medical research and development projects. The second call shall be open to projects aiming at digital technological solutions to cope with the consequences of the COVID crisis.

The target concerns the completion of projects aiming to innovate in medical research and digital solutions to cope with the effects of COVID-19 and with its economic and social consequences of the pandemic.

Target 59 is the only target of this investment. The investment has a final expected date for implementation by 31 December 2023.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|--|
| 1 | Summary document | Summary document duly justifying how the milestone was satisfactorily fulfilled |
| 2 | Annex I – Copies of the Calls for applications for medical research and for digital transformation of businesses | Copies of the published calls for applications aiming to support projects focusing on the digital transformation of businesses and medical research, as published on the website of the Ministry of Industry and Trade on 11 October 2022 and on 5 September 2022 respectively |
| 3 | Annex II – table of supported projects | A list of projects with unique identifiers supported under the two separate calls |
| 4 | Annex III – Grant decisions | Individual grant decisions signed for the support of 63 projects |
| 5 | Annex IV – Final reports | Final reports of the supported projects as submitted by the beneficiaries |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the target.

Support to COVID related medical research projects and in developing projects, [...]. Furthermore, in line with the description of the measure, the Czech 'Rise-Up' programme shall tackle the economic and social impact of the pandemic and it shall include two separate calls for projects: the first call shall be open to project proposals aiming at COVID-related medical research and development projects, which have reached the maturity of near-completion, certification or legal protection.

Czechia provided evidence that the first call targeted supporting medical research and projects. The objective of the first published call for "Research medical solutions at a time of digitalisation" (published on 5 September 2022) was to support projects for the completion of medical solutions with a focus on digital solutions (Annex I, page 2, section A). The call was addressed to SMEs and research organisations and with an indicative aim for project completion by 30 September 2023 (Annex I, page 1). Three projects were successfully financed under this call aiming to support COVID related medical research and developing projects including (i) virtual reality solutions for medical training such as simulating the delivery of information to COVID patients and their relatives, (ii) research on the microbiome of post-COVID patients using digital tools and (iii) digitalisation of production and development of ddh nucleoside-markers of viral infections and digitalisation of research record keeping. These are confirmed by the project completion reports (Annex IV - IDENT002; IDENT003; IDENT008).

Furthermore, the first call for application (Annex I - Research medical solutions at a time of digitalisation) included specific eligibility criteria for the activities supported, limiting the projects to advanced development stages, notably: the *completion of* industrial research, experimental development, clinical research phase, validation of patents and similar intangible assets, conformity assessment and certification (page 2, section C). The call also included a list of eligible expenditures including the costs of patenting, costs of certifications and costs of clinical research stages (page 5, Section H). The maturity of the projects is also supported by the limited period of one year that was available for the completion of the projects between the date of the publication of the call (6 September 2022) and the deadline for project completion indicated in the published call (30 September 2023) (Annex I - Research medical solutions at a time of digitalisation, page 1).

[...] and projects aiming at digital solutions to cope with the economic and social consequences of the crisis. Furthermore, in line with the description of the measure, the second call shall be open to projects aiming at digital technological solutions to cope with the economic and social consequences of the COVID crisis, in particular in the fields of health, education, audio-visual sector, digital transformation of traditional businesses and sectors.

The evidenced second call for application (Annex I – Advice for the digital transformation of businesses, published on 11 October 2022) had the objective of the call is to support the provision of technical advice in the field of digital transformation in order to increase the digital standard of SMEs, increase their competitiveness and to help address the economic and social consequences of the COVID crisis (page 2, section A). According to the call the indicative time for completion of the projects was 30 September 2030 and the targeted group of recipients were SMEs (page 1). Czechia provided 60 completion reports, one per supported project under this second call, which demonstrate that the projects aimed at increasing the level of digitalisation of the final recipients. These projects mostly entailed technical assistance and consultations for mapping the digitalisation potential of companies, digitalisation of internal processes of finance and logistics, digitalisation of costumer care, training of staff and for identifying or testing or piloting the right technical solutions. Each of these projects aimed to address either economic or social consequences as their objective was to increase efficiency of companies, make the business more resilient in times of remote working or increase the cybersecurity of beneficiaries.

These completion reports also confirmed that each of the projects supported fell into the category of digital transformation of traditional businesses and sectors and also included projects in the domain

of health such as digitalisation of process, customer or record management of companies active in the field of fertility treatments, eHealth advisory, rehabilitation and physiotherapy (see Annex IV – IDENT132; IDENT 118; IDENT 160; IDENT 166; IDENT 185), education such online trainings and digital educational materials (see e.g. Annex IV – IDENT002; IDENT125; IDENT 161), the audio-visual sector such as social media and advertising solutions (e.g. Annex IV – IDENT107; IDENT109; IDENT111) and other traditional business activities.

According to the evidence provided, Czechia completed 63 projects overall supported by the two calls. Czechia supported the completion of three projects focusing on medical research under the first call and 60 under the second call aiming to support digital solutions to cope with the economic and social consequences of the pandemic. Therefore, Czechia has completed 63 projects, thus exceeding the goal of Target 59 (the target under assessment) by 33.

[...] in a form of de minimis grant support.

The two published calls define in section G (Annex I) the form of the support provided as ex-post grant under the de minimis aid scheme. Furthermore, each grant decision references de minimis as the form of the provided grant support (see page 1 of each decision under Annex III).

Award of the contracts to the projects selected under the competitive calls for proposals mentioned in this target shall be, in compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.

The two published calls were competitive as they were open to all SMEs (and research organisations for the first call) complying with standard criteria and they were both openly published as demonstrated by Annex I and by the publication on the website (<https://www.mpo.cz/cz/podnikani/dotace-a-podpora-podnikani/program-czech-rise-up-3-0/narodni-plan-obnovy-vyzva-pro-predkladani-zadosti-czech-rise-up-3-0-vyzkum-medicinskich-reseni-v-dobe-digitalizace--269655/> and <https://www.mpo.cz/cz/podnikani/dotace-a-podpora-podnikani/program-czech-rise-up-3-0/narodni-plan-obnovy-poradenstvi-pro-digitalni-transformaci-podniku--270326/> - accessed on 14 October 2024). The first call was open from 12 September until 17 October 2022 and the successful projects were selected by the Programme Board following the consultation of external experts taking into account the ranking criteria (Annex I - Research medical solutions at a time of digitalisation, page 1 and page 8, Section K). The second call was open from 11 October 2022 until 31 March 2023 or until the allocation is exhausted. The successful projects were awarded positive grant decision on a rolling basis by the Programme Board if they met the conditions as defined by the call (Annex I - Advice for the digital transformation of businesses, Section K).

Lastly, both calls include (i) the obligation for the applicants to comply with the DNSH principle (Annex I, section F), (ii) annexes to the calls (complementing Annex I, section J on the content of the applications) on the website of the publications (<https://www.mpo.cz/cz/podnikani/dotace-a-podpora-podnikani/program-czech-rise-up-3-0/narodni-plan-obnovy-vyzva-pro-predkladani-zadosti-czech-rise-up-3-0-vyzkum-medicinskich-reseni-v-dobe-digitalizace--269655/> and <https://www.mpo.cz/cz/podnikani/dotace-a-podpora-podnikani/program-czech-rise-up-3-0/narodni-plan-obnovy-vyzva-pro-predkladani-zadosti-czech-rise-up-3-0-poradenstvi-pro-digitalni-transformaci-podniku--270326/>) requesting the applicant to demonstrate the compliance of their project proposals with the DNSH principle as per Article 2 of Regulation (EU) 2019/2088 as amended by Regulation (EU) 2020/852, (iii) a list of non-eligible expenditures such as the ones that are not DNSH compliant (Annex I, section H) and (iv) an obligation for proof of compliance with the DNSH principle of the completed project upon the submission of a request for payment (Annex I, section L). Moreover, (v) the supported projects concerned medical research, advisory services and IT solutions and in particular advisory services which by their nature do no significant harm to the

environment and (vi) the compliance with the DNSH principle was confirmed for all the 63 supported project by the final recipients in the completion reports submitted for each project (see Annex IV).

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C1.4]-I[I11]-M[64]: Launch of the digital regulatory sandbox

Related Measure: C1.4.I11.M64 Regulatory sandboxes in line with EU priorities

Qualitative Indicator: Set-up of the sandbox in the priority regulated areas, such as fintech (based on Digital Finance Package) Distributed Ledger Technology (DLT)

Time: Q2 2024

1. Context:

This investment consists of the launch and initial operation of a regulatory sandbox focusing on digitalisation. The aim of the sandbox is to provide adequate technical and regulatory environment to companies for testing new technologies such as fintech solutions.

Milestone 64 requires that the digital regulator sandbox with a pilot focus in the field of fintech and digital ledger technology (DLT) is active and operating when innovative companies are able to submit their applications for testing projects and products.

Milestone 64 is the first step of the implementation of the investment and it will be followed by target 65, related to selected companies receiving support in the sandbox. The investment has a final expected date for implementation by 30 June 2025.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|--|
| 1 | Summary document | Summary document duly justifying how the milestone was satisfactorily fulfilled |
| 2 | Annex I - Acceptance protocol and its annexes (1-6) | Acceptance protocol signed on 15 June 2024 by the Ministry of Industry and Trade as competent authority and CzechInvest as contractor implementing the regulatory sandbox. |
| 3 | Link to the website of the sandbox (accessed on 10 October 2024) | https://fintechsandbox.cz/ website available for participants to register and apply for support services provided by the sandbox |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

Digital regulator sandbox with pilot focus in the field of fintech and DLT [...]

As evidenced in Annex 4 to the acceptance protocol on project selection and evaluation criteria (Annex I), the main subjects of the digital regulatory sandbox are fintech and Distributed Ledger Technology (DLT) projects. The digital regulatory sandbox provides a service to SMEs to support their development in an innovative area for example by consulting experts or representatives or regulatory institutions, thus requiring relevant experience from the sandbox experts in these two domains (page 2). In

addition, the functioning website (<https://fintechsandbox.cz/en/registration/>) of the sandbox allows the applicants to choose between fintech and DLT as designated categories in the application process.

[...] shall be considered to be active and operating when innovative companies are able to submit their applications for testing projects and products.

The website of the sandbox enables companies to submit their applications for testing projects and products. This registration process is online and functional (see <https://fintechsandbox.cz/en/registration/>). The registration process also requires innovative companies to present their future product or service, which are to be assessed for uniqueness and innovativeness as well, according to the same website.

Furthermore, in line with the description of the measure, the sandbox shall be established in cooperation with the relevant authorities, regulators and partners of the respective sector [...]

The submitted evidence as detailed below demonstrates that relevant authorities, regulators and partners are represented and participate in the governance structure of the sandbox. In particular, Annex 1 to the acceptance protocol (Annex I) describes the roles and responsibilities of the Sandbox Advisory Board (page 2), which consists of representatives and experts of the Czech Central Bank, Ministry of Finance, Financial Analytical Office, Ministry of Industry and Trade and of CzechInvest. In addition, experts of the Czech Central Bank, Ministry of Finance, Financial Analytical Office are also invited and have the right to participate at the meeting of the Committee in charge evaluating and selecting the applications received, as presented by Annex 4 (pages 1-2) of the acceptance protocol (Annex I). Lastly, the testing process also envisages regular consultations with experts from the Central Bank, Ministry of Finance, Financial Analytical Office as laid out in Annex 5 (page 2) of the acceptance protocol (Annex I).

Furthermore, in line with the description of the measure, [the sandbox] shall be accessible for SMEs and start-ups as well as for other companies.

The sandbox is available to SMEs and start-ups in particular as well as to other companies and individuals. This is demonstrated by the registration process of the application (<https://fintechsandbox.cz/registrace/>) that allows applicants to register their projects on behalf of either a legal entity or a natural person. Furthermore, the evaluation criteria of the Selection Committee take into account the fulfilment of SME status according to the definition laid down in the Annex I of the General Block Exemption Regulation (Commission Regulation (EU) No 651/2014 of 17 June 2014). Such criteria are taken into account for the evaluation and selection of applications as demonstrated by the evaluation process set in Annex 4 (pages 4-5) to the acceptance protocol (submitted under Annex I).

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C1.7]-I[I2]-M[256]: Setting up the working groups

Related Measure: C1.7.I2. Improvement of the management system for digitalised services

Qualitative Indicator: Working groups established

Time: Q2 2024

1. Context:

The objective of the investment is to optimise, reform and better manage the delivery of digitalised services, including their capacity planning and communication of information to public administration clients. The investment aims at improving the management of digitalised public administration services and shall be implemented also by establishing two working groups overseeing the cloud computing projects and public procurement processes for digitalisation in public administration.

Milestone 256 requires that two working groups within the Government Council for the Information Society – the Cloud Computing Working Group and the Public Procurement Working Group – are established.

Milestone 256 is the first step of the implementation of the investment and it will be followed by milestone 258, related to updating ICT governance in public administration. The investment has a final expected date for implementation on 30 June 2024.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|--|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Annex 1 – Government resolution no. 16494/2024 establishing the working groups | A copy of the government resolution establishing the working groups, signed by the Deputy Prime Minister for Digitalization, in accordance with national legislation, on 30 April 2024. |
| 3 | Annex 2 – Statutes and rules of procedure for the Cloud Computing working group | A copy of the statutes and rules of procedure of the Cloud Computing Working Group, signed by the Deputy Prime Minister for Digitalization, in accordance with national legislation, on 2 May 2024. |
| 4 | Annex 3 – Statutes and rules of procedure for the Public Procurement working group | A copy of the statutes and rules of procedure of the Public Procurement Working Group, signed by the Deputy Prime Minister for Digitalization, in accordance with national legislation, on 2 May 2024. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

The following working groups shall be established within the Government Council for the Information Society

1. The Cloud Computing Working Group

On 30 April 2024, the Cloud Computing Working Group was established within the Government Council for the Information Society under the Committee on the Information Concept of the Czech Republic as per the Government resolution No. 16494/2024 establishing the working groups, signed by the Deputy Prime Minister for Digitalization. The government resolution also appoints the chairman and adopts the working group's statutes and rules of procedure in its Annex 2.

The main activity of the working group is to deal with updates to the eGovernment Cloud Building Programme, preparing a capacity plan for the State Cloud, and discussing strategies for state cloud computing, among other responsibilities (Annex 2, art. 2).

2. The Public Procurement Working Group

On 30 April 2024, the Public Procurement Working Group was established within the Government Council for the Information Society under the Committee on the Information Concept of the Czech Republic as per the Government resolution No. 16494/2024 establishing the working groups, signed by the Deputy Prime Minister for Digitalization. The government resolution also appoints the chairwoman and adopts the working group's statutes and rules of procedure in its Annex 1.

The main activity of the working group is to establish contractual standards for the procurement and management of IT systems, including aspects such as copyright protection, data migration, and cybersecurity (Annex 3, art. 2).

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C2.1]-R[R1]-M[79]: Approval and entry into force of the new Freight Transport Concept

Related Measure: CZ-C[C2.1]-R[R1]-M[79]: Creating alternatives to energy and space-intensive road transport

Qualitative Indicator: Approval by the government

Time: Q4 2023

1. Context:

The aim of this reform is to promote greater use of more energy-efficient modes of transport for regular and heavy transport flows.

Milestone 79 concerns the adoption of the concept of freight transport by the Czech Government, focusing on supporting multimodal transport, improving freight transport services and reducing the impact of freight transport on the environment, public health and global climate change.

Milestone 79 is the second milestone of the reform, and it will be followed by the completion of milestone 78. It is followed by milestones 80, submitted under this payment request, which is related to the adoption of public transport plans by Czech cities and regions. The reform has a final expected date for implementation on 31 December 2025.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|---|
| 1 | Summary document | Summary document duly justifying how the milestone was satisfactorily fulfilled |
| 2 | Annex 1a Copy of the Freight Transport Concept 2024-2035 | It is approved of 20 December 2023 by the below resolution. A link to the website where it can be accessed was also provided https://www.mdcz.cz/Dokumenty/Strategie/KONCEPCE-NAKLADNI-DOPRAVY-PRO-OBDOB-2024-2035?returl=/Dokumenty/Strategie . |
| 3 | Annex 1b Copy of the Government Resolution No 1006/2023 of 20 December 2023 | The Government Resolution approves the Freight Transport Concept. |
| 4 | Annex 1c Analytical analysis | This internal analysis underpins the Concept and is also dated 20 December 2023 |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities covers all constitutive elements of the target.

Approval and entry into force of the new Freight Transport Concept

The qualitative indicator requires that the Freight Transport Concept is approved by the government, while the description of the measure specifies that this shall be done by resolution of the Czech

Government (see below). The name of the milestone requires the approval and entry into force of the new Freight Transport Concept.

This Concept was approved by a Resolution No 1006/2023 of the Government of the Czech Republic on 20 December 2023 regarding Freight Transport Concept for the period 2024-2035, a binding executive act issued in line with Article 76 of the Constitution.

The Council Implementing Decision in the title of the milestone states that the Freight Transport Concept is approved and enters into force. The Council Implementing Decision also states in the qualitative indicator, the milestone description, and the measure description that the Freight Transport Concept shall be approved by the Government as a Resolution. In light of the contextual interpretation of this requirement from the Council Implementing Decision, this requirement is interpreted as not necessitating an entry into force of the measure, but solely the adoption of the Freight Transport Concept by Government Resolution. According to Article 76 of the Constitution of the Czech Republic, the Government adopts resolutions by simple majority, which take immediate effect on the date they are signed, unless it is provided otherwise. As explained above, such Resolution was adopted by the Government on 20 December 2023, and took immediate effect on the same date. This interpretation does not prejudice the scope and the substantive content of the Freight Transport Concept, as the adoption of the Freight Transport Concept through a Government Resolution was done in line with the requirements of the national legislation of Czechia and in accordance with Czechia's Recovery and Resilience Plan. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

The government shall approve the new Freight Transport Concept, [...]. Furthermore, in line with the description of the measure, the concept of freight transport, [...], shall be approved **by a resolution of the Government of the Czech Republic by 31 December 2023.**

As evidenced by Annex 1a and 1b, the government adopted the Freight Transport Concept through "Government resolution of 20 December 2023 nr. 1006 regarding Freight Transport Concept for the period 2024-2035, on 20 December 2023. As noted above, Resolutions of the Government are binding measures, and in the case of this Resolution, section 2 provides for legal effect on Government ministries to implement the goals of the said Concept. This means the legal effect is produced as of the date of the adoption of the Resolution. This document is publicly available at the link to the website of the Ministry of Transport.

...which shall set the conditions for increasing the share of rail freight transport in the total volume of transport for the period 2024-2030.

As demonstrated in Annex 1a, the Freight Transport Concept sets out conditions, goals and actions necessary to increase the share of rail freight in total volumes of transport for the period of 2024 to 2035, which is in line with the milestone requirements of requiring that the Concept focuses on the period of 2024 to 2030. It does so while reflecting the EU legislative and policy framework focused on increasing the share of rail freight transport (see section 1.1), as well as national policy framework, as further developed in sections 1.2.1 to 1.2.3.

The Concept sets a prerequisite condition for increasing share of rail freight transport on the basis of using intramodality for long distance transport. This aims at reducing the use of road transport for long distance freight and increasing the share of rail freight transport. The Concept's measures on intermodality will be discussed below in the section on supporting intramodality.

As evidenced by section 2.3.1, the Freight Transport Concept seeks to increase the total volumes of rail freight both in short to medium term (by 2030), with operational measures and infrastructure investment being key. The short-term operational measures include increased efficiency of the use of congested or overused track sections of overused track sections that are part of freight corridors, such as through the introduction of the Timetabling and Capacity Redesign for Smart Capacity Management (TTR) regime with the introduction of regular time slots for each train segment (passenger long-distance, passenger regional, cargo).

The medium-term measures include an increased capacity of the most overused and congested sections, such as at Kolín – Choceň by adding double track, modernising track Velký Osek – Hradec Králové – Choceň. Rapid construction of additional rail capacity on rail line Přerov – Ostrava was identified as one of key priorities to increase rail freight.

The concept shall focus on supporting multimodal transport, improving freight transport services and reducing the impact of freight transport on the environment, public health and global climate change.

In line with the Council Implementing Decision, it is demonstrated that the Freight Transport Concept submitted under Annex 1a integrates the focus on multimodality as a means to improve freight transport services, while reducing the impact of freight transport on the environment, public health and climate.

The focus on multimodal transport is a horizontal theme across the Concept and an overarching goal of the Concept (see page 27 of the Annex 1a). The Concept (Annex 1a) also concretely tackles this issue in section 2.3 titled *A multimodal approach to transport*, and especially section 2.3.2 *on multimodality and the first and last mile*. It is equally addressed in the analytical underpinning the Concept (Annex 1b).

Among others, the Concept underscores the need to build multimodal freight terminals in line with the EU Transport Network for Transport (TEN-T) Regulation targets, improving the freight loading and unloading points, sorting stations, individual wagon shipments. Moreover, the Concept sets goals of modernising existing and supporting the creation of new transshipment points for combined transport.

The requirement related to the reduction of the negative impact of utilisation, or so-called negative externalities, of freight transport on the environment is addressed both as an overarching goal of the Concept (see page 27 of the Annex 1a), as well more directly in sections 2.1 and through financing measures in section 2.2.

To provide some examples of measures noted in sections 2.1 and 2.2, the Concept that notes several key goals have to be taken into account both in short and medium terms to help incentive a shift of freight volumes away from road transport to rail. This modal shift which would thus result in cutting both pollutant and greenhouse gas emissions of freight transport. The Concept argues that this can be reached through goals such as multimodality, cooperation and complementarity between different modes of transport, increasing the energy efficiency through technical innovations, and in the short-term tackling low-laying fruits by increasing the quality and attractiveness of rail transport as means of transporting freight.

The Concept notes that meeting these goals will be done organically by promoting multimodal infrastructure (see sections above), counting and potentially taxing energy intensity of freight transport, and using private and public investments to develop necessary infrastructure and clean vehicles. For instance, as to the financing measures, the Concept calls for public and private investments and development of public transport infrastructure, especially railways and multimodal

freight terminals, promoting the use of active mobility services for last mile deliveries (e.g. cargo e-bikes), and promoting zero and low-emission freight vehicles (trucks and vans).

This requirement related to the reduction of the impact of freight transport on public health reflects the current state of play in Czechia, where most of freight is transported by road transport, which has high health externalities (negative health impacts of use of transport). As section 2.1.3. points out (Annex 1a), the modal shift towards rail freight transport in the medium term and long term is going to improve public health by reducing air pollution. Therefore, measures mentioned above in the section on reducing emissions are equally applicable for this milestone requirement, as reducing pollutant emission via modal shift, supporting the uptake of active mobility, and promoting zero and low emission freight vehicles are means of reducing the negative impact on public health of this sector.

The improvement on public health is also defined as a horizontal priority (page 4 of Annex 1a).

4. Commission Preliminary Assessment: Satisfactory fulfilled

CZ-C[C2.1]-R[R1]-M[80]: Approval of the transport service plans

Related Measure: CZ-C[C2.1]-R[R1]: Creating alternatives to energy and space-intensive road transport

Qualitative Indicator: Approval by the operators of public transport

Time: Q4 2023

1. Context:

The aim of this reform is to promote greater use of more energy-efficient modes of transport, both in passenger and freight mobility.

Milestone 80 concerns the adoption five-year transport services plans by the Czech state, the regions of Czechia, and Czech cities, based on Czechia Public Transport Concept.

Milestone 80 is the third milestone of the reform, and it follows the completion of milestone 78. It will be followed by milestones 81 related to promoting active transport (cycling). The reform has a final expected date for implementation on 31 December 2025.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|---|
| 1 | Summary document | Summary document duly justifying how the milestone was satisfactorily fulfilled |
| 2 | Annex 1a List of 101 cities | List of 101 cities and their five-year transport service plan and links to the websites where they can be accessed. |
| 3 | Annex 1b Five-year plans adopted between 2017 and 2024 | Copies of the approved five-year transport service plans by 101 cities. |
| 4 | Annex 2a Public Transport Concept 2020-2025 with a view to 2030, published on 12 October 2020. | Copy of the <i>Public Transport Concept</i> , adopted by the Czech Government on 12 October 2020, link: https://www.mdcr.cz/Dokumenty/Verejna-doprava/Pravni-predpisy/Zelena-a-bila-kniha-koncepcie-verejne-dopravy?returl=/Dokumenty/Verejna-doprava/Pravni-predpisy ; |
| 5 | Annex 2b Government Resolution No. 1008/2020 adopting the Public Transport Concept | Government Resolution Nr 1008/2020 adopting the Public Transport Concept 2020-2025, with a view to year 2030, adopted on 12 October 2020. |
| 6 | Annex 3 Document by Ministry of Transport confirming the compliance of the city public transport plans with law | Document issued by Ministry of Transport confirming that the city and regional service plans are based on the Public Transport Concept, dated on 2 October 2024. |
| 7 | Annex 4a A list of Government five-year transport service plan | A list of the Government five-year transport service plan for rail and regional five-year |

| | | |
|---|--|---|
| | | transport service plans, and links to the websites where they can be accessed. |
| 8 | Annex 4b Approved plans by regions and the Government, adopted between 2020 and 2024 | Copies of the approved five-year transport service plans by the Government and Czechia's regions. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities covers all constitutive elements of the target.

All operators of public transport (state, regions and cities operating public transport) shall approve a five-year transport service plan by 31 December 2023 [...]

The Council Implementing Decision requires that all operators of public transport (state, regions and cities operating public transport) shall approve a five-year transport service plan by 31 December 2023. In total 115 out of 116 five-year plans were adopted after 1 February 2020. The evidence in Annexes 1b and Annex 4b provides all the adopted five-year plans for each city, region, and also for the Czech state. As evidenced by Annex 1a, covering a list of cities and Annex 4a covering state and the regions, 101 city plans, the Czech state's plan, and 14 regional five-year transport service plans were adopted. The plan of the city of Český Krumlov was adopted in 2017, thus before 1 February 2020 as required by the RRF Regulation, and a new version has not been adopted yet.

The Council Implementing Decision required that all five-year plans are adopted by 31 December 2023. As evidenced by Annexes 1a, 1b, 4a, and 4b, 14 out of 101 city plans and 2 out of 14 of the regional plans were adopted after 31 December 2023. The Czech authorities adopted the remaining plans between 25 January 2024 and 27 August 2024. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, this does not change the nature of the measure and does not affect the progress towards the goals of measure. With the adoption of all but one the five-year plans, Czechia has ensured the promotion of greater use of more energy-efficient modes of transport for regular and heavy transport flows. Furthermore, all aforementioned plans were adopted at the time of the assessment. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

[...] five-year transport service plans [...] are based on the government-approved Public Transport Concept.

Czechia provided the text of the Public Transport Concept approved by the Czech Government as Annex 2a, the Resolution of the Government Nr 1008/2020 the Public Transport Concept 2020-2025, with a view to year 2030, adopted on 12 October 2020.

Article 4a of Act 194/2010 on Public Services in Passenger Transport and Amendment of Other Acts establishes the requirement that the adopted five-year transport plans are based on the latest Public Transport Concept, and provides that each public transport plan is to be made compliant with the latest Public Transport Concept within a year of the Concept's publication. On this basis, and in line with the above justifications, the latest Public Transport Concept on which the five-year transport

service plans are to be based is the Public Transport Concept adopted on 12 October 2020. Furthermore, an assessment of the plans shows compliance with the goals of the Public Transport Concept, in particular with Chapter 4 of the Concept on the basic framework for cooperation between the state, regions and municipalities in ensuring transport services. Notably, in line with the Public Transport Concept, the five year plans contain: a) descriptions of the public passenger transport services provided, b) the expected scope of compensation provided, c) the timetables for concluding public service contracts and procedure for concluding such contracts, d) the timetables and method of integration, if contracting authorities participate in the organisation of integrated public passenger transport services, e) the maximum passenger tariffs, if they are to be set by the contracting authority, and f) other data relating to the financing and cost-effective provision of public passenger transport services set out in directly applicable European Union legislation.

Of the total of 101 city plans, one state plan, and 14 regional plans, all but one of the transport service plans were adopted after the adoption of the 2020 Public Transport Concept.

4. Commission Preliminary Assessment: Satisfactory fulfilled

CZ-C[C2.1]-I[I1]-T[84]: Completion of two projects from a predefined set of projects

Related Measure: C2.1.I1. New technologies and digitisation on railway infrastructure

Quantitative Indicator: Number of projects

Baseline: 0

Target: 2

Time: Q2 2024

1. Context:

The objective of this investment is to contribute to digitalisation of rail transport in order to improve traffic safety and the quality of the services provided, optimise capacity of the railway infrastructure and ensure interoperability.

Target 84 concerns the completion of the two projects from the list of projects approved under the milestone 83. The two projects concern 41 kilometres of lines covered by Global System for Mobile Communications – Railway (GSM-R), set of projects for 20 newly installed or more reliably powered base transceiver stations (BTS), a set of projects implementing new technologies and equipment for railway traffic management.

Target 84 is the second target of the investment, and it follows the completion of milestone 83 related to defining the set of projects to be implemented under the investment. It will be followed by target 85, related to the completion of the following 6 projects.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|---|
| 1 | Summary document | Summary document duly justifying how the milestone was satisfactorily fulfilled. |
| 2 | Annex 1: List of two projects from a predefined set of projects | Summary of the implemented projects. |
| 3 | Annex 2: Minutes of the project evaluation committee of the Ministry of Transport. The meeting of the committees took place on 21 June 2024. | Confirmation of the compliance of the technical specifications of the project with the description of the target and of the description of the investment in the CID. |
| 4 | Annex 3: Protocols on handover and acceptance of the construction. Acceptance committees took place on 15 May 2023 (for project with unique identifier 1) and 31 May 2022 (for project with unique identifier 13) | Protocols confirm the implementation of the projects. |
| 5 | Annex 4: Permit for trial operations | Permit for operation of project 1 |

| | | |
|--|--|--|
| | Permits provided on 15 August 2023, 14 September 2023 and 27 September 2023. | |
|--|--|--|

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the target.

Completion of two projects from the predefined set of projects of 41 km of lines covered by Global System for Mobile Communications – Railway (GSM-R), 20 newly installed or more reliably powered base transceiver stations (BTS) and implementation of new technologies and equipment for railway traffic management.

The two completed projects are part of the predefined set of projects submitted by Czechia under Annex 1 and assessed under milestone 83 in the first instalment. Under each target of the investment Czechia submits the relevant number of projects from the pre-defined list which together will result in 41km of lines covered by Global System for Mobile Communications – Railway (GSM-R), 20 newly installed or more reliably powered base transceiver stations (BTS) and implementation of new technologies and equipment for railway traffic management. The completed projects under target 84 are:

- i) Entry into the ETCS (European Train Control System), with the unique project identifier 1, which relates to 41 km of lines covered by Global System for Mobile Communications – Railways (GSM-R).
- ii) Increasing the security of the technological data network, with the unique project identifier 13, which relates to the reconstruction of access parts of the network infrastructure in the segment of technological infrastructure centres in Prague and Přerov. The project contributes to the implementation of new technologies and equipment for railway traffic management.

Furthermore, in line with the description of the measure, **investment 1 shall be achieved through the following measures: [...]**

- **Completion of two projects from the predefined set of projects in the bullet above by 30 June 2024.**

As evidenced under Annex 2, the minutes of the projects' evaluation committee of the Ministry of Transport, signed for the two projects by the Secretary and by the President of the committee on 25 and on 26 June 2024, respectively, confirm that the projects were completed and that the technical specifications of the projects complied with requirements set out for the investment. Further, the acceptance protocols signed by the Railway Administration respectively on 15 May 2023 (project with unique identifier 1) and 31 May 2022 (project with unique identifier 13), submitted under Annex 3, demonstrate that the works on the projects were completed.

Annex 4 provides the permits for trial operation for project with the unique identifier 1, issued by the relevant railway authority (issued on 15 August 2023, 14 September 2023 and 27 September 2023). For project with the unique identifier 13 the permit for trial operation was not required.

4. Commission Preliminary Assessment: Satisfactory fulfilled

CZ-C[C2.1]-I[I1]-T[88]: Completion of six additional projects from a predefined set of projects

Related Measure: C2.1.I1.T88 Electrification of railways

Quantitative Indicator: Number of projects

Baseline: 2

Target: 8

Time: Q2 2024

1. Context:

Target 88 is part of investment 2 on Electrification of railways, which aims at increasing the share of non-fossil fuel transport through the electrification of lines and the provision of traction power at substations.

Target 88 requires the completion of six additional projects from a predefined set of projects of electrified lines and traction feeder stations with increased power of newly built ones.

Target 88 is the third and last target of the investment, and it follows the completion of milestone 86 related to the definition of the set of projects comprising 39.7 km of electrified lines and 4 traction feeder stations with increased power or newly built, and the subsequent target 87, related to the completion of two projects from that predefined set. It is the final target of the investment 2 to be completed by 30 June 2024.

2. Evidence provided

| | Name of the evidence | Short description |
|---|--|---|
| 1 | Summary document | Summary document duly justifying how the milestone was satisfactorily fulfilled. |
| 2 | Annex 1: List of six projects from a predefined set of projects | Summary of the implemented projects. |
| 3 | Annex 2: Minutes of 21 June 2024 of the project evaluation committee of the Ministry of Transport. The meeting of the committees took place on 21 June 2024. | Confirmation of the compliance of the technical specifications of the project with the description of the target and of the description of the investment in the CID. |
| 4 | Annex 3: Protocols on handover and acceptance of the construction. Documents dated between 13 July 2020 to 24 April 24. | Protocols confirm the implementation of the projects. |
| 5 | Annex 4: Permit for trial operations Documents dated between 13 October 2022 to 17 June 2024. | Permits for operation of project confirming the start of operation of the projects. |

3. Analysis

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the target.

Completion of six additional projects (8 in total) from the predefined set of projects comprising 39,7 km of electrified lines and 4 traction feeder stations with increased power or newly built. The target is further specified in the Operational Arrangements, which requires: for the purposes of the operational arrangement, the definition of the target shall be considered as “completion of six additional projects (8 in total)”.

The Czech authorities submitted evidence concerning the completion of six projects from the predefined set of projects. The set of predefined projects was assessed under milestone 86 as part of the first instalment and submitted as part of the first payment request by Czechia. The list of the six projects was provided under Annex 1. The six completed projects are:

- a) Electrification of the track incl. PEU Brno - Zastavka u Brna, 1st stage (project identifier 001), at length of 11.104 km of electrified line;
- b) Electrification and capacity building of the Šumperk - Libina line (outside) (project identifier 002), at length of 14.3 km of electrified line;
- c) Electrification and capacity building of the Libina – Uničov line, (project identifier 003), at length of 14.3 km of electrified line;
- d) Increasing the traction power of TNS Balabenka (project identifier 006);
- e) Construction of TNS Stéblová (project identifier 007);
- f) Construction of R110kV at TNS Ostrava Svinov (TNS - traction power station) (project identifier 008).

Furthermore, in line with the description of the measure, this shall be achieved through the following measures:

Completion of six additional projects from the predefined set of projects in the bullet above, thus completing overall 39,7 km of electrified lines and four traction feeder stations with increased power or newly built ones by 30 June 2024.

The undersigned minutes of the project evaluation committee meeting confirm the compliance of the technical specifications of the projects (Annex 2). These Annexes respectively confirm that the projects were completed and that the technical specifications of the projects complied with the requirements of the investment.

For all projects included in the target, the evidence was complemented with a handover protocol signed at the beginning of the works which also states the contractual obligations of the constructor at the construction site. For all projects on the list protocols of handover and acceptance of the construction, signed by the constructor and the Czech Railway Administration confirming the handover and the acceptance of the construction (Annex 3).

Annex 4 demonstrates that the permits for trial operation were issued by the Czech Railway Authority for trial operations for all six projects, confirming that the projects are in operation.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C2.1]-I[I3]-T[91]: Completion of 11 additional projects from a predefined set of projects

Related Measure: CZ-C[C2.1]-I[I3]-T[91] Improving the environment (railway infrastructure support)

Quantitative Indicator: Number of projects

Baseline: 26

Target: 37

Time: Q2 2024

1. Context:

Target 91 is part of investment 3 supporting (railway infrastructure support) component 2.1 which aims at supporting environmental and climate protection by increasing the share of rail transport, improving the energy efficiency of railways stations, and developing adequate access for services to disadvantaged or vulnerable people.

Target 91 consists of completion of 11 additional projects, from the predefined list set out in milestone 89 of projects delivering modernised lines, modernised railway stations with reconstructed track and safely and barrier-free accessible platforms, stations buildings with reduced energy intensity and increased comfort and better services for passengers.

Target 91 is the middle step of the implementation of the investment, and it follows the completion of milestone target 90, which concerned the completion of 26 projects from a predetermined list of projects. The definition of a list of projects was achieved previously under milestone 89. The list comprises about 121.88 km of modernised lines, 9 modernised railway stations with reconstructed track and safely and barrier-free accessible platforms and 35 station buildings with reduced energy intensity, increased comfort and better services for passengers., and milestone 90, which concerned completion of 26 projects from the list defined in milestone 89.

2. Evidence Provided:

| | Name of the evidence | Short description |
|---|---|---|
| 1 | Summary document | Summary document duly justifying how the milestone was satisfactorily fulfilled. |
| 2 | Annex 1: List of 11 projects from a predefined set of projects | Summary of the implemented projects. |
| 3 | Annex 2: Minutes of 17 June 2023 of the project evaluation committee of the Ministry of Transport | Confirmation of the compliance of the technical specifications of the project with the description of the target and of the description of the investment in the CID. |
| 4 | Annex 3: Protocols on handover and acceptance of the construction | Protocols confirm the implementation of the projects. |
| 5 | Annex 4: Permit for trial operations | Permits for trial operation of each project |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the target.

Completion of 11 additional projects from the predefined set of projects comprising 121,88 km of lines modernised, operationally improved or more resistant to natural influences, 9 modernised railway stations with reconstructed track and safely and barrier-free accessible platforms and 35 station buildings with reduced energy intensity, increased comfort and better services for passengers.

In line with the description of the target, Czechia submitted evidence under Annex 1 concerning the completion of 11 additional projects from the predefined list of modernised railway structures assessed under milestone 89:

- three projects of modernised lines, constituting in total 25.65 kilometres of modernised railway lines;
- three projects of modernised railway stations with reconstructed track and safely and barrier-free accessible platforms;
- five projects of stations buildings with reduced energy intensity, increased comfort and better services for passengers.

According to the provided annexes 1 to 4, the 11 projects submitted as part of this target correspond to projects included in the predefined set of projects assessed under milestone 89.

As evidenced in Annex 2, the undersigned minutes of the project evaluation committee meeting of the Ministry of Transport No. MD-28110/2023-430/1, MD-28109/2023-430/1 and MD-28107/2023-430/1 of 17 August 2023 confirm the compliance of the technical specifications of the projects. For all 11 projects included in the target, the evidence was complemented with a handover protocol signed at the beginning of the works which also states the contractual obligations of the constructor at the construction site. Czechia also submitted handover and acceptance protocols under Annex 3, signed by the constructor and the Czech Railway Administration, to demonstrate the completion of the construction (Annex 3).

Annex 4 demonstrates that permits were issued by the Czech Railway Authority for trial operations for the three projects of modernised lines, constituting in total 25.65 kilometres of modernised railway lines, and the three projects of modernised railway stations with reconstructed track and safely and barrier-free accessible platforms. For the five projects of stations buildings with reduced energy intensity, increased comfort and better services for passengers, the approval process of the State Rail Office did not require a building permit.

Completion of [...] station buildings with reduced energy intensity.

Annex 1 provides references to energy efficiency certificates for each of the five station buildings with reduced energy intensity and the actual reduction of energy intensity achieved. Full assessment of all energy renovations will take place at the end of the investment due to the need to determine the average reduction of energy intensity for all 35 station buildings being renovated under Investment 3.

Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C2.1]-I[I4]-T[100]: Completion of built cycle paths, sidewalks and barrier-free routes

Related Measure: C2.1.I4.T100 Road and rail safety (railway crossings, bridges and tunnels, cycle paths and barrier-free routes)

Quantitative Indicator: Length of built cycle paths, sidewalks, barrier-free routes - km

Baseline: 49

Target: 85

Time: Q4 2023

1. Context:

The aim of this investment is to improve traffic safety by taking concrete safety measures at railway crossings and improving the condition of bridges and tunnel structures. Building cycle paths and pedestrian barrier-free routes is also part of the investment, with the objective of improving the safety of vulnerable traffic participants as part of the promotion of active mobility, especially in cities.

Target 100 concerns the completion of additional 36 kilometres of built cycle paths, sidewalks and barrier-free routes.

Target 100 is the third and the last step in the implementation of the part of the investment related to cycle paths, sidewalks and barrier free routes, and it follows the completion of target 93 related to the completion of a total of 25 kilometres and of target 97 related to the completion of a total of 24 kilometres of built cycle paths, sidewalks and barrier free routes. The investment had a final expected date for implementation on 31 December 2023.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|---|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Annex 1: List of 20 completed projects | Summary of the completed projects. |
| 3 | Annex 2: Copies of minutes of 11 December 2023 of the project evaluation committee of the Ministry of Transport and State Fund for the Development of Transport Infrastructure | Confirmation of compliance of the technical specifications of the 20 projects with the description of the target and of the description of the investment in the Council Implementing Decision. |
| 4 | Annex 3: Copies of handover and acceptance protocols of the construction | Protocols are signed by the constructor and the competent authority from the relevant municipality or region |
| 5 | Annex 4(a): Verification of the protocols submitted under the evidence number 4 | Verification of the protocols undersigned by the Ministry of Transport and the State Fund for transport. |

| | | |
|---|---|---|
| 6 | Annex 4(b): Verification documents for kilometres built such as final evaluation and inspection reports | Confirmation of the built kilometres of cycling paths built under the projects. |
|---|---|---|

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the target.

Length of built cycle path / sidewalk / barrier-free routes.

As evidenced in Annexes 1 to 4b, Czechia completed 20 projects in order to reach the target of 36.00 kilometres of constructed and reconstructed cycle paths, barrier-free routes and sidewalks.

According to the evidence provided, Czechia completed 37.30 kilometres of cycle paths, barrier free routes and sidewalks, thus exceeding the goal of Target 36 kilometres by 1.30 kilometre.

The detailed list of projects is provided in Annex 1. This list includes information on the start and end dates of actual construction of each of the projects, their length in kilometres, the names of contractors and subcontractors together with their identification numbers. 14 projects concern the construction of cycle paths, 5 projects involve reconstruction of sidewalks, and one project concerns the construction of a pedestrian and cycle bridge.

Czechia provided 20 handover and acceptance protocols, signed by the contractor and the relevant municipality or region, including confirmation of compliance of the projects with the respective technical specifications.

Furthermore, for every project, the Czech authorities provided a certificate of receipt of the completed work, signed by the competent authority of the relevant municipality or region and the responsible contractor. The handover and acceptance protocols submitted were verified and signed by the State Fund for Transport Infrastructure and the Ministry of Transport for each of the 20 projects. As such, as evidenced in Annex 2, the signed minutes of the project evaluation committee of the Ministry of Transport and the State Fund for Transport issued on 11 December 2023 and signed on the same date by the President and the Secretary of the committee confirm that the technical specifications of all projects complied with the description of the target in the Council Implementing Decision. Finally, the exact number of kilometres built in each project are evidenced in the final evaluation and inspection reports issued by the relevant municipality or the State Fund for Transport Infrastructure after the completion of each project, provided in Annex 4b.

Furthermore, in line with the description of the measure, this shall be achieved through the following measures: Completion of projects involving 36 additional km of built cycle paths, sidewalks and barrier free routes [...] by 31 December 2023.

As evidenced by the handover and acceptance protocols submitted for each of the 20 projects, their completion dates were before 31 December 2023, with the latest project being completed on 16 December 2022 which is consistent with the list of projects submitted under annex 1.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C2.1]-I[I4]-T[101]: Completion of modernised railway bridges or tunnels

Related Measure: C2.1.I4.T101 Road and rail safety (railway crossings, bridges and tunnels, cycle paths and barrier-free routes)

Quantitative Indicator: Number of modernised railway artificial structures (bridges / tunnels)

Baseline: 7

Target: 8

Time: Q4 2023

1. Context:

The aim of this investment is to improve traffic safety by taking concrete safety measures at railway crossings and improving the condition of bridges and tunnel structures. Building cycle paths and pedestrian barrier-free routes is also part of the investment, with the objective of improving the safety of vulnerable traffic participants as part of the promotion of active mobility, especially in cities.

Target 101 requires the completion of a modernised railway artificial structure for the operational phase.

Target 101 is the fourth and last milestone of the investment and it follows the completion of targets 94 and 95 and 99 related to the completion of seven bridges and tunnels. The investment had a final expected date for implementation on 31 December 2023.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|--|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Annex 1 – A list with one completed project | The list contains the information about 1 project which covers the reconstruction of a pair of railway bridges. |
| 3 | Annex 2 – Copies of minutes of the project evaluation committee of the Ministry of Transport of 21 August 2023. | Minutes confirm the compliance of the technical specifications of the projects with the description of the target and the investment in the Council Implementing Decision. |
| 4 | Annex 3 – Copies of handover and acceptance protocols concerning the construction dated respectively on 22 February 2021 and 31 March 2023 | The protocols confirm the handover of the construction sites and the acceptance of the completed construction. |
| 5 | Annex 4 – Copies of permits for operation dated 31 October 2022 and 27 June 2023. | Permits for trial operation issued by the Railway Authority. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the target.

Modernised railway artificial structure for the operational phase.

Czechia presented evidence for the completion of one additional modernised railway artificial structure. As indicated in the quantitative indicator of the target, these structures are to be either bridges or tunnels.

As evidenced by Annexes 1-4, the project *Reconstruction of the bridge at km 190.152 of the Pilsen – Žatec line* concerns the reconstruction of the rail bridge (artificial structure) constructed on the Pilsen – Žatec line at the 190.152 kilometre (indicated in the name of the project). The scope of the project also covered the construction of the rail bridge on the same line at the 190.286 kilometre and a railway connecting the two bridges.

Czechia demonstrated the project completion through the following documents: minutes of the project evaluation committee, protocols on handover and acceptance of the construction, and permits for operation.

The minutes of the project evaluation committee of the Ministry of Transport, issued on 21 August 2023 and signed by the President and the Secretary of the evaluation committee, confirm the completion of the project in line with all requirements set up for the investment (annex 2). Annex 3 provides the protocols of handover and acceptance of construction prepared by the Czech Railway Administration, which confirms the handovers of the works and acceptance of the work for modernisation of the bridges and associated works.

In view of demonstrating that the modernisation has been done for the operational phase, the Czech authorities submitted two permits for trial operation of the modernised bridge issued by the Czech State Rail Office. The first one issued, on 31 October 2022, allowed for trial operation by 30 June 2023. The second permit for trial operation was issued on 27 June 2023, and it allowed for trial operation by 31 December 2023. As indicated in *Section: Conduct of proceedings of the permit for trial operation* from 30 June 2023, the second trial was necessary due to a correction of a space position of the tracks.

Furthermore, in line with the description of the measure, **completion of projects involving [...] 1 additional modernised railway bridge or tunnel by 31 December 2023.**

As evidenced by the protocols of handover and acceptance, the project covering the renovation of two bridges was completed on 31 March 2023.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C2.2]-I[I3]-T[108]: Award of 75 % of all public contracts for building renovation projects achieving at least 30 % primary energy savings

Related Measure: C2.2.I3 Improving the energy performance of public buildings

Quantitative Indicator: Percentage

Baseline: 0

Target: 75%

Time: Q4 2023

1. Context:

This investment aims at reducing final energy consumption in the public buildings that do not meet the minimum energy performance requirements in the long term, and at increasing the number of high-quality and moderately deep or deep renovations. Only projects that achieve, on average, a reduction of primary energy consumption by at least 30 % or a reduction in CO₂ emissions of 30 % shall be financed.

The investment aims at supporting at least 220 building renovation projects including insulation of buildings, exchange and renovation of windows and doors, installation of systems based on renewable energy sources or implementation of improvements of the indoor environment measures having a demonstrable impact on the energy performance of the buildings.

75 % of the target goal of 220 projects (namely 165 projects) shall be contracted by 31 December 2023. The implementation of the investment shall be completed by 31 March 2026.

In Target 108, at least 220 building renovation projects shall be supported under this measure. The target shall be achieved by 75 % of projects with issued legal acts (namely at least 165 projects) by 31 December 2023. Projects shall be submitted to the State Environmental Fund within continuous call and evaluated based on the established criteria, following a transparent selection procedure.

Only projects that achieve, on average, a reduction in primary energy consumption of at least 30 % or a reduction in CO₂ emissions of 30% shall be chosen for implementation. The 75 % target refers to projects with issued legal acts. Investments into boiler replacements including those with natural gas as an energy source shall be limited to maximum 20 % of the overall allocation.

Target 108 is the first step of the implementation of the investment. It will be followed by target 109, related to the reduction of energy consumption in public buildings by 410 TJ/year. The investment has a final expected date for implementation 31 March 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|------------------------------------|--|
| 1 | Summary document (dated July 2024) | Summary document duly justifying how the target (including all constitutive elements) was satisfactorily fulfilled |

| | | |
|---|---|--|
| 2 | Annex 1. List of 218 supported projects, dated 2 September 2024 (revised 3 & 8 October 2024) | A MS Excel file containing a list of the 218 supported projects, including detailed information such as name of applicant, location of the project, type of renovation, amount of subsidy, etc. |
| 3 | Annex 2. Copy of the call for projects, dated 16 November 2021 | The call for projects was launched by the Ministry of the Environment through the State Environment Fund (SEF) on 16 November 2021. |
| 4 | Annex 3. Project applications for 60 sampled projects, dated between 8 December 2021 and 3 September 2022 | Project applications were requested for a random sample of 60 projects. |
| 5 | Annex 4. Energy assessment for 60 sampled projects, dated between 5 December 2019 and 25 November 2022 | Energy assessments were requested for a random sample of 60 projects. The energy assessments are prepared by energy specialists and demonstrate the energy savings of the project. |
| 6 | Annex 5. Issued legal acts for 60 sampled projects, dated between 14 February 2022 and 3 August 2023 | Legal acts were requested for a random sample of 60 projects. The legal acts are the documents in which the Ministry of Environment grants the funding to the selected projects. |
| 7 | Annex 6. Building energy performance certificates for 60 sampled projects, 22 January 2020 and 1 March 2024 | Building energy performance certificates were requested for a random sample of 60 projects. The energy performance certificates demonstrate the energy consumption of the building after the renovation was implemented. |
| 8 | Annex 7. Cumulative budgets for 19 sampled projects which contain a natural gas boiler, not dated | Cumulative budgets were requested for the 19 of the 60 randomly sampled projects which contained a gas boiler. These cumulative budgets show the maximum eligible expenditure for gas boilers. The MS Excel files are not dated; they are submitted together with the project application (Annex 3). |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the target.

In total, at least 220 building renovation projects shall be supported under this measure. The target shall be achieved by 75 % of projects with issued legal acts (namely at least 165 projects) by 31 December 2023. The 75 % target refers to projects with issued legal acts. Furthermore, in line with the description of the measure, 75 % of the target goal of 220 projects (namely 165 projects) shall be contracted by 31 December 2023.

According to the evidence provided in Annex 1, Czechia supported 218 building renovation projects by 31 December 2023. Czechia has met this requirement by issuing legal acts for 218 projects. The issued legal acts serve as the contracts between the projects and the Czech Ministry of Environment. Therefore, Czechia has completed 218 projects, thus exceeding the goal of Target 108 by 53 projects.

The detailed list of projects is found in Annex 1, and it includes information on the project application number and title, the type of renovation undertaken by the project (e.g., insulation of building envelope, replacement of heating source, replacement of hole fillings, etc.), the applicant's name, the legal form of the applicant (e.g., region, village, registered church, etc.), the address of implementation of the project, the geographic region, the amount of the subsidy, and the payment date(s). The second sheet of Annex 1 contains the information on the energy savings per project, the CO₂ reduction per project, and whether the project contained a natural gas boiler and the portion of the subsidy for the gas boiler.

Following the selection of a random sample of 60 units, Czechia submitted issued legal acts for the 60 selected projects (Annex 5). These documents demonstrate the date on which the projects were contracted. The evidence provided for a sample of 60 units confirmed that this requirement of Target 108 has been met. The issued legal acts confirm that the projects were contracted between 14 February 2022 and 3 August 2023, thus fulfilling the requirement to contract the projects by 31 December 2023.

Projects shall be submitted to the State Environmental Fund within a continuous call and evaluated based on the established criteria, following a transparent selection procedure.

On 16 November 2021, the Ministry of Environment issued call for projects 12/2021 (Annex 2) via the State Environment Fund (SEF). The call was published on the website of the State Environment Fund, and is available at <https://www.narodniprogramzp.cz/nabidka-dotaci/detail-vyzvy/?id=102>. The general and specific acceptance criteria are listed in Section 13 of the call (Annex 2), most notably the specific criterion that the project must achieve a reduction of primary energy consumption of at least 30%. The selection procedure is transparently described in Section 17 of the call, which sets out the different stages of the assessment of the applications (e.g., completeness check, admissibility check), the process for selection of projects for funding (i.e., based on the ranking of applications by date and time of submission), and the final decision on funding made by the SEF Council. Applicants submitted project applications to SEF via the SEF Agenda Information System (AIS SFŽP CR), which automatically assigns the application a unique registration number (Column B in Annex 1). Applications were reviewed and evaluated by the SEF project manager on a continuous, first-come-first served basis. The selection of projects to be funded was done based on the ranking of applications by date and time of submission. The call was open for applications between 1 December 2021 and 30 September 2022.

Only projects that achieve, on average, a reduction in primary energy consumption of at least 30 % or a reduction in CO₂ emissions of 30% shall be chosen for implementation. Furthermore, in line with the description of the measure, only projects that achieve, on average, a reduction of primary energy consumption by at least 30 % or a reduction in CO₂ emissions of 30 % shall be financed.

Section 13 of the technical specifications of the call for projects (Annex 2) sets out the specific acceptance criterion that the project must achieve a reduction of primary energy consumption of at least 30%. As part of the project application, applicants submitted an energy assessment prepared by an energy specialist with the relevant authorisation according to Article 10 of Act No. 406/2000 Coll. on energy management. Projects were chosen for implementation based on the assessment made by the energy specialist on the amount of primary energy consumption and CO₂ emissions that would result from the planned renovations. Following the selection of a random sample of 60 units, Czechia submitted the energy assessments for the 60 selected projects (Annex 4). The documents in Annex 4 demonstrate the reduction in primary energy consumption and CO₂ emissions for each project. The energy assessments confirm that only projects that achieve, on average, a reduction of primary energy consumption by at least 30% or a reduction in CO₂ emissions of 30% were chosen for implementation. The legal issued acts (Annex 5) demonstrate that these projects were financed.

Investments into boiler replacements including those with natural gas as an energy source shall be limited to maximum 20 % of the overall allocation.

Annex 1 shows that the total investments into boiler replacements, including those with natural gas as an energy source, amount to 2.6% of the overall allocation for the investment. Following the selection of a random sample of 60 units, Czechia submitted cumulative budget files for the 19 projects in the random sample that included boiler replacements (Annex 7). The documents in Annex 7 demonstrate that the investments into boiler replacements including those with natural gas as an energy source are limited to a maximum 20% of the overall allocation.

The target is further specified in the Operational Arrangements, which requires that **for the purposes of these operational arrangements, one application for support shall be considered a project, where it may include renovation of several buildings. For the purposes of these operational arrangements, 'reduction of energy consumption' shall mean 'energy savings'.**

Annex 1 shows that one application for support was counted as one supported project, even when the project included more than one building, and that the reduction of energy savings is measured by the energy savings of each project.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C2.3]-R[R1]-M[110]: Assessment of decarbonisation of district heating in Czechia

Related Measure: C2.3.R1 Modernisation of distribution of heat in district heating systems

Qualitative Indicator: Publication of the assessment

Time: Q4 2023

1. Context:

The reform aims at decarbonising district heating, in particular by increasing energy efficiency, switching from coal combustion to renewable energy sources, the combustion of natural gas, biomass and waste, and decreasing greenhouse gas emissions and pollutants.

Milestone 110 requires an assessment of the path towards decarbonisation of district heating in Czechia compliant with EU legal requirements including the requirements contained in the Guidance 'Do no significant harm' Technical Guidance (2021/C58/01) to be carried out and published by the Ministry of Industry and Trade.

Milestone 110 is the only milestone of this reform. The reform has a final expected date for implementation on 31 December 2023.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|---|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Annex 1 - Assessment of the decarbonisation of district heating in the Czech Republic from July 2024 | The assessment, published on the website of the Ministry of Industry and Trade on 2 September 2024, outlines the current state of play of district heating in Czechia as well as the decarbonisation policies and measures adopted or envisaged in this area. |
| 3 | Annex 2 - Approval of the assessment by the Minister of Industry and Trade | The approval, signed on 6 August 2024, demonstrates the visas of the Minister and other persons in charge within the Ministry of Industry and Trade. |
| 4 | Annex 3 - Call " <i>Modernisation of heat distribution in district heating systems – I. call</i> " | The call, launched on 5 May 2022, sets out eligible applicants and projects, the time frame for their selection and implementation, legal and financing terms, and project evaluation. |
| 5 | Annex 4 – Publication of Assessment of the decarbonisation of district heating in Czechia | The publication demonstrates that the Assessment of the decarbonisation of district heating in the Czech Republic was published on the website of the Ministry of Industry and Trade on 2 September 2024. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

Assessment of the path towards decarbonisation of district heating in Czechia [...] shall be carried out and published by the Ministry of Industry and Trade. Furthermore, in line with the description of the measure, **an assessment of the path towards decarbonisation of district heating in Czechia shall be carried out and published.**

As demonstrated by Annexes 1, 2 and 4, the Ministry of Industry and Trade carried out an assessment of the path towards the decarbonisation of district heating in Czechia, which was published on its website on 2 September 2024. The assessment provides an overview of the current state of district heating in the country (section A) and an outlook of the path towards its decarbonisation by describing expected trends to 2030 (section B) and between 2030 and 2050 (section C). Furthermore, the assessment shows the trends in future energy mix in 2030, 2040 and 2050 (section D). It also addresses measures to decarbonise district heating and their financing (sections E and F), and the fulfilment of the requirements included in 'Do not significant harm' Technical Guidance (section G).

Assessment [...] compliant with EU legal requirements including the requirements contained in the Guidance 'Do no significant harm' Technical Guidance (2021/C58/01) [...].

This assessment shall guide investments financed under this component of the Czech recovery and resilience plan as well as investment in the field of decarbonisation of district heating financed by other EU funds or national sources in full compliance with the legal requirements including on do not significant harm. Furthermore, in line with the description of the measure, **this assessment shall guide the investments financed under this component of the Czech recovery and resilience plan.**

As demonstrated by Annex 1, the assessment guides the investment in decarbonisation of district heating financed under component 2.3 of the Czech recovery and resilience plan, the Modernisation Fund, other EU funds or national sources mainly by providing an overview of the measures supporting the investment and making specific references to these EU or national funding sources (sections E and F) and by explaining how the investments reflect applicable EU legislation and the DNSH requirements (section G).

The assessment is compliant with EU legal requirements and the requirements contained in the 'Do no significant harm' Technical Guidance (2021/C58/01). The relevant EU legislation for district heating is Directive (EU) 2018/2001 and subsequent legislation. As demonstrated by Annex 1 (section D), the assessment explains that the decarbonisation pathway of district heating meets requirements of Directive (EU) 2023/2413, that is amending Directive (EU) 2018/2001, because the share of heat produced from renewable sources grows from approximately 10% in 2020 to 44.7% in 2030, i.e. by a total of 34.7% or an average of 3.5 percentage points per year. Additionally, the assessment explains that the support from national budget to district heating is provided in line with Act No 406/2000, which has been amended to reflect the requirements of Directive (EU) 2018/2001.

The assessment also explains the compliance of the different investments relevant to district heating with the 'Do no significant harm' Technical Guidance (2021/C58/01) (section G). As demonstrated by Annex 1 (Table 14), the assessment explains how the six DNSH environmental objectives are complied with by the investments into district heating.

With regard to the investment in the Czech recovery and resilience plan, the Czech authorities provided a copy of the call for applications "*Modernisation of heat distribution in district heating systems – I. call*" (Annex 3) supporting investment 2. Compliance with Annex 1 is required under section 7.2 of this call. The call also sets out the means of proof that demonstrate no significant harm to the

environmental objectives listed in the Taxonomy Regulation. With regard to private investments into decarbonisation of district heating, the Czech authorities explained that the 'Do no significant harm' principle is applied as set by the banking sector, reflecting the EU Taxonomy Regulation. With regard to investments supported by Modernisation Fund, the Czech authorities explain that the support is conditioned by compliance with the 'efficient district heating and cooling', similarly to the DNSH Technical Guidance conditions.

More specifically and as demonstrated by the assessment (pages 35-36 and 39-40), the assessment is compliant with EU legal requirements and the requirements contained in the 'Do no significant harm' Technical Guidance (2021/C58/01) in view of the following four points:

a) Investments financed under the Czech recovery and resilience plan are conditional on ensuring that gas-based electricity generation or combined heat and power generation from gas have greenhouse gas emissions of less than 250 g CO₂/kWh, as required by Annex III of the DNSH Technical Guidance. Without meeting this condition, it is not possible to receive public funds. Other public support programmes also set requirements to reduce greenhouse gas emissions. For example, under the HEAT programme financed from the Modernisation Fund, the reduction of CO₂ emissions is at least 20 % or at least 15 % in the case of waste heat recovery. As regards investments without the involvement of public resources, the above criterion can be applied through debt financing conditions while applying the taxonomy requirements by the banking sector. In the case of the construction and/or modernisation of heat distribution in district heating and cooling systems, CO₂ emissions must be reduced by 15 % and primary energy consumption by 15 % compared to the baseline. As part of the corresponding reduction, the overall benefits of the savings measures are evaluated before and after the implementation of the project, which must be clearly indicated for the two indicators to be monitored (reduction of primary energy consumption and reduction of CO₂).

b) The use of public aid (including under the Czech recovery and resilience plan and under the HEAT programme financed from the Modernisation Fund) is conditional on compliance with the requirements for "efficient district heating and cooling" systems, in line with the requirements of the General Block Exemption Regulation. Efficient district heating systems are monitored by the Energy Regulatory Office, which periodically publishes a list of these systems. Public aid for measures to build or upgrade heat distribution in district heating and cooling systems shall only be granted if they are part of 'efficient district heating and cooling' systems (within the meaning of Article 2(41) of Directive 2012/27/EU), i.e. a district heating or cooling system using at least 50 % renewable energy, 50 % waste heat, 75 % cogeneration heat or 50 % of a combination of such energy and heat. If, as a result of the aided measures, the system is not yet part of the 'efficient district heating and cooling' system, the further upgrading needed to achieve the 'efficient district heating and cooling' system must start within three years of the start of the supported works and must be completed no later than three years after the completion of the supported works.

c) Within three years of the completion of the supported works, the reconstruction of sources related to the production of electricity and/or heat shall start and be completed no later than 2030 so that they comply with the requirements of the DNSH Technical Guidance (2021/C58/01) and do not use solid fossil fuels as a heat source, except for fuels meeting the criteria for the production of natural gas-based heat according to Annex III to the DNSH Technical Guidance, i.e. 1) The measures concern flexible and efficient gas-based electricity generation or combined heat and power generation from gas with greenhouse gas emissions of less than 250 g CO₂e/kWh over the future-proof economic lifetime of the installation; or 2) the measures concern flexible and efficient gas-based electricity generation or combined heat and power from gas that is adapted for the use of renewable and low-carbon gas that is future-proof. If biomass is used as a fuel source, the investment shall comply with the sustainability and greenhouse gas emissions saving criteria set out in Article 29 of Directive (EU)

2018/2001 on the promotion of the use of energy from renewable sources ('RED II'). Only biomass waste and residues that can be extracted in a sustainable manner shall be used and the investment shall be accompanied by emission-reducing measures. Compliance with relevant EU and national environmental legislation will be ensured so that emissions are within or below the emission levels associated with the Best Available Techniques (BAT) conclusions (under the Industrial Emissions Directive). The energy expert appraisal, which is a mandatory attachment to the application for support, must always clearly identify the efficient district heating and cooling system. Each energy expert appraisal shall include an attachment including the obligation to fulfil specific conditions for each separate district heating and cooling system after the implementation of the project.

d) In the case of the construction of a new or substantial refurbishment of an existing district heating system with sources with a total thermal input exceeding 20 MW, an assessment of the costs and benefits of using waste heat abstraction from at least industrial sites located within 500 metres of the distribution heat installation shall be required. This cost-benefit analysis shall be demonstrated by an energy expert appraisal pursuant to section 9a(1)(c) of Act No 406/2000 on energy management.

To conclude, the assessment in conjunction with the respective support programmes, calls for applications and the DNSH Annex III of the 'Do not significant harm' Technical Guidance provides for adequate safeguards ensuring that the conditions set out by the legal requirements are effectively applied on the ground by the selected district heating projects.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C2.3]-R[R2]-M[111]: Assessment of the trajectories of sustainable supply of biomass in Czechia

Related Measure: C2.3.R2 Modernisation of distribution of heat in district heating systems

Qualitative Indicator: Publication of the assessment

Time: Q4 2023

1. Context:

The reform aims at promoting biomass investment based on biomass waste and residues that can be extracted in a sustainable manner, with accompanying emission-reducing measures.

Milestone 111 requires that an assessment of the trajectories of sustainable use of bioenergy and supply of biomass in Czechia and its impacts on the Land Use, Land-Use Change and Forestry sinks and biodiversity as well as impact on air quality for period 2020-2030, compliant with EU legal requirements including the requirements included in the 'Do no significant harm' Technical Guidance (2021/C58/01), be carried out and published by the Ministry of Environment in cooperation with the Ministry of Industry and Trade and the Ministry of Agriculture.

Milestone 111 is the only milestone of this reform. The reform has a final expected date for implementation on 31 December 2023.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|--|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Annex 1 - Assessment of the trajectories of sustainable use of bioenergy in the Czech Republic | While outlining the demand and supply of bioenergy in Czechia and their impacts on environment, the assessment, published on the website of the Ministry of Industry and Trade on 9 September 2024, provides guidance for investment in biomass. |
| 3 | Annex 2 - Approval of the assessment by the Minister of Industry and Trade | The approval, signed on 5 September 2024, demonstrates the visas of the Minister and other persons in charge within the Ministry of Industry and Trade. |
| 4 | Annex 3 – Publication of Assessment of the trajectories of sustainable use of bioenergy in CZ | The publication demonstrates that the Assessment of the trajectories of sustainable use of bioenergy in the Czech Republic was published on the website of the Ministry of Industry and Trade on 9 September 2024. |
| 5 | Annex 4 - Call "Modernisation of heat distribution in district heating systems – I. call" | The call, launched on 5 May 2022, sets out eligible applicants and projects, the time frame for their selection and implementation, legal and financing terms, and project evaluation. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

Assessment of the trajectories of sustainable use of bioenergy and supply of biomass in Czechia and its impacts on the Land Use, Land-Use Change and Forestry sinks and biodiversity as well as impact on air quality for period 2020-2030, [...], shall be carried out and published by the Ministry of Environment in cooperation with the Ministry of Industry and Trade and the Ministry of Agriculture. Furthermore, in line with the description of the measure, an assessment of the trajectories of sustainable use of bioenergy and supply of biomass in Czechia and its impacts on Land Use, Land-Use Change and Forestry sinks and biodiversity as well as its impact on air quality for the period 2020-2030 shall be published.

As demonstrated by Annexes 1, 2 and 3, the Ministry of Industry and Trade in cooperation with Ministry of Environment and Ministry of Agriculture carried out an assessment of the trajectories of the sustainable use of bioenergy in Czechia and published it on the website of the Ministry of Industry and Trade on 9 September 2024. The assessment provides an overview of the historical use of solid biomass for electricity and heat generation (section 1), the expected sources of biomass (section 2) and the expected demand for solid biomass for energy purposes outside households (section 3). Furthermore, the assessment contains an overview of public support programmes (section 4). It also addresses the requirements in the European Union legal framework regarding the sustainable use of solid biomass and its impacts on the Land Use, Land-Use Change and Forestry sinks, biodiversity and air quality for period 2020-2030 (section 5 and attachments 1 and 2 to Annex 1), and the raw materials policy concerning wood (section 6).

The Council Implementing Decision required that the assessment is carried out and published by the Ministry of Environment in cooperation with the Ministry of Industry and Trade and the Ministry of Agriculture. The assessment was instead carried out and published by the Ministry of Industry and Trade in cooperation with the Ministry of Environment and the Ministry of Agriculture. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, the deviation is acceptable because while this assessment was done in close cooperation among all three ministries, the Ministry of Industry and Trade prepared and published the plan in accordance with the Competence Act No 2/1969. Section 13(1) of this Act requires the Ministry to deal with the energy sector, which includes the use of biomass. The Ministry of Environment does not have this competence. The Ministry of Industry and Trade is thus the central state authority in charge of energy. As such, it is responsible for promoting the use of biomass for energy purposes. This said, the Ministry is responsible for the transposition and implementation of Directive (EU) 2023/2413 on the promotion of renewable energy sources, which among others deals with the sustainability of biomass. For this reason, the Ministry is also responsible for related legislative amendments, in particular Decree No 110/2022 on the determination of types and parameters of supported renewable sources and criteria for sustainability and greenhouse gas savings for bioliquids and biomass fuels. As of this, this minimal deviation does not change the nature of the measures and does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Assessment [...] compliant with EU legal requirements including the requirements included in the Guidance 'Do no significant harm' Technical Guidance (2021/C58/01), [...]

This assessment shall guide bioenergy investments financed under components 2.2, 2.3 and 2.5 of the Czech recovery and resilience plan as well as bioenergy investment in the fields of energy, transport, environment, climate change, forestry or agriculture financed by other EU funds or national sources in full compliance with the legal requirements including on do not significant harm. Furthermore, in line with the description of the measure, this assessment shall guide bioenergy investments financed under components 2.2, 2.3 and 2.5 of the Czech recovery and resilience plan.

As demonstrated by Annex 1 (in particular sections 5 and 6 as well as attachments 1 and 2), the assessment guides bioenergy investment to be financed under national or EU funds, including components 2.2, 2.3 and 2.5 of the Czech recovery and resilience plan, the Modernisation Fund, Operational Programme Technologies and Applications for Competitiveness or Operational Programme Environment, mainly by summarising the national and EU legislation ensuring a sustainable use of biomass and by making specific references to these EU or national funding sources. In particular, the assessment refers to the principles of the adaptation strategy summarised in the National adaptation strategy and in the Concept of the state forest policy until 2035, the Forest Act No 289/1995, Act No 114/1992 on Protection of Nature and Landscape as well as Decrees No 298/2018 and No 84/1996. In addition, the assessment refers to the Act on Supported Sources Act No 382/2021 that introduced the sustainability criteria in Czechia. According to the conclusion of the assessment, all important projects will be subject to the sustainability criteria, and the fulfilment of the sustainability criteria defined in Decree No 110/2022 is a condition for awarding investment grants. The assessment also includes concrete goals of the raw materials policy for wood and respective prioritization at strategic level).

With regard to the compliance with EU legal requirements, including the 'Do not significant harm' Technical Guidance (2021/C58/01), and in view of the above, the assessment is compliant with EU legal requirements and the requirements contained in the 'Do no significant harm' Technical Guidance (2021/C58/01). The relevant EU legislation as regards sustainable use of biomass is Directive (EU) 2018/2001 with related and subsequent legislation, and Regulation (EU) 2018/841. As demonstrated by Annex 1 (section 5), the assessment explains that it is prepared in compliance with national legislation. The assessment further explains that the relevant national legislation (Act No 382/2021) has been amended to reflect the sustainability criteria and GHG savings criteria for biomass as required by Directive (EU) 2018/2001. As regards the compliance with Regulation (EU) 2018/841 that sets national targets, the assessment explains how the intended use of biomass contributes to the national target. The assessment also explains how the afore-mentioned requirements are applied in the context of investments such as investment 2 under component 2.3 and investments under the Cohesion Policy Funds. An overview of the relevant EU and national legislation is provided in attachments 1 and 2 to the assessment. The assessment specifies the requirements imposed by the national legislation on recipients regarding sustainable biomass production, as well as documentation on biomass supply throughout the supply chain and greenhouse gas savings. Compliance with DNSH conditions is further detailed at the level of the project (Annex 1, section 5.1). The assessment demonstrates that the assessment complies with the six environmental objectives as in the DNSH Technical Guidance, as it explains 1) how the sustainability and GHG savings criteria of biomass are reflected in the Czech legislation and impact on LULUCF removals, preventing the significant increase of GHG emissions, 2) the rules of forest restoration, to reinforce climate change adaptation function of the forest, 3) the biodiversity protection safeguards and incentives for increasing the multispecies and multigenerational forestry in place, to maintain and improve the protection and restoration of biodiversity and ecosystems, 4) that the measures in assessment are analysed to significantly decrease the air pollutants, to prevent pollution. The assessment does not include an explanation with regard

to two environmental objectives: circular economy and sustainable use of water and marine resources, nevertheless, these two objectives are considered irrelevant vis-a-vis the use of biomass. To conclude, the assessment in conjunction with respective support programmes and calls for applications provides for adequate safeguards ensuring that the conditions set out by the legal requirements are effectively applied on the ground by the selected bioenergy investment projects.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C2.3]-I[I2]-M[113]: Plan for investment in heat/power generation facilities**Related Measure:** C2.3.I2 Modernisation of distribution of heat in district heating systems**Qualitative Indicator:** Submission to the Commission**Time:** Q2 2024**1. Context:**

Investment C2.3.I2 aims at reducing coal combustion for heat production (and related electricity generation) by 2030, in compliance with the adopted assessment of decarbonisation of district heating in Czechia under reform 1 of component 2.3, in particular by making the district heating highly efficient and decreasing greenhouse gas emissions and pollutants through the replacement of steam-based distribution networks by hot water distribution networks.

Milestone 113 requires that Czechia provides, before the network investment is completed, a concrete plan for investment in heat/power generation facilities that do not use solid fuels as a heat source, except those compliant with the following criteria for natural gas-based heat generation: (i) The networks are part of 'efficient district heating and cooling' systems (as defined in Article 2(41) of the Directive 2012/27/EU); and (ii) They obtain heat/cool from facilities that are futureproof, flexible and efficient gas-fired heat production with GHG emission lower than 250 gCO₂e/kWh over the economic life-time of the facility; including through contractual obligations taken up by the Czech government to commission the relevant work.

Milestone 113 is the first step of the implementation of the investment. It will be followed by target 114, related to achieving primary energy savings of 245 327 GJ resulting from the modernisation of heat distribution networks by 31 March 2026. The investment has a final expected date for implementation on 31 March 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|--|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Annex 1 - Plan of transformation of sources generating electricity and heat linked to the modernisation of heat distribution networks under component 2.3 of the Recovery and Resilience Plan | The plan, published on the website of the Ministry of Industry and Trade on 4 October 2024, outlines investment in the modernisation of selected 63 district heating distribution networks financed from the Recovery and Resilience Fund. |
| 3 | Annex 2 - Decisions to award grants | The decisions, issued by the Ministry of Industry and Trade between 13 January 2023 and 19 December 2023, award grants to the recipients |

| | | |
|---|---|---|
| | | in exchange for achieving a fixed volume of primary energy savings. |
| 4 | Annex 3 - Applications for support and their attachments such as energy expert appraisals, principles of investments financed under the component, reporting fiches on the fulfilment of the 'do not significant harm' principle and other documents concerning the individual projects | The applications for support, dated between 9 May 2022 and 1 November 2023, describe the proposed projects and their budget. The energy expert appraisal outlines the energy savings to be achieved through the project. The principles of financing include a description of the project, its time schedule and the expected amount of investment. The reporting fiche contains the recipient's declaration that the project is in line with the 'do not significant harm' principle. Other documents include other types of documents related to the project. |
| 5 | Annex 4 - Call "Modernisation of heat distribution in district heating systems – I. call" | The call, launched on 5 May 2022, sets out eligible applicants and projects, the time frame for their selection and implementation, legal and financing terms, and project evaluation. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

Czechia shall provide, before the network investment is completed, a concrete plan for investment in heat/power generation facilities that do not use solid fossil fuels as a heat source, except those compliant with the following criteria for natural gas-based heat generation:

- The networks are part of 'efficient district heating and cooling' systems (as defined in Article 2(41) of the Directive 2012/27/EU); and
- They obtain heat/cool from facilities that are future-proof, flexible and efficient gas-fired heat production with GHG emission lower than 250 gCO₂e/kWh over the economic life-time of the facility;

including through contractual obligations taken up by the Czech government to commission the relevant work. Furthermore, in line with the description of the measure, **the investment shall be implemented through the following measures:**

- **By 30 June 2024, before the network investment is completed, Czechia shall provide a concrete plan for investment in heat and power generation facilities, including contractual obligations taken up by the Czech government to commission the relevant work.**

As demonstrated by Annex 1 (pages 1 - 24), the transformation plan relates to investment in electricity and heat generation facilities. The transformation plan identifies 63 projects of district heating networks to be refurbished, selected following a call for applications (Annex 4).

The Council Implementing Decision required that by 30 June 2024, before the network investment is completed, Czechia shall provide a concrete plan for investment in heat and power generation facilities. Czechia submitted to the Commission services the first version of the plan on 27 June 2024

and the final plan on 4 October 2024. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the concrete plan for investment in heat and power generation facilities, was provided to the Commission by Czechia at the time of the assessment. Furthermore, considering that the final plan was provided on 4 October 2024, and that the network investment, which consists in the modernisation of the district heating network commenced on 9 May 2022 and is scheduled until 2030 latest, it is concluded that the concrete plan for investment in heat and power generation facilities was provided before the completion of the network investment, as required by the Council Implementing Decision.

The Council Implementing Decision required that by 30 June 2024, before the network investment is completed, Czechia shall provide (...) contractual obligations taken up by the Czech government to commission the relevant work. However, instead of entering into contracts to commission the relevant work, Czechia took actions to ensure the commissioning of the relevant work before the network investment is completed through issuing, for all projects, decisions to award a grant (Annex 2). Whilst this constitutes a minimal substantive deviation, the latter decisions were issued between 13 January 2023 and 19 December 2023, and constitute legally binding documents stipulating the rights and obligations of both the grant provider and the recipient (Articles 1 – 3 in particular) with respect to conducting the works for the modernisation of heat distribution networks. Therefore, these decisions establish legally enforceable obligations between the grant provider and the recipient, equivalent to a contractual commitment. As demonstrated by Annex 2, the decisions to award the grant indicate in point 6.13.1 that the recipient is obliged to implement the project in accordance with the conditions set out in section 7.2 of Annex 4 and subsequently, to continue to comply with them throughout the project's sustainability period. As demonstrated by Annex 3, energy expert appraisals include an indication of the fulfilment of the specific conditions to comply with the measure and milestone description. Additionally, the afore-mentioned decisions were issued before the network investment was completed, and were provided by Czechia to the Commission on 13 September 2024. While the decisions were provided after 30 June 2024, they were provided to the Commission by Czechia at the time of the assessment. As of this, this minimal deviation does not change the nature of the measures and does not affect the progress towards achieving the investment that the target represents. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

The Council Implementing Decision required that Czechia shall provide (...) a concrete plan for investment in heat/power generation facilities that do not use solid fossil fuels as a heat source, except those compliant with the following criteria for natural gas-based heat generation:

- **The networks are part of 'efficient district heating and cooling' systems (as defined in Article 2(41) of the Directive 2012/27/EU); and**
- **They obtain heat/cool from facilities that are future-proof, flexible and efficient gas-fired heat production with GHG emission lower than 250 gCO₂e/kWh over the economic life-time of the facility**

As demonstrated by Annex 1, the transformation plan explains that the compliance of the investment with the criteria on no solid fossil fuels and criteria for natural gas-based heat generation is ensured via the call for application.

In particular, the plan implies that no exceptions to the investments in heat/power generation facilities that do not comply with the definition of 'efficient heating and cooling' system apply to any of the investments indicated in the plan.

The Council Implementing Decision required that Czechia shall provide a concrete plan for investment in heat/power generation facilities that do not use solid fossil fuels as a heat source, except those compliant with the afore-mentioned criteria for natural gas-based heat generation. The plan provided by the Czech authorities in October 2024 includes brief information regarding elements related to the non-use of solid fossil fuels and conditions on natural-gas based heat generation. The plan itself (on pages 5-10) concerns the investments in distribution infrastructure related to heat/power generation facilities defined in the call for application and is therefore considered to contain all the elements necessary to make the investments aligned with the requirements of the Council Implementing Decision. However, for detailed requirements it refers on page 5 and in footnote 6 to the call for applications through a hyperlink to the website of the Ministry of Industry and Trade where the call for applications was published. The call for applications (Annex 4) was launched on 5 May 2022 and required the projects to comply with the afore-mentioned requirements and to demonstrate, such as with the help of energy expert appraisal, how such compliance is ensured.

Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, by cross-referring to the call for application, which preceded the plan itself, the plan ensures that it concerns investments in distribution infrastructure related to heat/power generation facilities that would not use solid fossil fuels as a heat source after their modernisation as prescribed in the requirements from the Council Implementing Decision, and that these requirements apply to all the 63 projects selected. The financial allocation for the call for applications (as stated on page 1 of Annex 4) equals the total amount of investment 2. Hence, there will be no further calls for applications launched. With respect to the exceptions for investments that may use fossil fuels and the compliance criteria thereof, the plan makes on page 7 reference to the call for applications. The call included in section 7.2.1 points b) and c) the following conditions:

- The support for modernisation of district heating distribution can only be granted to networks that are part of 'efficient district heating and cooling' systems (as defined in Article 2(41) of the Directive 2012/27/EU). If the network is not part of the 'efficient district heating and cooling', further modernisation to achieve the 'efficient district heating and cooling' needs to be launched within three years from the start of the works, and needs to be completed within three years from finalising the supported works.
- The reconstruction of district heating sources also needs to start within three years from finalising the supported works, and be finalised at the latest by 2030, so that they do not use solid fossil fuels as a heat source, except those compliant with the following criteria for natural gas-based heat generation: a) They obtain heat/cool from facilities that are future-proof, flexible and efficient gas-fired heat production with GHG emission lower than 250 gCO₂e/kWh over the economic life-time of the facility, or b) Measures relate to future-proof, flexible and efficient gas-fired power production or gas-fired Combined Heat and Power, enabled for the use of renewable and low-carbon gases.

As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the Investment 2 "Modernisation of distribution of heat in district heating systems" that milestone 113 represents. On this basis, it is considered that this constitutive element of milestone 113 is satisfactorily fulfilled.

To conclude, the transformation plan in conjunction with the call for applications and the decisions to award grants provides for adequate safeguards ensuring that the conditions set out by the legal requirements are effectively applied on the ground by the selected district heating projects.

Refurbishment of the heat and power generation facility shall start within three years of the modernisation of the network, in order to comply with the definition of 'efficient district heating and cooling' in Article 2(41) of the Directive 2012/27/EU ("a district heating or cooling system using at least 50 % renewable energy, 50 % waste heat, 75 % cogenerated heat or 50 % of a combination of such energy and heat"). Furthermore, in line with the measure description, the calls shall also include a condition that these heat generation facilities [...] do not use solid fossil fuels as a heat source, except those compliant with the following criteria for natural gas-based heat generation:

- The networks are part of 'efficient district heating and cooling' systems (as defined in Article 2(41) of the Directive 2012/27/EU), and
- They obtain heat/cool from facilities that are future-proof, flexible and efficient gas-fired heat production with GHG emission lower than 250 gCO₂e/kWh over the economic life-time of the facility.

As demonstrated in Annex 1 and Annex 4, the transformation plan explains on page 7 that the call includes in section 7.2.1 points b) and c) specific conditions to comply with the measure and milestone description:

- The support can be granted only to projects of heat and power infrastructure that are part of 'efficient district heating and cooling' systems (as defined in Article 2(41) of the Directive 2012/27/EU), i.e. a district heating or cooling system that meets at least one of the following thresholds: at least 50 % renewable energy sources, 50 % waste heat, 75 % from combined heat and electricity or 50 % of a combination of this energy and heat. As indicated in Annex 1 (page 9), only two projects out of 63 projects included in the transformation plan currently do not meet the afore-mentioned definition.
- If the system is not considered as an 'efficient district heating and cooling' system, further refurbishment is needed to be achieved and it would need to start withing three years from the start of the work under this measure. As demonstrated in Annex 1 (Table 5), the transformation plan lists the planned energy sources upon transformation. This information includes final fuel to be used and a timeline for each source until 2030 the latest. The transformation plan also explains that the call under this investment (Annex 4) included a requirement for the applicants to submit a detailed timeline including the description of the planned transformation, and that the principles of financing the investments under the component (Annex 3), signed by the recipients, included a time schedule of the project.
- The refurbishment works also shall start within three years from finalising the supported investment, and they need to be finalised by 2030, where the sources are still using solid fossil fuels and/or the facility emits more GHG than 250 gCO₂/kWh. Therefore, the modernisation needs to happen so that they do not use solid fossil fuels as a heat source, except those compliant with the following criteria for natural gas-based heat generation: a) They obtain heat/cool from facilities that are future-proof, flexible and efficient gas-fired heat production with GHG emission lower than 250 gCO₂e/kWh over the economic life-time of the facility, b) Measures relate to future-proof, flexible and efficient gas-fired power production or gas-fired Combined Heat and Power, enabled for the use of renewable and low-carbon gases.

Furthermore, in line with the measure description, **in case biomass is utilised as a fuel source, the investment shall be in line with the sustainability and the greenhouse gas saving criteria as set out in Article 29 of Directive 2018/2001 on the promotion of the use of energy from renewable sources ('the Renewable Energy Directive', 'RED II'). Only biomass waste and residues that can be extracted in a sustainable manner shall be used and the investment shall be accompanied by emission-reducing measures. Compliance with the relevant EU and national environmental legislation shall**

be ensured so that emissions are within or lower than the emission levels associated with the Best Available Techniques Conclusions limits (under the Industrial Emission Directive).

As demonstrated in Annex 4, the call includes in section 7.2.1 point c) a specific condition to comply with the measure description:

- If biomass is used as a fuel source, the investment shall comply with the sustainability and greenhouse gas emissions saving criteria set out in Article 29 of Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources ('RED II'). Only biomass waste and residues that can be extracted in a sustainable manner shall be used and the investment shall be accompanied by emission-reducing measures. Compliance with relevant EU and national environmental legislation shall be ensured so that emissions are within the limits of emission levels or lower than the emission levels associated with the Best Available Techniques conclusions limits (under the Industry Emission Directive).

As demonstrated by Annex 2, the decisions to award grants indicate in point 6.13.1 that the recipient is obliged to implement the project in accordance with the conditions set out in section 7.2 of Annex 4 and subsequently, to continue to comply with them throughout the project's sustainability period.

To conclude, the transformation plan in conjunction with the call for applications and the decisions to award grants provides for adequate safeguards ensuring that the conditions set out by the legal requirements are effectively applied on the ground by the selected district heating projects.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C2.5]-I[I2]-T[127]: Projects contracted for reduction of energy consumption and reduction of CO₂ emissions

Related Measure: C2.5.I2 Replacement of stationary sources of pollution in households with renewable energy sources

Quantitative Indicator: Energy savings in terra joules per year

Baseline: 0

Target: 720

Time: Q3 2023

1. Context:

This measure aims at replacing non-compliant combustion sources in households using solid fuels with low-emission heating sources (heat pumps, biomass boilers), and installing renewable energy sources suitable for the housing sector, in particular photovoltaic and photothermal systems. The investment shall be implemented through the following projects:

- Projects for reduction of energy consumption by 720 TJ/year and reduction of CO₂ emissions by 100 kt/year.
- Reduction of energy consumption by 1 500 TJ/year and reduction of CO₂ emissions by 170 kt CO₂/year by 30 September 2023.
- Reduction of energy consumption by 4 500 TJ/year and reduction of CO₂ emissions by 500 kt CO₂/year by 31 December 2025.
- Reduction of energy consumption by 415 TJ/year and reduction of CO₂ emissions by 66 kt/year reached through the support of socially disadvantaged groups of the population by 31 December 2025.

In Target 127, projects for reduction of energy consumption and CO₂ emissions by 720 TJ/year and by 100 kt/year, respectively, shall be contracted by the State Environment Fund.

As regards biomass, at least 80 % greenhouse gas (GHG) emission savings shall be achieved from the use of biomass in relation to the GHG saving methodology and the relative fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001.

Target 127 is the first target of the investment, and it is accompanied by target 128 in this payment request, related to the reduction of energy consumption and CO₂ emissions. It will be followed by target 129, related to the reduction of energy consumption and CO₂ emissions. The investment has a final expected date for implementation of 31 December 2025.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|--|
| 1 | Summary document, dated 11 September 2024 | Summary document duly justifying how the target (including all constitutive elements) was satisfactorily fulfilled |

| | | |
|---|--|---|
| 2 | Annex 1. List of 13 689 contracted projects, dated 11 September 2024 | An MS Excel file containing a list of the 13 689 contracted projects, including detailed information such as name of applicant, location of the project, summary of the project activities (e.g., type of heating source replaced, type of renewable energy source installed), amount of subsidy, etc. The first sheet of the MS Excel file contains information on the aggregated primary energy savings and CO ₂ emissions reduction, and the evolution of aggregated primary energy savings and CO ₂ emissions reduction per year. |
| 3 | Annex 2. Methodology for calculating energy savings and CO ₂ emissions reduction | The report in Annex 2 contains the methodology, including the coefficients and formulae, used to calculate the energy savings and CO ₂ emissions reduction achieved by the supported projects. The report also contains two model calculations for two of the supported projects. |
| 4 | Annex 3. Project applications for 60 sampled projects, not dated | Project applications were requested for a random sample of 60 projects. |
| 5 | Annex 4. Issued legal acts for 60 sampled projects, dated between 18 March 2022 and 9 June 2023 | Legal acts were requested for a random sample of 60 projects. The legal acts are the documents in which the Ministry of Environment grants the funding to the selected projects. |
| 6 | Annex 5. Reports on the installation of the new heating source for 60 sampled projects, dated between 3 June 2021 and 4 April 2023 | Reports on the installation of the new heating source were requested for 60 sampled projects. The installation reports are completed by the supplier. |
| 7 | Annex 6. MS Excel tool for calculating energy savings and CO ₂ emissions reductions, dated 8 October 2024 | A MS Excel file which contains the formulae used to calculate the energy savings and CO ₂ emissions per project. The calculation tool is based on the methodology submitted in Annex 2. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the target.

Projects for reduction of energy consumption and CO₂ emissions by 720 TJ/year and by 100 kt/year, respectively, shall be contracted by the State Environment Fund.

According to the evidence provided in Annex 1, Czechia achieved a reduction of energy consumption and CO₂ emissions of 1 104.4 TJ/year and 109.5 kt/year. Czechia has fulfilled this requirement by contracting 13 689 projects via the State Environment Fund. Therefore, Czechia has completed 1 104.4 TJ/year reduction of energy consumption, thus exceeding the goal of Target 127 by 384.4 TJ/year.

The first sheet of Annex 1 demonstrates the evolution of aggregated primary energy savings and CO₂ reduction for the years 2022 – 2023 for all supported projects. The first sheet of Annex 1 also

demonstrates the breakdown of energy savings and CO₂ reductions per year. The calculations are based on the per-project data available in the second sheet of Annex 1.

The detailed list of supported projects is found in the second tab of Annex 1, and it includes information on the project application number and title, the type of activity undertaken by the project (e.g., replacement of a solid-fuel boiler with a natural gas boiler, installation of roof photovoltaics, etc.), the applicant's name, the address of implementation of the project, the amount of the subsidy, the payment date, the energy savings per project, the CO₂ reduction per project, and whether the project contained a natural gas boiler and the portion of the subsidy for the gas boiler.

Following the selection of a random sample of 60 units, Czechia submitted issued legal acts, project applications, and reports on the installation for the 60 selected projects (Annexes 3-6). These documents demonstrate the date on which the projects were contracted, the amount of the subsidy, the amount of energy savings per year, and the reduction of CO₂ emissions per year. The evidence provided for a sample of 60 units confirmed that this requirement of Target 127 has been met. The issued legal acts confirm that the projects were contracted by the State Environment Fund between 18 March 2022 and 9 June 2023, and that they achieve the reduction of energy consumption and CO₂ emissions reported in Annex 1.

As regards biomass, at least 80 % greenhouse gas (GHG) emission savings shall be achieved from the use of biomass in relation to the GHG saving methodology and the relative fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001.

The GHG saving methodology and the relative fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001 apply to installations with thermal input equal to or exceeding 20 MW. None of the 13 689 projects supported under Target 127 exceeded the threshold of 20 MW. The support under Target 127 applies to the installation of boilers in single-family houses, where the installed power input is at most in the lower tens of kW (i.e. typically 25kW and maximum 70kW) or in multi-family residential buildings, where it is a maximum of hundreds of kW (i.e. with a maximum of up to 0.5 MW). Moreover, the projects supported in this measure aim to replace old coal-fired boilers, and in the specific case of domestic boilers, a switch from an old coal-fired boiler to a new biomass boiler on average delivers GHG savings of at least 80%. Based on the average coefficients from the Methodology in Annex VI to Directive (EU) 2018/2001 and the Methodology for calculating energy savings and CO₂ emissions reduction (Annex 2), the CO₂ emissions factors of the new biomass boilers are zero. According to Recital 104 of the Directive (EU) 2018/2001: "In order to minimise the administrative burden, the Union sustainability and greenhouse gas emissions saving criteria should apply only to electricity and heating from biomass fuels produced in installations with a total rated thermal input *equal to or exceeding 20 MW.*"

The target is further specified in the Operational Arrangements, which requires: For the purposes of these operational arrangements, projects contracted as of February 2020 shall be reported.

Annex 1 demonstrates that projects were contracted between 1 March 2022 and 18 October 2023. Following the selection of a random sample of 60 units, Czechia submitted issued legal acts (Annex 5) which demonstrate the date on which the projects were contracted. The evidence provided for a sample of 60 units confirmed that the projects were contracted between 18 March 2022 and 9 June 2023, i.e., after February 2020.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C2.5]-I[I2]-T[128]: Reduction of energy consumption and CO₂ emissions (35% implemented)

Related Measure: C2.5.I2 Replacement of stationary sources of pollution in households with renewable energy sources

Quantitative Indicator: Energy savings in terra joules per year

Baseline: 720

Target: 1500

Time: Q3 2023

1. Context:

This measure aims at replacing non-compliant combustion sources in households using solid fuels with low-emission heating sources (heat pumps, biomass boilers), and installing renewable energy sources suitable for the housing sector, in particular photovoltaic and photothermal systems. The investment shall be implemented through the following projects:

- Projects for reduction of energy consumption by 720 TJ/year and reduction of CO₂ emissions by 100 kt/year.
- Reduction of energy consumption by 1 500 TJ/year and reduction of CO₂ emissions by 170 kt CO₂/year by 30 September 2023.
- Reduction of energy consumption by 4 500 TJ/year and reduction of CO₂ emissions by 500 kt CO₂/year by 31 December 2025.
- Reduction of energy consumption by 415 TJ/year and reduction of CO₂ emissions by 66 kt/year reached through the support of socially disadvantaged groups of the population by 31 December 2025.

In Target 128, energy consumption and CO₂ emissions shall be reduced by 1 500 TJ/year and 170 kt/year, respectively, by 30 September 2023, which shall be demonstrated through energy performance certificates.

As regards biomass, at least 80 % greenhouse gas (GHG) emission savings shall be achieved from the use of biomass in relation to the GHG saving methodology and the relative fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001.

Target 128 is the second step of the implementation of the investment, and it is accompanied by target 127 in this payment request, related to the reduction of energy consumption and CO₂ emissions. It will be followed by target 129, related to the reduction of energy consumption and CO₂ emissions. The investment has a final expected date for implementation of 31 December 2025.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|--|
| 1 | Summary document, dated September 2024 | Summary document duly justifying how the target (including all constitutive elements) was satisfactorily fulfilled |

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|---|--|--|
| 2 | Annex 1. List of 5 032 contracted projects, dated 11 September 2024 | An MS Excel file containing a list of the 5 032 contracted projects, including detailed information such as name of applicant, location of the project, summary of the project activities (e.g., type of heating source replaced, type of renewable energy source installed), amount of subsidy, etc. The first sheet of the MS Excel file contains information on the aggregated primary energy savings and CO ₂ emissions reduction, and the evolution of aggregated primary energy savings and CO ₂ emissions reduction per year. |
| 3 | Annex 2. Methodology for calculating energy savings and CO ₂ emissions reduction | The report in Annex 2 contains the methodology, including the coefficients and formulae, used to calculate the energy savings and CO ₂ emissions reduction achieved by the supported projects. The report also contains two model calculations for two of the supported projects. |
| 4 | Annex 3. Project applications for 60 sampled projects, not dated | Project applications were requested for a random sample of 60 projects. |
| 5 | Annex 4. Issued legal acts for 60 sampled projects, dated between 30 March 2022 and 18 May 2023 | Legal acts were requested for a random sample of 60 projects. The legal acts are the documents in which the Ministry of Environment grants the funding to the selected projects. |
| 6 | Annex 5. Reports on the installation of the new heating source for 60 sampled projects, dated between 23 June 2021 and 18 April 2023 | Reports on the installation of the new heating source were requested for 60 sampled projects. The installation reports are completed by the supplier. |
| 7 | Annex 6. MS Excel tool for calculating energy savings and CO ₂ emissions reductions, dated 8 October 2024 | A MS Excel file which contains the formulae used to calculate the energy savings and CO ₂ emissions per project. The calculation tool is based on the methodology submitted in Annex 2. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the target.

Reduction of energy consumption and CO₂ emissions (35% implemented)

According to the evidence provided in (Annexes 1-6), the State Environment Fund contracted 5 032 projects, achieving reduction of energy consumption and CO₂ emissions of 839.15 TJ/year and 81.17 kt/year. Target 128 builds on the projects contracted under Target 127, and together the projects contracted under Target 127 and Target 128 reduce energy consumption and CO₂ emissions by 1963 TJ/year and 193 kt/year. The 1963 TJ/year of energy saved amounts to 44% implemented of the overall goal for the investment.

Energy consumption and CO₂ emissions shall be reduced by 1 500 TJ/year and 170 kt/year, respectively, by 30 September 2023, which shall be demonstrated through energy performance certificates.

According to the evidence provided in (Annexes 1-6), the State Environment Fund contracted 5 032 projects, achieving reduction of energy consumption and CO₂ emissions of 839.15 TJ/year and 81.17 kt/year. Target 128 builds on the projects contracted under Target 127, and together the projects contracted under Target 127 and Target 128 reduce energy consumption and CO₂ emissions by 1963 TJ/year and 193 kt/year.

The Council Implementing Decision required that achieved energy consumption and CO₂ emissions reductions shall be demonstrated through energy performance certificates. Czechia has submitted reports on the installation of the new heating source (Annex 5) instead of energy performance certificates. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the installation reports are acceptable as they provide all necessary information to calculate the energy and CO₂ emissions savings per project (i.e., the type of old heating source, the type of new heating source and any other renovation activities that were implemented). Using the installation reports to calculate the energy savings does not change the nature of the measure as these reports are prepared and signed by an energy specialist with the relevant authorisation according to Article 10 of Act No. 406/2000 Coll. on energy management, just like the energy performance certificates. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the investment that the target represents. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

The first sheet of Annex 1 demonstrates the evolution of aggregated primary energy savings and CO₂ reduction for the years 2022 – 2023 for all supported projects. The first sheet of Annex 1 also demonstrates the breakdown of energy savings and CO₂ reductions per year. The calculations are based on the per-project data available in the second sheet of Annex 1.

The detailed list of supported projects is found in the second tab of Annex 1, and it includes information on the project application number and title, the type of activity undertaken by the project (e.g., replacement of a solid-fuel boiler with a natural gas boiler, installation of roof photovoltaics, etc.), the applicant's name, the address of implementation of the project, the amount of the subsidy, the payment date, the energy savings per project, the CO₂ reduction per project, whether the project contained a natural gas boiler, and the portion of the subsidy for the gas boiler.

Following the selection of a random sample of 60 units, Czechia submitted issued legal acts, project applications, and reports on the installation for the 60 selected projects (annexes 3-6). These documents demonstrate the date on which the projects were contracted, the amount of the subsidy, the amount of energy savings per year, and the reduction of CO₂ emissions per year. The evidence provided for a sample of 60 units confirmed that this requirement of Target 128 has been met. The issued legal acts confirm that the projects were contracted by the State Environment Fund between 30 March 2022 and 18 May 2023, and that they achieve the reduction of energy consumption and CO₂ emissions reported in Annex 1.

As regards biomass, at least 80 % greenhouse gas (GHG) emission savings shall be achieved from the use of biomass in relation to the GHG saving methodology and the relative fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001.

The GHG saving methodology and the relative fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001 apply to installations with thermal input equal to or exceeding 20 MW. None of the 5 032 projects supported under Target 128 exceeded the threshold of 20 MW. The support under Target 128 applies to the installation of boilers in single-family houses, where the installed power input is at most in the lower tens of kW (i.e. typically 25kW and maximum 70kW) or in multi-family residential buildings, where it is a maximum of hundreds of kW (i.e. with a maximum of up to 0.5 MW). Moreover, the projects supported in this measure aim to replace old coal-fired boilers, and in the specific case of domestic boilers, a switch from an old coal-fired boiler to a new biomass boiler on average delivers GHG savings of at least 80%. Based on the average coefficients from the Methodology in Annex VI to Directive (EU) 2018/2001 and the Methodology for calculating energy savings and CO₂ emissions reduction (Annex 2), the CO₂ emissions factors of the new biomass boilers are zero. According to Recital 104 of the Directive (EU) 2018/2001: “In order to minimise the administrative burden, the Union sustainability and greenhouse gas emissions saving criteria should apply only to electricity and heating from biomass fuels produced in installations with a total rated thermal input *equal to or exceeding 20 MW*.”.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C2.6]-I[I2]-T[136]: T2 Completion of 50% additional small watercourses and water reservoirs

Related Measure: C2.6.I2.T136 - Small watercourses and water reservoirs

Quantitative Indicator: Number of projects

Baseline: 450

Target: 900

Time: Q4 2023

1. Context:

The objective of this investment is to increase water retention in watercourses and to strengthen safety in the event of flows in towns by revitalising small watercourses and setting up close-to-nature water reservoirs.

Target 136 consists of the completion of 50% additional small watercourses and water reservoirs projects. This represents 450 projects.

Target 136 is the third and last step of the investment, and it follows the completion of milestone 134 related to the submission by the Ministry of Agriculture of the list of projects to be supported under investment 2 and target 135, related to the submission by the Ministry of Agriculture of the list of projects to be supported under Investment 2 and the completion of 50% of the small watercourses and water reservoirs projects. The investment had a final expected date for implementation on 31 December 2023.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|---|
| 1 | Summary document | Summary document duly justifying how the milestone was satisfactorily fulfilled. |
| 2 | Annex 1 - Permits for 451 projects | Building permits or notification of 451 projects |
| 3 | Annex 2 - Completion report by the Czech Technical University in Prague of 5 February 2024 | The Czech Technical University in Prague, in its capacity of an independent body, analysed all 451 projects and verified their completion. |
| 4 | Annex 3 - List of projects supported under Investment 2 (Target 135 and Target 136) | The Excel file contains two sheets: one dedicated to projects related to target 135 and one for projects related to target 136. |
| 5 | Annex 4 - The National Action plan for Climate Change Adaptation | This document contains the strategy for adaptation to climate change in the Czech Republic (2021-2025). |
| 6 | Annex 5 - State Policy of the Environment in the Czech Republic 2030 with a view to 2050 | The State Environmental Policy 2030, with outlook to 2050 was approved by the Government Resolution No 21 of 11 th January 2021. |

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| 7 | In the context of the sampling analysis, additional evidence provided for a sample of 60 units including: (i) the corresponding individual assessment fiche per project as developed by the independent authority and (ii) a document proving project completion per individual project. | Evidence provided in the context of the sampling |
|---|--|--|

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the target.

Completion report by an independent engineer certified by the Ministry of Agriculture for the remaining 50% of the projects:

An independent completion report of 5 February 2024, submitted under Annex 2, ascertains the completion of 451 projects (50.1% of the total number of 900 projects), including 385 projects of rehabilitation or construction of water reservoirs and 66 projects involving small watercourses reservoirs. The report was prepared by the Czech Technical University (Faculty of Civil Engineering) which qualifies as an independent engineer, distinct from the authorities, as required by the Council Implementing Decision. The independent report includes justifications claiming that the implementation of the projects is in line with the description of the measure (see p. 5 and 6 of the independent report). It also assesses in detail the alignment of the projects with the description of the target in the Council Implementing Decision. The assessment of each project was carried out separately by addressing the following assessment points (as specified in the independent report on pages 1 and 2):

- The project contributes to water retention or retention in water courses;
- The project significantly improves morphological conditions of small watercourses or water reservoirs;
- The project increases safety during high flows in towns and municipalities;
- The project does not include expansion of existing Irrigation system on waterbodies with less than good status or potential;
- The project does not have a negative impact on status/potential of the affected water bodies;
- The project meets the requirements arising from the relevant environmental legislation including Directive 2011/92/EU and Council Directive 92/43/EEC;
- The project respects the relevant provisions of the Directive 2000/60/EC;
- The project complies with the Do No Significant Harm (hereinafter referred to as “DNSH”) Technical Guidance (2021/C58/01);
- The project preferred nature-based solutions and avoided concrete-based solutions where possible;
- The project design documentation acquired legal building permit according to Czech legislation;

- The project is implemented in accordance with the design documentation.

In line with the National Action plan for Climate Change Adaptation and State Policy of the Environment in the Czech Republic 2030 with a view to 2050, nature-based solutions shall be given a preference, while constructing and/or refurbishing of artificial concrete-based flood protection infrastructure shall be avoided as much as possible.

The independent body confirms in its report (on page 5) that nature-based solutions were given preferences in vast majority of projects and the use of concrete was limited to parts of the projects where it could not be avoided for structural reasons. The use of nature-based solution in water management is presented in both the National Action plan for Climate change adaptation and the State Policy of the Environment in the Czech Republic 2030 with a view to 2050.

The projects shall be implemented only once permits are granted by the relevant water authority based on an environmental impact assessment and relevant assessments in the context of Directive 2000/60/EC.

In line with the description of the target, the Czech authorities submitted building permits for 451 projects (see Annex 1). The independent body confirmed on page five that all implemented projects meet the requirements from the relevant environmental legislation including Directive 2011/92/EU, Council Directive 92/43/EEC and Directive 2000/60/EC as required by the Council Implementing Decision. The independent body also specifically confirmed (on p. 2) that if a permit or approval is issued, the compliance with Directive 2011/92/EU is considered to be satisfactory, including requirements on public consultation.

The permits shall assess all potential impacts on the status of water bodies within the same river basin and on protected habitats and species directly dependent on water, considering in particular migration corridors, free-flowing rivers or ecosystems close to undisturbed conditions, as well as current pressures related to water abstraction. The impact assessment shall establish that the project (i) does not significantly or irreversibly impact affected water bodies, nor prevent the specific water body to which it relates nor other water bodies in the same river basin to achieve good status or potential, and (ii) does not significantly negatively impact on protected habitats and species directly dependent on water. Projects shall contribute to the achievement of good ecological status or potential of the water bodies concerned in accordance with the requirements of the Water Framework Directive 2000/60/EC.

As evidenced under Annex 2 (pages 2 and 5), it is demonstrated that, in line with the description of the target, all potential impacts on the status of water bodies within the same river basin and on protected habitats and species directly dependent on water, considering in particular migration corridors, free-flowing rivers or ecosystems close to undisturbed conditions, as well as current pressures related to water abstraction were assessed by the relevant water authorities during the process of issuing permits or approvals.

With regards to good ecological status/potential of the relevant bodies in accordance with the requirements of Directive 2000/60/EC, the independent report confirms on page five that none of the projects causes deterioration of the ecological status/potential of affected water bodies or prevents good ecological status/potential achievement. In addition, on p.6 of Annex 2, the independent body clarifies that when considering implementation of all the assessed projects as a single measure, it can be confirmed, that it contributes towards achieving good ecological status/potential. The independent

body also confirms that despite the limits of the contribution of a particular project resulting from its scale, it is clear that in general every possible effort was made and all means necessary taken to achieve good ecological status or potential in agreement with the Water Framework Directive and CID Annex. The Water Framework Directive requires good status by 2015, with possible extension until 2027 if justified in accordance with Article 4 of the Water Framework Directive. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

The potential significant negative impact on protected habitats and species directly dependent on water is part of a binding opinions of the local authorities in charge of environmental protection. The independent body confirms on p.2 of the completion report that the Czech Law No 114/1992 is harmonised with the Council Directive 92/43/EEC on the conservation of natural habitats and wild fauna and flora. It confirms on p.5 that all assessed projects are complying with the relevant EU and Czech environmental legislation concerning protected habitats and species directly dependent on water.

Similarly, all the necessary results and conditions from the Environmental Impact Assessment, completed in accordance with Directive 2011/92/EU shall be respected (in particular stakeholders' consultation) as well as relevant assessments under the Habitats Directive, as included in the conditions stipulated by the nature protection authorities.

Compliance with the requirements arising from the relevant environmental legislation including Directive 2011/92/EU and Council Directive 92/43/EEC is assessed for all under assessment point 6 by the independent body. According to the independent body, on p.2 of the completion report, the Czech Law No. 100/2001 Coll. (Environmental Impact Assessment Act (EIAA) is harmonised with the Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment. Annex No 1 to the EIAA set limits for projects and measures for the level of detail of the environmental impact assessment. The effect of water reservoirs with less than 25.000 m³ or 100.000 m³ of storage volume is considered under the limit for EIA if located in protected areas or outside of protected areas respectively. The independent body also specifically confirmed (on p. 2) that if a permit or approval is issued, the compliance with Directive 2011/92/EU is considered to be satisfactory, including requirements on public consultation.

In addition, the Czech Law No 114/1992 is harmonised with the Council Directive 92/43/EEC on the conservation of natural habitats and wild fauna and flora. The potential significant negative impact on protected habitats and species directly dependent on water is addressed in binding opinions of the local authorities in charge of environmental protection. It is confirmed by the independent body on p.2 of the completion report.

In case water reservoirs are intended for irrigation, any expansion of existing irrigation system (including through increased use of water, i.e., not only physical expansion), even via more efficient methods, is not supported where concerned water bodies (surface or ground waters) are or projected (in the context of intensifying climate change) to be in less than good status or potential.

Regarding the specific requirement on water reservoirs intended for irrigation included in the description of the target, the independent report states on page five that none of the implemented projects include expansion of existing irrigation system.

Following the selection of a random sample of 60 units, Czechia submitted 60 individual assessment fiches as provided by the Czech Technical University (Faculty of Civil Engineering) and 60 completion reports. It was verified that all 60 projects are completed and have been subject to the review of an independent body based on the nine assessment criteria described above. The assessment fiches provided for a sample of 60 units confirmed that the requirements of the target have been met.

Nature-based solution has been given a preference, while constructing and/or refurbishing of artificial concrete flood protection infrastructure has been avoided as much as possible. Building permits have been granted in line with the national legislation by the relevant water authority. All 60 projects meet the requirements arising from Directive 2011/92/EU, Council Directive 92/43/EEC, Directive 2000/60/EC. None of the project does have a negative impact on status/potential of the affected water bodies. None of the 60 projects included the expansion of the existing irrigation systems.

4. Commission Preliminary Assessment: Satisfactory fulfilled.

CZ-C[C2.6]-I[I5]-T[143]: T2 Completion of 20 additional projects of torrent control (small scale wooden and natural stone dams) to slow down surface runoff and water retention projects in forests (retention and small reservoirs)

Related Measure: C2.6.I5 Water retention in forest

Quantitative Indicator: Number of projects

Baseline: 40

Target: 60

Time: Q1 2024

1. Context:

Target 143 is part of an investment that aims at strengthening water retention capacity in forests through the implementation of 60 projects of torrent control (small scale wooden and natural stone dams) to slow down surface runoff and water retention projects in forests (retention and small reservoirs).

Target 143 relates to the completion of 20 projects.

It is the second and last target of investment 2, and it follows the completion of target 142. The investment has a final expected date for implementation of 31 March 2024.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|--|
| 1 | Summary document | Summary document duly justifying how the milestone was satisfactorily fulfilled. |
| 2 | Annex 1- Building and water permits for 20 projects | Legal authorisation according to Czech national law |
| 3 | Annex 2 - Occupancy approval decisions (completion for 20 projects). Annex 2.1 - Occupancy approval decisions – Annex 2.2 - Territorial plan of measures | Evidence of the actual completion of the projects |
| 4 | Annex 3 - Report by an independent body for 20 projects – Annex 3.1 - Completion report by an independent organisation (28 June 2024)– Annex 3.2 - Assessment sheets | Report by the Czech University of Prague, Faculty of Civil Engineering and individual assessment fiches developed for each project by the independent body |
| 5 | Annex 4 -List of projects | List of the 20 projects |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the target.

Completion report by an independent body for 20 additional projects.

The Czech authorities have provided a completion report delivered by the Czech University of Prague, Faculty of Civil Engineering from 28 June 2024. As described on p.1 of this completion report, the assessment of each project was carried out by the independent body based on nine assessment criteria, covering inter alia all the requirements listed in the target description. The nine criteria are as follows:

- The project contributes to strengthening water retention capacity in forests;
- The project relates to torrent control to slow down surface runoff (small scale wooden and natural stone check dams) or to water retention in forests (retention and small reservoirs);
- The project uses nature-based solutions (in line with the National Action Plan for Climate Change Adaptation as well as the National Policy of the Czech Republic to combat droughts);
- Project does not have a negative impact on status/potential of the affected water bodies.
- Project meets the requirements arising from the relevant environmental legislation incl. Directive 2011/92/EU and Council Directive 92/43/EEC;
- Project respects relevant provisions of the Directive 2000/60/EC;
- Project complies with the DNSH Technical Guidance (2021/C58/01);
- Design documentation of the project acquired legal building permit according to the Czech legislation;
- Project was implemented in accordance with the design documentation.

The completion report from 28 June 2024 delivered by the Czech University of Prague, Faculty of Civil Engineering (Annex 3.1, assessment criteria 1 and 2) concludes on p. 6 that the implementation of all the assessed projects is in line with the description of the milestone and every project focuses on one or more of the targeted types of intervention, which are treatment of forest watercourses, small water reservoirs in forests, and natural water retention measures aiming at slowing down the runoff, monitoring of accelerated erosion and protecting of the shedding basins. Completion reports, issued by the Czech University of Prague, Faculty of Civil Engineering, were provided for all 20 projects (Annex 2), which confirmed that the projects completed relate to torrent control and water retention in forests. This is also confirmed by the building permits and completion reports issued for all 20 projects.

Project shall be as far as possible nature-based (in line with the National Action Plan for Climate Change Adaptation as well as the National Policy of the Czech Republic to combat droughts).

The completion report by the independent body (Annex 3.1) confirms on p. 6 that “all projects are in line with the National Action Plan for Climate Change Adaptation and preferred nature-based solutions where possible. All projects are in line with the National Action Plan for Adaptation to Climate change and the majority comply with the National Policy of the Czech Republic to combat droughts (as stated on p.5 of the completion report by the independent body).

The projects’ designs shall incorporate the necessary results and conditions from the Environmental Impact Assessment, which shall be completed in accordance with Directive 2011/92/EU as well as relevant assessments in the context of Directive 2000/60/EC and Council Directive 92/43/EEC.

The Czech authorities submitted building permits or simplified building permits for 20 projects. Compliance with Directives 2011/92/EU and 2000/60/EC is an integral part of the Czech permitting procedure. Annex I and II to Directive 2011/92/EU list the projects that fall under its scope. Projects listed in Annex II do not necessarily have significant effects on the environment.; they should be assessed where the Member States consider that they are likely to have significant effects on the environment. The completion report of the independent body confirms on p. 5 (Annex 3.1) that the

implemented projects met the requirements resulting from the relevant environmental legislation including Directive 2011/92/EU and Council Directive 92/43/EEC, respected relevant provisions of Directive 2000/60/EC and complied with the DNSH Technical Guidelines (2021/C58/01). In addition, in its report, the independent body (p.2) confirms that the effect of small water reservoirs is considered under the limit for EIA.

4. Commission Preliminary Assessment: Satisfactory fulfilled

CZ-C[C2.7]-R[R1]-M[144]: Entry into force of the implementing decisions following the legislation on waste management prepared by the Ministry of Environment

Related Measure: C2.7.R1. Implementation of new legislation on waste management in the Czech Republic

Qualitative Indicator: Provision in the implementing decisions indicating the entry into force of the respective implementing decisions

Time: Q3 2023

1. Context:

This reform aims at increasing the prevention, recycling, recovery and sorting of waste and reducing landfilling, with the objective of strengthening the principles of producer responsibility and eco-modulation. By 2035, at least 65 % of the municipal waste shall be recycled and a maximum of 10 % shall be landfilled. The objective of this reform is to finalise the implementing acts on waste management so that these enter into force in line with Czechia's new waste management legislation in force since January 2021. The Council Implementing Decision lists the Decrees which shall be included among such implementing acts.

Milestone 144 is the first step of the implementation of the reform. It will be followed by milestone 145 related to entry into force of a national and regional waste management plan, also part of this payment request.

The reform has a final expected date for implementation on 31 December 2023.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|---|
| 1 | Summary document | Summary document duly justifying how the target (including all constitutive elements) was satisfactorily fulfilled |
| 2 | Annex 1.1 Decree No. 8/2021 Coll. of 5 January 2021, on the catalogue of waste | In line with the national law, this decree was published in the Official Journal and entered into force on 12 January 2021. It entered into application on 27 January 2021 (see Section 15). |
| 3 | Annex 1.2 Decree No. 30/2021 Coll. of 26 January 2021, on the implementation of certain provisions of the Packaging Act | In line with the national law, this decree was published in the Official Journal and entered into force on 1 February 2021. It entered into application on 16 February 2021 (see Section 14). |
| 4 | Annex 1.3 Decree No. 169/2023 Coll. of 8 June 2023, on laying down the conditions under which solid fuel from waste ceases to be waste | In line with the national law, this decree was published in the Official Journal and entered into force on 16 June 2023. It entered into application on 17 June 2023 (see Section 10). |
| 5 | Annex 1.4 Act No. 243/2022 Coll. of 10 August 2022, on Limiting | In line with the national law, this decree was published in the Official Journal and entered into force on 31 August 2022. It entered into application |

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| | the Impact of Selected Plastic Products on the Environment | on 1 October 2022, with deferred applicability for several provisions, at the latest in July 2024. (see Section 42). |
| 6 | Annex 1.5 Decree No. 47/2023 Coll. of 21 February 2023, on the implementation of certain provisions of the Act on Limiting the Impact of Selected Plastic Products on the Environment | In line with the national law, this decree was published in the Official Journal and entered into force on 28 February 2023. It entered into application on 1 March 2023 (see Section 9). |
| 7 | Annex 1.6 Decree No. 283/2023 Coll. of 13 September 2023, determining conditions under which recovered asphalt mixture or penetrating macadam become a by-product or cease to be waste (Asphalt Decree) | In line with the national law, this decree was published in the Official Journal and entered into force on 22 September 2023. It entered into application on 1 October 2023 (see Section 14). |
| 8 | Annex 1.7 Decree No. 345/2021 Coll. of 20 September 2021, on details of disposal of end-of-life vehicles | In line with the national law, this decree was published in the Official Journal and entered into force on 20 September 2021. It entered into application on 1 October 2021 (see Section 12). |
| 9 | Annex 1.8 Decree No. 16/2022 Coll. of 21 January 2022, on details of disposal of end-of-life products | In line with the national law, this decree was published in the Official Journal and entered into force on 28 January 2022. It entered into application on 1 February 2022, with the exception of some provisions effective on 1 July 2023 (see Section 34). |
| 10 | Annex 2 List of waste sorting projects, not dated | List of four recent waste sorting projects in the city of Olomouc, Zlin, Ostrava and Brno in operation or to be operational. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

Entry into force of the implementing decisions following the legislation on waste management prepared by the Ministry of Environment

As demonstrated in Annexes 1.1 to 1.8, the Czech authorities submitted all decrees listed in the Council Implementing Decision. These were prepared by the Ministry of Environment that implement the new waste management legislation, notably Act No 541/2020 Coll., on Waste (hereinafter 'Waste Act') effective on 1 January 2021, Act on Limiting the Impact of selected plastic products on the environment No. 243/2022, Coll. effective on 1 October 2022 and other acts listed below. Each of the implementing legislative acts is published in the Official Journal and has entered into force by time of the submission of the payment request.

These implementing decisions shall include the Decree on the waste catalogue No 8/2021 Coll., the Decree on the handling of packaging No. 30/2021 Coll., Decree on laying down the conditions under which solid fuel from waste ceases to be waste, Act on Limiting the Impact of Selected Plastic

Products on the Environment, Decree on the implementation of certain provisions of the Act on Limiting the Impact of Selected Plastic Products on the Environment, the Decree on by-products and waste transfer waste (asphalt decree), the Decree on the details of the handling of end-of-life vehicles, and the Decree on the details of handling of end-of-life products (tires, electrical, batteries).

Overall, each of the implementing legislative acts listed below transposes the rights and obligations, including the binding targets, as set out in the waste management *acquis* of the European Union and supports the transition to a circular economy.

- Decree No. 8/2021 Coll., on the catalogue of waste, submitted under Annex 1.1., published in the Official Journal on 12 January 2021 and entered into force on 27 January 2021. It implements Sections 6(2), 7(5), 28(6), 29(6), 74(7) and 76(2) and (7) of the Waste Act. It classifies the different types of waste, including hazardous waste, sets out the procedure for the classification into a waste catalogue and provides for minimum requirements concerning trainings for hazardous waste evaluation and certificates.
- Decree No. 30/2021 Coll., on the implementation of certain provisions of the Packaging Act, submitted under Annex 1.2, published in the Official Journal on 1 February 2021 and entered into force on 16 February 2021. It implements Section 50(2) of Act No 477/2001, on packaging. It stipulates the scope for record keeping and their notifications concerning the number of packaging marketed or in circulation as well the methodology for re-use of waste originated out of packaging.
- Decree No. 169/2023 Coll., on laying down the conditions under which solid fuel from waste ceases to be waste, submitted under Annex 1.3, published in the Official Journal on 16 June 2023 and entered into force on 17 June 2023. It implements Sections 9(7), 15(5)(a) and 94(2) of the Waste Act. It provides for technical details concerning the treatment and use of solid fuel from waste for the production while maintaining the highest level of the environmental protection. The decree prohibits the use of any recyclable waste in the production of the fuel (Section 2(1)(a) of the Annex). The Czech authorities underlined that the purpose of this decree is to facilitate the operation of facilities for the treatment of mixed municipal waste, being one of the gradual steps towards the end of the mixed municipal waste landfilling. The Council Implementing Decision required the entry into force of the implementing decisions following the legislation on waste management prepared by the Ministry of Environment. The Decree No. 169/2023 Coll., which entered into force on 17 June 2023, contains a transitional provision in Section 9(2) which exempts from its scope of application the operators who obtained their authorisation to process waste biomass prior to the date of 17 June 2023 on which this Decree entered into effect (Section 10). As such, the Decree would not apply to this category of operators before 31 December 2024. Whilst this constitutes a minimal temporal deviation from the requirement of the Council Implementing Decision, the delay between the entry into force of the Decree and the actual application of the provisions is considered both limited and proportional, notably considering that these providers were allowed to proceed in line with the rules preceding the Decree based on previously issued authorisation for a limited period between 17 June 2023 and 31 December 2024 and, in the absence of any information available to the Commission services about further delays, there a certainty that this decree will apply to these operators as of 1 January 2025. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.
- Act No. 243/2022 Coll. and Decree No. 47/2023 Coll., on limiting the impact of selected plastic products on the environment, submitted under Annex 1.4 and 1.5, published in the Official Journal respectively on 31 August 2022 and 28 February 2023 and entered into force

respectively 1 October 2022 and 1 March 2023. The Decree implements Sections 7(3), 9(3), 10a(3), 13(7), 21(5) and 22(5) of Act No 243/2022. They stipulate the rules for waste prevention as concerns selected plastic products, the rights and obligations of manufacturers when marketing and handling such products as well as the scope of record keeping and notifications about the selected plastic products on the market. In particular, the Act also prohibits selected single-use plastic products from being put on the market and designates plastic products for which the manufacturer has obligations to raise awareness. High-efficiency sorting lines are operational or will be put in operation in order to implement this legislation in practice, as demonstrated in Annex 2.

- The so-called Asphalt Decree No. 283/2023 Coll., submitted under Annex 1.6, published in the Official Journal on 22 September 2023 and entered into force on 1 October 2023. It implements Sections 8(2), 9(7) of the Waste Act. It sets out the conditions under which recovered asphalt mixture and penetrating macadam are a by-product to be further used or cease to be waste.
- Decree No. 345/2021 Coll., on details of disposal of end-of-life vehicles, submitted under Annex 1.7, published in the Official Journal on 20 September 2021 and entered into force on 1 October 2021. It implements Sections 107(5), 108(1)(k), 108(3), 109(7), 110(7) and 112(7) of Act No 542/2020 on end-of-life products. It provides for operating rules of facilities collecting end-of-life vehicles and their obligation to take measures in relation to the parts of vehicles which can further re-used, including on separate record keeping.
- Decree No 16/2022 Coll., on details of disposal of end-of-life products, submitted under Annex 1.8, published in the Official Journal on 28 January 2022 and entered into force on 1 February 2022. It implements Sections 13(4), 15(4), 17(2)(c), 21(6), 23(7), 27(4), 28(3), 31(1), 32(5), 36(4), 50(6), 51(7), 53(6), 57(7), 59(2), 62(3)(a) and (b), 67(3)(c), 68(4), 69(2)(a) and (c), 69(5) points (a) to (c), 72(6), 74(7) points (a) to (c) and 80(2)(a) and (b) of Act No 542/2020 on end-of-life products. It stipulates the requirements for collection and transit of specific end of life products, including their temporary storage, while also providing for minimum requirements of awareness raising campaigns on their disposal. This decree concerns different products such as waste electrical equipment, waste batteries or accumulators, waste tyres or solar panels.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C2.7]-R[R1]-M[145]: Entry into force of a national and regional waste management plan

Related Measure: C2.7.R1 Implementation of new legislation on waste management in the Czech Republic

Qualitative Indicator: Provision in the law indicating the entry into force of a national and regional waste management plan

Time: Q4 2023

1. Context:

The reform aims to increase the prevention, recycling, recovery and sorting of waste and reducing landfilling, with the objective of strengthening the principles of producer responsibility and eco-modulation. By 2035, at least 65 % of the municipal waste shall be recycled and a maximum of 10% shall be landfilled. The reform shall be completed by 31 December 2023.

Milestone 145 requires providing a new national and regional waste management plan, aimed at improving the environmentally sound preparation for the re-use, recycling, recovery and disposal of waste.

Milestone 145 is the second and last milestone of the reform, and it follows the completion of milestone 144, related to the entry into force of implementing decisions following the legislation on waste management prepared by the Ministry of Environment, also part of this payment request.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|--|
| 1 | Summary document | Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled; |
| 2 | Annex 1.1 Waste Management Plan of the Czech Republic for the period 2015 -2024 with view until 2035 | Copy of the document prepared by the Ministry of Environment which contains Czechia's long-term strategy in the area of waste management and circular economy with the view to 2035. Its last update dates from January 2022 to reflect the developments and amendments in the European Union legislation related waste management. (It is published at the link: https://www.mzp.cz/cz/poh_cr_prislusne_dokumenty - accessed on 14 October 2024) |
| 3 | Annex 1.2 Waste Management Plan of the Pilsen region 2016 – 2026 with view until 2035; | Copy of the document prepared for the region of Pilsen and published on its website (https://www.plzensky-kraj.cz/clanek/plan-odpadoveho-hospodarstvi-plzenskeho-kraje-2016-2026-0). Its update dated from January 2023 was approved on 18 December 2023 and entered into force on 23 April 2024. |
| 4 | Annex 1.3 Waste Management plan Karlovy Vary region 2016 | Copy of the document prepared by the region of Karlovy Vary and published on its website (https://www.kr-karlovarsky.cz/karlovarsky-kraj/strategie-koncepce- |

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| | – 2025 with view until 2035; | planů/plan-odpadoveho-hospodarstvi). Its update dated from January 2023 entered into force on 26 July 2024. |
| 5 | Annex 1.4 Waste Management Plan of the Central Bohemian Region for the period 2016 to 2025 with view until 2035; | Copy of the document prepared by the region of Central Bohemia and published on its website (Aktualizace Plánu odpad. hospodářství SK 2016–2025 s výhledem do r. 2035 - Webový portál Středočeského kraje (kr-stredocesky.cz)). Its update dated from August 2023 was approved on 27 November 2023 and entered into force on 29 December 2023. |
| 6 | Annex 1.5 Waste Management plan of the South Moravian region 2016 – 2025 with view until 2035; | Copy of the document prepared by the region of South Moravia and published on its website (POH JMK 2016–2025 Plán odpadového hospodářství JMK Strategické dokumenty Dokumenty odboru Odbor životního prostředí Jihomoravský kraj BrandCloud.pro). Its update dated between October 2022 and May 2023 was approved on 25 April 2024 and entered into force on 1 June 2024. |
| 7 | Annex 1.6 Waste Management plan of the South Bohemian Region 2016 -2025 with view until 2035; | Copy of the document prepared by the region of South Bohemia and published on its website (Plán odpadového hospodářství Jihočeského kraje Životní prostředí Jihočeského kraje (kraj-jihocesky.cz)). Its update dated 2023 was approved on 22 February 2024 and entered into force on 20 March 2024. |
| 8 | Annex 1.7 Waste Management Plan Vysočina region for the period 2016 to 2025 with view until 2035; | Copy of the document prepared by the region of Vysočina and published on its website (https://www.kr-vysocina.cz/plan%2Dodpadoveho%2Dhospodarstvi/ds-301490/p1=123165). Its update dated July 2023 was approved on 7 November 2023 and entered into force on 23 November 2023. |
| 9 | Annex 1.8 Waste Management Plan of the Hradec Králové Region 2016 – 2025 with view until 2035; | Copy of the document prepared by the region of Hradec Králové and published on its website (https://www.khk.cz/cz/krajsky-urad/ziv-prostredi-zemedelstvi/aktuality/odpady/aktualizace-planu-odpadoveho-hospodarstvi-kralovehradeckeho-kraje-s-vyhledem-do-r--2025-385555/). Its update dated September 2023 was approved on 11 September 2023 and entered into force on 10 October 2023 |
| 10 | Annex 1.9 Waste management Plan of the Region of Liberec 2016 – 2025 with view until 2035 | Copy of the document prepared by the region of Liberec and published on its website (https://www.kraj-lbc.cz/urad/odbory/odbor-zivotniho-prostredi-a-zemedelstvi/oddeleni/oddeleni-ovzdusi-a-odpadu/odpadove-hospodarstvi/plan-odpadoveho-hospodarstvi-libereckeho-kraje). Its update dated October 2023 was approved on 19 December 2023 and entered into force on 18 January 2024. |
| 11 | Annex 1.10 Waste Management Plan of the Moravian-Silesian Region 2016 – 2025 with view until 2035 | Copy of the document prepared by the Moravian-Silesian region and published on its website (Plán odpadového hospodářství pro období 2016–2026 Moravskoslezský kraj (msk.cz)). Its update not dated was approved on 7 September 2023 and entered into force on 28 September 2023. |

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| 12 | Annex 1.11 Waste management plan of the region of Olomouc 2016-2025 with view until 2035 | Copy of the document prepared by the region of Olomouc and published on its website (https://www.olkraj.cz/odpadove-hospodarstvi-cl-269.html). Its update dated October 2023 was approved on 11 December 2023 and entered into force on 2 January 2024. |
| 13 | Annex 1.12 Waste management plan of the region of Pardubice 2016-2025 with view until 2035 | Copy of the document prepared by the region of Pardubice and published on its website (https://www.pardubickykraj.cz/plan-odpadoveho-hospodarstvi/123484/aktualizovany-poh-pardubickeho-kraje-2023). Its update dated 2023 was approved on 12 December 2023 and entered into force on 29 December 2023. |
| 14 | Annex 1.13 Waste Management Plan of the Ústí Region 2016-2025 with view until 2035. | Copy of the document prepared by the region of Ústí and published on its website (Plán odpadového hospodářství Ústeckého kraje a hodnotící zprávy: Odpadové hospodářství: Ústecký kraj (kr-ustecky.cz)). Its update dated between October 2022 and May 2023 was approved by the authorities on 30 October 2023 and entered into force on 5 December 2023 |
| 15 | Annex 1.14 Waste Management Plan of the Zlín Region 2016-2025 with view until 2035 | Copy of the document prepared by the region of Zlín dated 2023. It entered into force on 9 October 2024. |
| 16 | Annex 1.15 Regional Waste management plan of the capital city of Prague 2016- 2025 with view until 2035 | Copy of the document prepared by the region of the City of Prague dated December 2023 and approved by authorities on 21 October 2024. It entered into force on 25 October 2024. |
| 17 | Annex 1.16 List of dates of entry into application of the regional plans (not dated) | This document contains references to the official database listing the binding decrees issued by each of the 13 regions with the view to approve the updated waste management plan and their date of entry into force. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

Entry into force of a national and regional waste management plan. Furthermore, in line with the description of the measure, **national and regional waste management plans, aimed at improving the environmentally sound preparation for the re-use, recycling, recovery and disposal of waste shall be finalised and enter into force. Providing a new national and regional waste management plan, aimed at improving the environmentally sound preparation for the re-use, recycling, recovery and disposal of waste.** Provision in the law indicating the entry into force of a national and regional waste management plan.

The Council Implementing Decision states “*providing a new national and regional waste management plan, aimed at improving the environmentally sound preparation for the re-use, recycling, recovery and disposal of waste*”. The Council Implementing Decision also states “*national and regional waste management plans, aimed at improving the environmentally sound preparation for the re-use,*

recycling, recovery and disposal of waste shall be finalised and enter into force.” The Recovery and Resilience Plan provides in the description of the component 2.7 (page 8) that the milestone will be implemented by the adoption of a national plan and of regional plans. In light of the contextual interpretation of this requirement from the Council Implementing Decision, this requirement is interpreted as the adoption of one national waste management plan and multiple regional waste management plans. The Czech authorities adopted a national waste management plan and additional 14 regional plans, considering that there are a total of 14 regions in Czechia.

As demonstrated by Annex 1.1, Czechia submitted an updated national waste management plan. The Government’s resolution No 373 of 11 May 2022 approved this updated national plan and mandated the Ministry of Environment to publish it on its website. Both documents are published on the website of the Ministry of Environment.

In line with Section 99 of the Waste Act No 541/2020 Coll, such national plan shall be prepared for at least 10 years and be updated in the event of substantial changes of conditions under which it was prepared. In addition, such plan also forms a mandatory basis for the Waste management plans of the regions. The updated national plan provides for a long-term strategy for managing waste, packaging waste and end-of-life products focused on the transition to a circular economy, prevention of waste and its increased recycling (Annex 1.1, p. 55-57). Its update, finalised in 2022, takes into account the legislative changes in the EU legal framework in the area of waste management, in particular the Circular economy package, as well as the transposition of the EU legislation within the Waste Act, Packaging Act no 477/2001 and Act on end-of-life products No 542/2020 Coll., which were adopted by Czechia in 2020 and 2021 (p. 5 of Annex 1.1).

Furthermore, Czechia submitted updated regional waste management plans for each of its 14 regions (Annexes 1.2 to 1.15). These plans were duly updated taking into account the national waste management plan in line with Section 100 of the Waste Act. They were adopted by the respective regional authorities through decrees and entered into force during the period between October 2023 and November 2024. The respective dates on which each of regional plans enters into force are detailed above in Section 2 Evidence and Annex 1.16.

The Council Implementing Decision required the entry into force of a national and regional waste management plan as well as the provision in the law indicating the entry into force of a national and regional waste management plan. Czechia approved the national waste management plan, as required under Section 98(3) of the Waste Act, by a government resolution adopted in May 2022. The government resolution is a binding executive act under Article 76 of the Czech Constitution, read in conjunction with the procedural rules of the government (Article 1(3)), which becomes effective on the date of its adoption, unless specified otherwise. Moreover, it took immediate effect and was acted upon by the government in the sense that the national plan was published on the website of the Ministry of Environment and enabled the regional authorities to prepare their regional plans on its basis. Further, Czechia approved 14 regional plans through decrees adopted by respective regional authorities, being legally binding acts pursuant to Section 6 to 10 of Act 129/2000 Coll., on regions which enter into force on the date indicated in the Official Journal of regional and municipal decrees.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C2.8]-I[I1]-T[154]: Entry into force of all subsidy contracts between the State Investment Fund and selected brownfield project holders

Related Measure: C2.8.I1 Support for revitalisation of specific areas

Quantitative Indicator: Number of projects

Baseline: 0

Target: 10

Time: Q4 2023

1. Context:

The objective of the investment is to provide support for the brownfield regeneration projects for multifunctional use. The investment is implemented by supporting projects for specific brownfield sites which were identified based on of the size of the sites, the size of the expected investment and on the relevance for the Europe's green transition ambitions. The investment covers the establishment of a subsidy programme.

Target 154 concerns the entry into force of subsidy contracts for projects for regeneration of brownfields signed with the State Investment Fund. The projects under the investment provide support for energy-efficient construction or energy-efficient renovation of the brownfields. Overall, at least 10 projects shall be contracted.

Target 154 is the first step of the implementation of the investment, and it will be followed by target 155, related to the completion of the projects on energy-efficient construction and energy-efficient renovations of the brownfields.

The investment shall be completed by 31 December 2025.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|--|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Annex 1: Five notices of calls for projects: 1 st and 2 nd calls started on 1 February 2023; 5 th and 6 th calls started on 15 June 2023; 10 th call started on 22 November 2023 | Documents provide conditions concerning the calls for projects. The respective calls for this milestone are: 1st, 2nd, 5th, 6th and 10th. The documents are available on the webpage of the State Fund for Investment Support: https://sfpi.cz/npo-brownfieldy/ |
| 3 | Annex 2: Preliminary assessment protocols from the calls for projects. | Assessment protocols of the calls of projects. |
| 4 | Annex 3: Contracts and project documentation for the 16 projects. | Contracts and project documentation. |
| 5 | Annex 4: Summary table | Summary of all 16 projects. |

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| 6 | Annex 5 Government Regulation No 2/2023 of 21 December 2022 on the conditions for using the funds of the State Investment Support Fund for revitalisation of territories with old construction loads (brownfields) financed by the Recovery and Resilience Facility (hereinafter called the Subsidy Programme). | Framework conditions for the implementation of the investment. |
| 7 | Annex 6: Project applications and technical documentation concerning the overlap for demolition projects | Technical documentation for comparison of the demolished and proposed newly constructed projects. |
| 8 | Annex 7: Summary table for the projects covering demolition | Summary of concerning the built-up areas of newly constructed buildings. |
| 9 | Delegation agreement on the implementation of investments 2.8.1 and 2.8.2 of the RRP signed on 5 April 2023 (reference number: MMR-14803/2023-18). Entry into force 5 April 2023. | Contracts empowers the State Fund for Investment Support to manage the investment. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the target.

Entry into force of all subsidy contracts between the State Investment Fund and selected project holders for specific brownfield site regeneration (project preparation, land preparation, investment projects) following the preparation of a subsidy programme. Furthermore, in line with the description of the measure, **the measure shall consist of the establishment of a subsidy programme which shall provide support for the preparation of land for future investments and for the investment projects themselves.**

The Government Regulation No 2/2023 of 21 December 2022 on the conditions for using the funds of the State Investment Support Fund for revitalisation of territories with old construction loads (brownfields) financed by the Recovery and Resilience Facility (hereinafter referred to as “the Subsidy programme”) (Annex 5) sets out the general conditions for the use of funds of the State Investment Support Fund for the revitalisation of brownfield sites under the RRF (paragraph 1) which constitutes the setting up of the subsidy programme. In particular, the Regulation specifies the eligibility conditions (paragraph 3) purpose of the subsidy (paragraph 10), It also defines the conditions which shall be met by the applicants (paragraph 12) and defines the elements which shall be included in the projects (paragraphs 13), as well as the amount of the subsidy (paragraph 14).

State Investment Support Fund published five notices of calls for subsidy contracts for specific brownfield site regeneration (introductory provisions of the calls) (Annex 1).

Following the publication of the calls for projects, the State Investment Support Fund selected 16 applicants and signed 16 subsidy contracts for the regeneration of the brownfields (allowing for project preparation, land preparation and investment projects) with the project holders which in line with the *Common and financial provisions* means that the contracts entered into force (Annex 3). The State

Investment Support Fund is entrusted to sign such contracts as stipulated in Article 6 of the Delegation agreement on the implementation of investments 2.8.1 and 2.8.2 of the RRP (signed on 5 April 2023, reference number: MMR-14803/2023-18, entry into force 5 April 2023, evidence submitted under point 9). For 15 projects the contracts were signed in December 2023 and for project signed with Pardubice Region (unique identifier 16) in April 2024. The signed contracts according to the preliminary assessment protocols (Annex 2) fulfil the conditions set out in the calls of proposals (this is indicated under the evaluation box).

The projects supported by the subsidy programme shall be aimed at carrying out demolition and energy-efficient construction or energy-efficient renovation.

Out of the five relevant calls of projects calls number 2, 6 and 10 covered the demolition and energy-efficient construction projects and calls number 1 and 5 covered energy-efficient revitalisation projects.

For the demolition projects point 2 of the relevant notices of calls for projects (Annex 1) specifies that the focus of the supported projects is the energy-efficiency demolition and construction.

For the projects aiming at energy-efficient renovation point 2 of the relevant notices of calls for projects (Annex 1) specifies that the focus of the supported projects is the energy-efficiency revitalisation. The requirement of supporting the energy efficiency renovation is confirmed by the project documentation submitted under Annex 3: the Energy Performance Certificates which summarizes the planned increase in the energy-efficiency.

A total of at least 10 projects shall be contracted and at least 60 % of the investment provided under this measure shall be devoted to energy-efficient renovation projects.

According to the evidence provided, Czechia completed 16 projects, thus exceeding the goal of 10 by 6 (Annex 3). 16 projects were contracted for the investment out of which 5 cover the energy-efficient demolition and construction and 11 cover energy-efficient renovation (Annex 3). 11 projects contracted for energy-efficient renovation represent 69% of the overall number of contracted projects and their total value (CZK 1 369 919 710.83, out of the total amount of CZK 1 999 431 920.24).

As to the funding of demolition and energy-efficient construction, it shall be ensured that the selected projects are such that

(i) new buildings shall have a Primary Energy Demand (PED) that is at least 20 % lower than the NZEB requirement;

As evidenced under Annex 3, Article V(1) of the subsidy contracts for the 5 projects on energy-efficient demolition and construction (Annex 3) requires that projects must be implemented in line with the provisions of the Subsidy programme (Annex 5). Paragraph 12(1) letter b point 1 of the Subsidy programme requires that the new buildings shall have a Primary Energy Demand that is at least 20% lower than the NZEB requirement.

(ii) deep renovation is not possible due to technical, health/safety or fit-for-purpose reasons;

Project applications (Annex 6) provide the justification for the demolition of the respective buildings in the section: *Indication of the reason for the construction of a new building*. In particular, the applicants provided the description of the technical state of the relevant existing buildings and provided justification on the reasons why the deep renovation is not possible due to technical state of

the existing buildings which do not meet the safety requirements and are not in a state which can allow only for the renovation of the existing buildings.

(iii) the total built-up area of new buildings cannot exceed the total built-up area of all demolished former buildings of a brownfield site, with at least 80 % of the new buildings built-up area being placed directly on the built-up area of the former demolished buildings.

The Subsidy programme stipulates in (Annex 5 in paragraph 6(2) letter b point 2 formulates stricter requirement according to which the built-up area of the new building cannot go outside of the demolished building by more than 5% of the built-up area of a demolished building. This condition ensures that 95% of the built-up area is placed directly on the built-up area of the former building which is in line with the requirement according to which at least 80% of the built-up area should be directly on the area of the former demolished building.

For the five projects with demolition component (projects no: 2, 9, 12, 13 and 16) Czechia submitted evidence which illustrates the total built-up areas and the overlap between the demolished and newly planned buildings (Annex 3, appendixes *overlap*) as well as the relevant project applications which provide the information of the total built-up areas (Annex 6). These confirm that the total built-up areas of the newly constructed buildings do not exceed of the built-up areas of the demolished buildings and that the requirement as stipulated in paragraph 6(2) letter (b) point (2) is met. In addition, the Czech authorities provide summary of calculations in annex 7.

The conversion of valuable green areas (of high biodiversity value) shall be excluded.

Each of the five calls (Annex 1) stipulated in paragraph 13 paragraphs 8 and 9 the obligation for project holders to submit the DNSH report together with its annexes during the implementation of the project. Those documents shall be submitted at the moment of the first application for reimbursement by the project holders. The DNSH report includes the requirement to exclude the conversion of the valuable green areas. This is indicated under Chapter 6 where applicants provide information on the protection and restoration of biological diversity (*DNSH report template*, Annex 3). In line with Paragraph 14 of the five calls (Annex 1) projects will be excluded from receiving financing in case they do not provide a DNSH report showing that conversion of valuable green areas is excluded, before receiving the first payment.

Concerning the support of renovation activities, the call shall specify that at least 90% of the costs shall support energy-efficiency renovations.

The respective requirement is included in the calls for proposals in Articles 10(2) (Annex 1, notices for calls number 1 and 5) for energy efficiency revitalisation which cover energy-efficiency renovation.

The requirements of the calls for projects shall ensure that at least 70% of the construction and demolition waste generated is prepared for reuse and recycling.

The respective requirement is included in the calls for proposals in Articles 12(6) for energy-efficient renovation projects (Annex 1, notices for calls number 1 and 5) and Articles 12.8 demolition and energy-efficient construction projects (Annex 1, notices for calls number 2 and 6).

The management of the call, evaluation of project applications, selection and signing of a contract with project holders as well as payments during a project realization (construction) and final control shall be entrusted to the State Investment Fund.

Czechia submitted under evidence number 9 the subsidy contract between the Ministry of Regional Development and the State Fund for investment Support which in Article 5(1) specifies that the Fund is responsible for the management of the call (letters a and b), evaluate the projects' applications and select the projects (letter g), sign the contracts (Article 5(5) and manage the payments (Article 6). Article 7 specifies that the Fund is obliged perform the control of the individual projects.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C2.8]-I[I2]-T[156]: Entry into force of all contracts between the State Investment Fund and selected brownfield project holders

Related Measure: C2.8.I2 Support for the revitalisation of areas in public ownership for non-business use

Quantitative Indicator: Number of projects

Baseline: 0

Target: 30

Time: Q4 2023

1. Context:

The objective of the investment is to provide support for the regeneration of brownfield sites owned by local and regional authorities. The investment is implemented by supporting projects for non-business use which carry out the energy-efficiency renovations or which turn brownfield sites into natural carbon sinks.

Target 156 concerns the entry into force of subsidy contracts for projects for regeneration of brownfields for non-business use. The projects under the investment provide support for energy-efficient renovations or for turning the brownfield sites into the natural carbon sinks. Contracts for the projects concerning the turning of the brownfield sites into natural carbon sinks represent at least 20% of the investments.

Target 156 is the first step of the implementation of the investment. It will be followed by target 157, related to the completion of the projects on energy revitalisation of brownfields owned by municipalities and regions for non-business use.

The investment shall be completed by 31 December 2025.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|---|
| 1 | Summary document | Summary document duly justifying how the milestone was satisfactorily fulfilled. |
| 2 | Annex 1: Seven notices of calls for projects: 3 rd and 4 th calls started on 1 February 2023; 7 th call started on 15 June 2023; 8 th and 9 th calls started on 15 September 2023; 11 th and 12 th calls started on 5 January 2024 | Documents provide conditions concerning the calls for projects. The respective calls for this milestone are: 3 rd , 4 th , 7 th , 8 th , 9 th , 11 th and 12 th . The documents are available on the webpage of the State Fund for Investment Support: https://sfpi.cz/npo-brownfieldy/ |
| 3 | Annex 2: Preliminary assessment protocols from the calls for projects | Assessment protocols of the calls of projects |
| 4 | Annex 3: Subsidy contracts and project documentation for the 42 projects | Contracts and project documentation |
| 5 | Annex 4: Summary table | Summary of all 42 projects |

| | | |
|---|---|--|
| 6 | Annex 5: Governmental Regulation 2/2023 of 21/12/2022 on the conditions for using the funds of the State Investment Support Fund for revitalisation of territories with old construction loads (brownfields) financed by the Facility for recovery and resilience (hereinafter called the Governmental Regulation) | Framework conditions for the implementation of the investment |
| 7 | Delegation contract signed on 28/03/2023 and 05/04/2023 between the Ministry of Regional Development and the State Fund for Investment Support on the implementation of investments 2.8.1 and 2.8.2 of the National Recovery Plan signed on 5 April 2023 (reference number: MMR-14803/2023-18). Entry into force on 5 April 2023. | Contract designating the State Fund for Investment Support to implement the investment |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the target.

Entry into force of all contracts for regeneration of publicly owned brownfields for non-business use following the preparation of a subsidy program. Furthermore, in line with the description of the measure, **the investment shall support the regeneration of brownfield sites owned by local and regional authorities that shall be turned into an amenity or a public institution, such as a school, a cultural centre, a sports ground, a municipal authority or a publicly accessible park.**

The Government Regulation of 21 December 2022 on the conditions for using the funds of the State Investment Support Fund for revitalisation of territories with old construction loads (brownfields) financed by the Recovery and Resilience Facility (hereinafter referred to as “the Subsidy programme”) (Annex 5) sets out the general conditions for the use of funds of the State Investment Support Fund for the revitalisation of brownfield sites under the RRF (paragraph 1) which constitutes the setting up of the subsidy programme. In particular, the Regulation specifies the eligibility conditions (paragraphs 3 and 15), defines the mandatory documents which must be submitted by the applicants (paragraph 4), and defines the detailed conditions for the investment in Part 2 (paragraphs 5-9), which includes the maximum amount of the investment (paragraph 9).

State Investment Support Fund published five notices of calls for subsidy contracts for specific brownfield site regeneration (introductory provisions of the calls (Annex 1). The notices of calls specify in Article 2 that the support provided under the Subsidy programme is provided for publicly owned areas for non-business use. In addition, according to Paragraph 17 (1) of the Government Regulation Subsidy programme (Annex 5) economic activities performed under the projects are allowed only if they are linked with the non-business purpose of the project and cannot exceed 20% of the total activities of a project.

Following the publication of the calls for projects, the State Investment Support Fund selected 42 applicants and signed 42 subsidy contracts with the project holders **the regeneration of brownfield sites owned by local and regional authorities that shall be turned into an amenity or a public institution** (Annex 3). All contracts were signed with the regional self-governing bodies which own the relevant brownfield sites, 40 of them with municipalities and 2 with regional authorities (Liberec Region, projects number 41 and 42 in annex 4). The signed contracts according to the preliminary assessment protocols (Annex 2) fulfil the conditions set out in the calls of proposals (this is indicated under the evaluation box).

The projects will result in setting up a communal leisure centre (project of the Jankovice municipality), a new park (project of the Buchlovice Township) or multiple communal multi- purpose/cultural centres (other projects).

The projects supported by the subsidy programme shall be aimed at carrying out energy-efficient renovations or turning brownfield sites into natural carbon sinks.

Out of the seven calls in total (No 3, 4, 7, 8, 9, 11 and 12, submitted under Annex 1),

- the project calls number 3, 7, 8 and 11 related to the energy-efficiency renovation projects

For these projects, point 2 of the notices of calls for projects (Annex 1, notices for calls number 3, 7, 8 and 11) ensure that the supported projects will carry out the energy-efficiency revitalisation. The requirement of supporting the energy efficiency renovation is confirmed by the project documentation submitted under Annex 3: the Energy Performance Certificates which summarizes the planned increase in the energy-efficiency.

- The project calls number 4, 9 and 12 related to projects turning brownfield sites into natural carbon sinks.

For these projects, point 2 of the notices of calls for projects (Annex 1, notices for calls number 4, 9 and 12) ensures the supported projects will carry out the construction of the natural carbon sinks.

Concerning the support of renovation activities, the call shall specify that at least 90 % of the costs shall support energy-efficiency renovations.

Notices of calls relevant for the energy-efficiency renovations specify in point 10 (third bullet point) (Annex 1) that the subsidy must be used for the energy-efficient revitalisation and that at least 90% of the costs must be spent to meet the energy performance requirements for the energy-efficiency renovations. This condition is also included in the contracts signed with the applicants (Annex 3) in the Article V paragraphs 12 and 11.

The requirements of the calls for projects shall ensure that at least 70% of the construction and demolition waste generated is prepared for reuse and recycling.

Point 12(6) for calls number 3, 7, 8, and point 12(7) for calls number 4, 9 and 12 and point 11(6) for call number 11 of the notices of competitions (Annex 1) specify that at least 70% of the construction and demolition waste is prepared for reuse and recycling. This condition is also included in the agreements signed with the applicants (Annex 3) for the renovation projects in the Article V paragraphs 10 and 11.

Overall, at least 30 projects shall be contracted and at least 20% of the investment shall be devoted to projects aimed at turning brownfields into natural carbon sinks.

According to the evidence provided, Czechia contracted 42 projects, thus exceeding the goal of 30 (the target under assessment) by 12 (Annex 3). Out of 42 projects 13 projects are devoted to turning brownfields into natural carbon sinks (which represents 31% of projects). In line with the subsidy contracts (Annex 3) and summary table (Annex 5) the combined allocation for projects devoted to turning brownfields into natural carbon sinks is CZK 230,313,190.20, which makes up 37 % of the total invested amount.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C2.8]-I[I3]-T[158]: Entry into force of all public contracts for the regeneration of publicly owned brownfields for business use

Related Measure: C2.8.I3.T158 - Support for the revitalisation of areas in public ownership for business use

Quantitative Indicator: Number of projects

Baseline: 0

Target: 20

Time: Q4 2023

1. Context:

The objective of the investment is to provide support for the revitalisation of public owned brownfields for business use, and to a limited extend, for non-business use. Regenerated sites shall be used preferably by small- and medium sized enterprises and local firms. The selected projects shall be aimed at supporting demolition and energy-efficient construction or energy-efficient renovation.

Target 158 concerns the entry into force of contracts for projects for regeneration of publicly owned brownfields for business use. Overall, at least 20 projects shall be contracted.

Target 158 is the first step of the implementation of the investment. It will be followed by target 159, related to the completion of the projects on energy-efficient construction and renovation revitalisation of public owned brownfields for business use. The investment has a final expected date for implementation on 31 December 2025.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|---|
| 1 | Summary document | Summary document duly justifying how the milestone was satisfactorily fulfilled. |
| 2 | Annex 1 - Notices of published calls. 1 st call started on 19/07/2022 2 nd call started on 13/07/2023 | Notices provide conditions for projects. |
| 3 | Annex 2 - Reports of the Evaluation Commission. | Four reports of the interministerial Evaluation Commission are available (23/11/2022, 12/04/2023, 18/10/2023 and 14/12/2023-19/12/2023) |
| 4 | Annex 3 - Copy of grant decisions. | Copy of the contracts and contract notification award(s) between recipients (municipalities) and the subsidy provider, specifying the dates, and links to the notifications |
| 5 | Annex 4 - Projects' technical specifications. | Documents containing the technical specifications of projects |

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| | <ul style="list-style-type: none"> ○ Annex 4a - Investment purpose ○ Annex 4b - Justification for demolition ○ Annex 4c - Green analysis ○ Annex 4d - Building layout o ○ Annex 4e - Built up area ○ Annex 4f - Blue-green infrastructure ○ Annex 4 g - Project Evaluation ○ Annex 4h - Certificates of ownership | |
| 6 | Annex 5 - Subsidy programmes | Official document setting up the subsidy programme |
| 7 | Annex 6 – List of projects | List of the 25 projects awarded |
| 8 | Annex 7 – Evaluation of 5% condition | Summary document regarding the requirement that a maximum of 5 % new land shall be used at the place where the former building was located |
| 9 | Annex 8 – SME local investors | Available list of SMEs at this stage of the investment |
| 10 | Annex 9 – Blue-green infrastructure | Summary document regarding the respect of blue-green infrastructure implying that preference shall be given to projects implementing rainwater management pursuant to Act 254/2001 (“Water Act”) |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the target.

Entry into force of all contracts for regeneration of publicly owned brownfields for business use following the preparation of a subsidy program. Overall, at least 20 projects shall be contracted.

To fulfil the requirement in the CID Annex of contracting at least 20 projects, Czechia launched two subsidy programmes (see Annex 5) and issued the related two calls (Annex 1). The first subsidy programme was initiated on 19 July 2022 and published on the Ministry of Industry and Trade's website, while the second was launched on 13 July 2023 and similarly published on the Ministry's website. Under the first subsidy programme, 19 contracts were awarded, with additional 6 contracts under the second programme (see Annex 3). Czechia submitted 25 copies grant agreements (see Annex 3 – 29 documents/25 originals and 4 addendums).

Both programmes aim to regenerate brownfield sites for business use (see Annex 5) as per the objective of the programme 2022 and the basic provisions of the programme 2023. (The first programme specifies that the beneficiaries of the subsidies are cities, towns, municipalities, and regions, all of which are public entities, while the second programme lists regions and municipalities. Czechia has also provided certificates of ownership for all projects, confirming that the brownfield sites are publicly owned (Annex 4h).

The selected projects shall be aimed at supporting demolition and energy-efficient construction or energy-efficient renovation.

Both subsidy programmes and calls (Annex 5 and Annex 1) define the supported activities, which are energy-efficient renovation of buildings, the construction of energy-efficient buildings, and demolition (see on p.1 of each call). Supported activities are also described in Annex 1 of each call (see Annex 1 Appendix 1 for both calls).

As to the funding of demolition and energy-efficient construction, it shall be ensured that the selected projects are such that (i) new buildings shall have a Primary Energy Demand (PED) that is at least 20 % lower than the NZEB requirement;

Both calls, under point 10 – *Call Specific Terms and Conditions*, refer to the fact that aid will only be granted to measures that comply with the DNSH principle outlined in Annex1 - Appendix 4. Appendix 4, related to the DNSH principle, states that for new builds, the energy standard is supported by being 20% stricter than what is required by legislation. In addition, grant decisions (See Annex 3) for demolition and construction projects set out the condition according to which PED is at least 20% than NZEB requirement.

(ii) deep renovation is not possible due to technical, health/safety or fit-for-purpose reasons;

The description of the 8 demolition projects ensures that the deep renovation of projects was not possible for technical, for safety reasons or fit-for-purpose reasons (Annex 4b). The justification was provided to the Ministry of Industry and Trade in the context of the application procedure and grant agreements which requires (Annex 3 – Binding terms of the grant decision point 2) that “the beneficiary must demonstrably fulfil the purpose for which the subsidy was granted. This means meeting the objective of the Council Implementing Decision and its Annex – Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Czechia of 19. 7. 2021 (‘CID’) of investment 2.8.3 [...]”. Projects were assessed by the Evaluation Commission based on Annex 4g.

(iii) a maximum of 5 % new land shall be used at the place where the former building was located. This excludes the possibility of demolishing buildings in one place and constructing another building on another site instead.

This requirement is included in Appendix 4 (DNSH) of both calls (Annex 1) under point 1.2 - *Specific conditions of the CID*. Each call states that aid will only be granted to measures respecting the DNSH principle outlined in Annex 4 (see point 10 of both calls in Annex 1). Appendix 4 (DNSH) under point 1.2 states that there shall be no increase in built-up areas by more than 5% compared to the current status of the entire brownfield site. The obligation to comply with DNSH conditions is also stated in the paragraph regarding the recipient’s obligations, specifically paragraph 14 in the relevant grant decision (Annex 3). The maximum of 5 % new land condition is performed based on: i) the green analysis document (see Annex 4c); ii) the building layout (Annex 4d); and iii) the built-up area (Annex 4e).

Concerning the support of renovation activities, it shall be ensured that at least 90 % of the costs shall support energy-efficiency renovations.

This requirement is included in the 2022 call (Annex 1 – 3. *Eligible expenditure*) and in Annex 1 - Appendix 4 (DNSH) of both calls under point 1.2 - *Specific conditions of the CID*. Each call states that aid will only be granted to measures respecting the DNSH principle outlined in Annex 4 (see point 10 of both calls in Annex 1). The Assessment and scoring of projects (Annex 4g) confirm that “the content

of the project, its objective and the eligible expenditure are in line with the main parameters of the call and the eligible expenditure of the call". The requirement is also confirmed in grant decisions (Annex 3) on pages 1 and 2 or either in paragraphs 37 or 38.

The requirements of the calls for projects shall ensure that at least 70% of the construction and demolition waste generated is prepared for reuse and recycling.

This requirement is included in Annex 1 – Appendix 4 (DNSH) of both calls under point 1.2 - *Specific conditions of the CID*. Each call states that aid will only be granted to measures respecting the DNSH principle outlined in Annex 4 (see point 10 of both calls in Annex 1). In addition, each grant decision (Annex 3) contains paragraph 14 of the general conditions, which states that projects must comply with the DNSH requirements outlined in the relevant call. The Assessment and scoring of projects (Annex 4g) confirm that "the content of the project, its objective and the eligible expenditure are in line with the main parameters of the call and the eligible expenditure of the call".

Furthermore, in line with the description of the measure, **the investment shall help revitalise brownfield degraded sites, including the removal of small-scale obstacles on the surface, owned by municipalities in particular for business use and, to a limited extent, for non-business use. These obstacles refer to parts of constructions marked as hazardous waste, such as asbestos-containing materials, or small oil leaks.**

Both programmes (Annex 5) and related published calls (Annex 1) have the objective to regenerate brownfield sites for business use. The business exploitation of the project shall predominate (see point 9 – *Basic conditions for project acceptability*). The 2022 and 2023 calls (Annex 1) under point 2. *Objective of the call*, specifies that predominance is given to business use, while limited non-business use is accepted. In addition, Annex 3 of the calls—*Application Forms and Annexes*—specifies that before the first payment, a report must be submitted by the applicant, including a description of the benefits of the projects and evidence of the predominant business use (see point C: *Payment Application* - point 11).

Removal of small-scale obstacles referring to parts of constructions marked as hazardous waste is governed by Decree 273/2021 and related regulations and is included in Appendix 4 - *DNSH* of both calls under point 1.2 - *Specific conditions of the CID and point 2.d) Objective of pollution prevention and control*).

Furthermore, in line with the description of the measure, a particular emphasis shall be placed on strict adherence to the principles of blue-green infrastructure and energy efficiency, implying that preference shall be given to projects implementing rainwater management pursuant to Act 254/2001 ("Water Act") and, in case of new buildings, energy savings measures beyond the legislative requirements of Act 406/2000 ("Energy Management Act").

Rainwater management is regulated under the Water Act (Act No. 254/2001 Coll., on Water) and other regulations relating to water protection and sustainable use. Strict adherence to the principle of the blue-green infrastructure, in compliance with the Water Act, is confirmed by the relevant environmental authorities (see Annex 4f). In addition, the projects involved in the subsidy programme were evaluated using a scoring system (Annex 4g – *Project assessment and evaluation*). Environmental benefits of the project were part of the assessment criteria. Demolition and energy-efficient construction projects have the PED condition, that the PED is at least 20 % lower than the NZEB requirement, and therefore fulfils the condition energy savings measures beyond the legislative requirements of Act 406/2000 (Energy Management Act). These requirements are set out in the Calls (see Annex 1_Appendix 1 and Appendix 4).

Regenerated sites shall be used preferably by small- and medium sized enterprises and local firms. The investment shall support projects to revitalise brownfield sites for business use corresponding to the target of at least 76000 m3 of built-up space.

Following the completion of this target, in line with the description of the measure in the Council Implementing Decision, Czechia will ensure that regenerated sites shall be used preferably by small- and medium sized enterprises and local firms and that the investment shall support projects to revitalise brownfield sites for business use corresponding to the target of at least 76000 m3 of built-up space .This is a further step of this measure that is not linked to target 158 but to target 159 in the Council Implementing Decision.

4. Commission Preliminary Assessment: Satisfactory fulfilled

CZ-C[C3.1]-I[I2]-T[174]: Number of schools supported with digital technologies and equipment to promote digital literacy and implement the new IT curricula

Related Measure: C3.1.I2 Digital equipment for schools

Quantitative Indicator: Number

Baseline: 0

Target: 9260

Time: Q1 2024

1. Context:

The investment aims to ensure that schools are adequately equipped with both basic and advanced digital technologies to support digital literacy and implement the revised curricula under reform 1 of this component (C3.1.R1). Of the total of approx. 10 000 kindergartens, primary and secondary schools, at least 9 260 shall be equipped by 31 March 2024 with basic and advanced digital technologies (such as augmented reality, virtual reality, robotics and 3D printing).

Target 174 requires that of the total of approximately 10 000 schools, at least 9 260 schools are equipped with both basic and advanced digital technologies necessary for promoting digital literacy and teaching new informatics according to the revised curricula.

Target 174 is the second target of the investment, and it follows the completion of target 172 related to the number of digital devices purchased by schools for distance learning. It will be followed by target 173 related to the purchase of additional 70 000 digital devices for pupils in need. In addition, as part of the same target, at least 80% of schools will set up a fund for mobile digital devices for disadvantaged pupils. Target 173 will be followed by target 175, related to the number of schools supported in counselling and mentoring on IT. It relates to the provision of targeted mentoring and counselling to at least 1 120 schools on the usage of IT equipment and internal school networks, complemented by centrally provided methodological guidance.

The investment has a final expected date for implementation on 31 March 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|---|
| 1 | Summary document (September 2024) | Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Annex I – Decision by the ministry on the dedicated funding (issued in February 2022, <i>MSMT 02_2022</i>) | Decision by the ministry on the dedicated funding. |
| 3 | Annex II – Call for proposal for kindergartens, primary schools and gymnasiums (signed on 31 March 2022) | Call for proposal to support equipping schools with digital learning aids for the development of children's and pupils' IT thinking and digital competences for the calendar year 2022. |

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| 4 | Annex III – Decision by the ministry on the dedicated funding (issued in February 2023, <i>MSMT 02_2023</i>) | Decision by the ministry on the dedicated funding. |
| 5 | Annex IV – Call for proposal for primary schools, secondary schools and conservatories (signed on 26 April 2023) | Call for proposal to support equipping schools with digital learning aids for the development of pupils' IT thinking and digital competences for the calendar year 2023. |
| 6 | Annex V – List of supported schools – calculation of financial support | List of supported schools – calculation of financial support |
| 7 | Annex VI – List of supported schools – list of equipment | List of supported schools, containing the names and identification numbers of the 10 227 schools equipped with the advanced and basic digital technologies, the types of technologies purchased and number of technologies per school. |
| 8 | Annex VII – Example of data collection form | Example of the data collection form, which all schools were obliged to fill as a final report in the following year after receiving the support. |
| 9 | Sampling evidence | In the context of the sampling analysis, additional evidence provided for a sample of 60 units including: (1) invoices from the suppliers sent to the school containing the technologies declared to the Ministry of Education, (2) bank statements showing that the money has been received by the schools, (3) inventory/asset cards proving that the schools are equipped with the purchased technologies. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the target.

Number of schools supported with digital technologies and equipment to promote digital literacy and implement the new IT curricula.

Czechia has provided a list of 10 227 schools that were supported with digital technologies and equipment (Annex VI).

Of the total of approximately 10 000 schools, at least 9 260 schools are equipped with both basic and advanced digital technologies necessary for promoting digital literacy and teaching new informatics according to the revised curricula. Furthermore, in line with the description of the measure, of the total of approx. 10 000 kindergartens, primary and secondary schools, at least 9260 shall be equipped by 31 March 2024 with basic and advanced digital technologies (such as augmented reality, virtual reality, robotics and 3D printing).

The Council Implementing Decision states that “of the total of approximately 10 000 schools, at least 9 260 schools are equipped with both basic and advanced digital technologies.” The description of the related measure in the Council Implementing Decision also states that “of the total of approx. 10 000 kindergartens, primary and secondary schools, at least 9260 shall be equipped by 31 March 2024 with basic and advanced digital technologies (such as augmented reality, virtual reality, robotics and 3D printing)”. The original costing fiche for target 174 provides also for the equipment of 5 314 kindergartens with basic and advanced digital technologies. In light with the purposive interpretation of this requirement from the Council Implementing Decision, it is interpreted that this requirement calls for at least 9260 kindergartens, primary and secondary schools to be equipped. According to the evidence provided in Annex VI, Czechia supported 10 227 schools with basic and advanced digital technologies by 31 March 2024. Czechia has met this requirement by equipping 10 227 schools with basic and advanced technologies, including 5 006 kindergartens and 2 611 primary schools and grammar schools supported in 2022, and 2 610 primary schools, grammar schools and secondary schools supported in 2023. Therefore, Czechia has supported 10 227 schools, thus exceeding the goal of Target 174 (the target under assessment) by 967. Schools used the funding provided to public schools and kindergartens by the Decision by the ministry on the dedicated funding (see Annex I, Decision by the ministry on funding for primary and secondary schools for 2022, February 2022 and Annex III, Decision by the ministry on funding for primary, secondary schools and conservatories, February 2023) and to private and church schools by the Calls for proposals (see Annex II, Call for proposal to support equipping schools with digital learning aids for the development of children’s and pupils’ IT thinking and digital competences for the calendar year 2022, signed on 31 March 2022 and Annex IV, Call for proposal to support equipping schools with digital learning aids for the development of pupils’ IT thinking and digital competences for the calendar year 2023, signed on 26 April 2023). As such, the Decisions and Calls launched by the Czech authorities led to equipping 10 227 schools and kindergartens with basic and advanced digital technologies by 31 March 2024. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

The Council Implementing Decision required that at least 9 260 schools are equipped with both basic and advanced digital technologies necessary for promoting digital literacy and **teaching new informatics according to the revised curricula**. The description of the related measure in the Council Implementing Decision states that schools are adequately equipped with both basic and advanced digital technologies to support digital literacy and implement the revised curricula under reform 1 of this component. The approval of the new curricula strengthening digital literacy and computational thinking was assessed under milestone 168 as part of the first payment request, with the aim to reinforce education of informatics, extend the coverage of informatics to new areas, introduce the digital competence as one of the key competences and promote the use of digital technologies across educational areas. As specified in the Decision (see Annex I, pages 139-141), funding was granted only to schools that either declared their intention to start teaching according to a school education programme adapted to the revised Framework Education Programme (FEP) for Primary Education or for Gymnasiums as of 1 September 2022, or schools that started teaching according to a school education programme adapted to the FEP as of 1 September 2021. Kindergartens and private schools have been funded under the condition that the subsidy is used for the acquisition of the digital learning aids (advanced or basic technologies) for the development of learners’ computational thinking and digital competences, and that each kindergarten and school inform the Ministry of Education, Youth and Sports on how the funds are used (see Annex I, pages 136-137 and Annex IV, pages 4-6). While kindergartens, private and church schools are equipped with the basic and advanced digital technologies, these entities are not subject to implementing the revised curricula assessed under milestone 168. Whilst this constitutes a minimal substantive deviation from the requirement of the

Council Implementing Decision, the deviation is acceptable as primary, lower-secondary and upper-secondary schools which are subject to implementing the revised curricula are among the entities funded. Kindergartens and private schools are therefore not subject to implement the revised curricula of Reform 1. As specified in the Decision (see Annex I, pages 139-141 and Annex III, page 265), the purpose of the funding was to acquire advanced digital technologies that can be used to develop learners' computational thinking and digital competences, and basic digital technologies in cases where the schools were not yet equipped with basic digital technologies. For kindergartens, private and church schools, the purpose of the funding was to acquire teaching aids to be used for the development of children's/learners' computational thinking and digital competence, which included both advanced and basic digital technologies (see page 137 in Annex I and pages 4-6 in Annex IV). As a further condition to the funding, each school was required to inform the Ministry of Education, Youth and Sports on how the funds were used (see pages 137-141 in Annex I, page 265 in Annex III, and pages 4-6 in Annex IV). This included describing how the stated purpose of the funds and the products purchased was fulfilled (see page 8 in Annex VII). As of this, the minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the investment that the target represents. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

Following the selection of a random sample of 60 units, Czechia submitted bank statements, invoices and inventory cards for the basic and advanced digital technologies. This evidence demonstrates that the schools and kindergartens have purchased and are equipped with the basic and advanced digital technologies. The evidence provided for a sample of 59 units confirmed that the requirements of the target have been met. The target requirements can be considered met as the evidence confirmed that the schools were equipped with basic and advanced digital technologies (such as augmented reality, virtual reality, robotics and 3D printing) by 31 March 2024. The sample was drawn from a population of 10 227 schools and kindergartens.

A statistical analysis was carried out taking into account the overachievement of the target of 10 227 for a required 9260. Based on this, there is statistical assurance that the target has been met, and all its constitutive elements have been satisfactorily fulfilled.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C3.2]-I[I1]-M[179]: Award of contracts for the construction of new university facilities

Related Measure: C3.2.I1 Development of selected key academic sites

Qualitative Indicator: Notification of the award for the construction of new university facilities

Time: Q2 2024

1. Context:

The investment consists of expanding the facilities of universities in the area of medicine, biomedicine and pharmaceutical science. The new facilities shall allow for innovation of academic programmes, expansion of practical teaching, development of interdisciplinary research and increased internationalisation, with the ultimate aim of increasing the share of students of medicine and pharmacy. The investment includes construction and equipment of new academic facilities in three university campuses.

The milestone consists of the notification of the award of the public contracts for construction of new university facilities with the objective of 100 000 m² of new university area including material equipment, broken down:

1. Mephared 2 (Charles University, Hradec Králové) – 58 092 m²
2. Biocentrum (Charles University, Prague-Albertov) – 33 934 m²
3. BiopharmaHub (Masaryk University, Brno) – 19 035 m²

Milestone 179 is the first step of the implementation of the investment and it will be followed by target 180, related to the number of square metres of new university area constructed. The investment has a final expected date for implementation on 30 June 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|----|--|---|
| 1. | Summary document (September 2024) | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2. | Annex 1_02 – Feasibility study for the construction of Mephared 2 (published 31 May 2021, revised 28 May 2024) | Feasibility study providing information on the objectives of the construction project, current status of the university and its faculties, the infrastructure and technical facilities, technical data of the construction, and the benefits and effects of the construction. The feasibility studies were required to be submitted as an attachment or an annex to the application for subsidy by the call for applications, and they were assessed as part of the evaluation of the applications for subsidy. |

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| 3. | Annex 1_03 – Tender documentation for the construction of Mephared 2 | Public procurement documentation for the construction of the campus of the Charles University of Hradec Králové. |
| 4. | Annex 1_04 – Written report of the contracting authority (signed 14 September 2023) | Written report of the contracting authority, including details of the sponsor, subject of the public procurement contract, price of the contract, identification details of tenderers and justification for the selected contractor. |
| 5. | Annex 1_06 – Contract with the general contractor for the construction of Mephared 2 (signed on 8 August 2023) | Contract signed with the general contractor for the construction of Mephared 2, Charles University, Hradec Králové. |
| 6. | Annex 1_09 – Application for subsidy by Karlova University (signed on 27 March 2024) | Grant application including information on the description of the construction project, its objectives and project indicators. |
| 7. | Annex 1_10b – Public procurement portal (PDF printout saved on 1 October 2024) | PDF printout of the public procurement portal where the contract notice award is published. Also available at: https://zakazky.cuni.cz/contract_display_6321.html |
| 8. | Published contract in the register of contracts (published on 9 August 2023) | Link to the register of contracts: https://smlouvy.gov.cz/smlouva/25398991 |
| 9. | Annex 2_01 – List of references for the procurement procedure of the construction of Biocentrum | List of references for the construction of Biocentrum, including the registration number of the contract with the general contractor, contract publishing date, and contract reference number. |
| 10. | Annex 2_02 – Feasibility study for the construction of Biocentrum (signed on 28 April 2023) | Feasibility study providing information on the objectives of the construction project, current status of the university and its faculties and technical data on the construction. The feasibility studies were required to be submitted as an attachment or an annex to the application for subsidy by the call for applications, and they were assessed as part of the evaluation of the applications for subsidy. |
| 11. | Annex 2_03 – Tender documentation for the construction of Biocentrum | Public procurement documentation for the construction of the Albertov campus - Biocentrum |
| 12. | Annex 2_04 – Written report of the contracting authority | Written report of the contracting authority, including details of the sponsor, subject of the public procurement contract, price of the contract, identification details of tenderers and justification for the selected contractor. |

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| 13. | Annex 2_06 – Contract with the general contractor for the construction of Biocentrum (signed on 26 March 2024) | Contract with the general contractor setting out the subject, deadlines, and implementation of the work. |
| 14. | Annex 2_09 – Application for subsidy by Karlova University (signed on 27 March 2024) | Grant application including information on the description of the construction project, its objectives and project indicators. |
| 15. | Annex 2_10 – Public procurement portal (PDF printout saved on 1 October 2024) | PDF printout of the public procurement portal where the contract notice award is published. Also available at: https://zakazky.cuni.cz/contract_display_6922.html |
| 16. | Published contract in the register of contracts (published on 27 March 2024) | Link to the register of contracts: https://smlouvy.gov.cz/smlouva/28143767 |
| 17. | Annex 3_01 - List of references for the procurement procedure of the construction of BiopharmaHub | List of references for the construction of BiopharmaHub, including the registration number of the contract with the general contractor, contract publishing date, and contract reference number. |
| 18. | Annex 3_02 – Feasibility study for the construction of BiopharmaHub (published in February 2024) | Feasibility study providing information on the objectives of the construction project, current status of the university and its faculties and technical data on the construction. The feasibility studies were required to be submitted as an attachment or an annex to the application for subsidy by the call for applications, and they were assessed as part of the evaluation of the applications for subsidy. |
| 19. | Annex 3_03 – Tender documentation for the construction of BiopharmaHub (signed on 12 May 2023) | Tender specifications for the construction of BiopharmaHub. |
| 20. | Annex 3_04 – Written report of the contracting authority (signed on 27 September 2023) | Written report of the contracting authority, including details of the subject matter and agreed price, identification details of the tenderers, selection of the supplier and justification of the selected contractor. |
| 21. | Annex 3_06 – Contract with the general contractor for the construction of BiopharmaHub (signed on 26 September 2023) | Contract with the general contractor setting out the subject, deadlines, and implementation of the work. |

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| 22. | Annex 3_09 – Application for subsidy by Masaryk University (signed on 28 March 2024) | Grant application including information on the description of the construction project, its objectives and project indicators. |
| 23. | Annex 3_10b – Public procurement portal (PDF printout saved on 1 October 2024) | PDF printout of the public procurement portal where the contract notice award is published. Also available at: https://zakazky.muni.cz/contract_display_6788.html |
| 24. | Published contract in the register of contracts (published on 29 September 2023) | Link to the register of contracts: https://smlouvy.gov.cz/smlouva/25917655 |
| 25. | Annex 4_Call for applications for subsidy (ref. MSMT-26659/2021-22, submission of applications between 15 July 2022 and 31 March 2024). | Call for applications for subsidy for the investment in the development of selected key academic sites. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

Notification of the award of the public contracts for construction of new university facilities with the objective of 100 000 m² of new university area including material equipment, broken down:
1. Mephared 2 (Charles University, Hradec Králové) – 58 092 m². Furthermore, in line with the description of the measure, MEPHARED 2 – **merger of fragmented academic sites of the Faculty of Medicine and the Faculty of Pharmacy of Charles University in Hradec Králové.**

The public contract for the construction of Mephared 2 was awarded to the contractor MEPHARED – BAK & SYNER (annex 1_10b). The contractor consists of the senior shareholder BAK Building Company, a.s. (*BAK stavební společnost, a.s.*) and partner Syner, s.r.o. (see annex 1_04, page 3). The contract was signed on 8 August 2023 (see annex 1_06, page 73) and published on 9 August 2023 in the register of contracts (<https://smlouvy.gov.cz/smlouva/25398991> - accessed on 29 October 2024).

As specified in the contract (annex 1_06, pages 8-9, paragraph 2), its objective is the construction of the second stage of the Charles University Campus in Hradec Králové as part of the Mephared 2 project, including the construction of the Faculty Building and the Central Building. The construction of the faculties will create an important research and training centre connecting teaching, research, development and clinical practice in the medical and pharmaceutical field. As stated in the feasibility study (annex 1_02, page 63), the merging of the fragmented Faculties will provide for more efficient use of modern equipment and greater synergy between the fields of the two faculties. The application for subsidy (see annex 1_09) specifies new university area of total 62 390,7 m². The objective of the material equipment of the facilities is specified in the application for subsidy (annex 1_09) where it is stated that the investment will result in the equipment of the built premises with the necessary teaching, office and other facilities, and with scientific laboratory equipment. It is also specified in the contract (see annex 1_06, page 9, article 2), which states that the completion of the works includes supplies of material equipment.

[...] **2. Biocentrum (Charles University, Prague-Albertov) – 33 934 m².** Furthermore, in line with the description of the measure, **Biocentrum - new facilities for medical, biomedical natural studies and science in the Alberov Campus of Charles University in Prague.**

The public contract for the construction of Biocentrum was awarded to the contractor DGZ Biocentrum Albertov (annex 2_10). The consortium consists of three companies: Metrostav DIZ s.r.o., Geosan GROUP a.s., and Zlínstav a.s. (see annex 2_04, page 3). The contract was signed on 26 March 2024 (see annex 2_06, page 45) and published on 27 March 2024 in the register of contracts (<https://smlouvy.gov.cz/smlouva/28143767> – accessed on 29 October 2024).

As specified in the contract (annex 2_06, page 3, article 1), its objective is the construction of the Charles University Albertov-Biocentrum campus and the related buildings. The application for subsidy (see annex 2_09) specifies that the purpose is the construction of facilities for medical, chemical, biomedical natural and sciences in the Albertov Campus. The application for subsidy specifies new university area of total 34 362,3 m². The objective of the material equipment of the facilities is evidenced by the tender documents, which state that the related works to the construction also consist of all technological equipment of buildings, supply of equipment for the Experimental Applications Centre, and delivery of the basic part of server room equipment and active elements (see annex 2_03, pages 3-4). The contract (annex 2_06, page 3, article 1) states that the works are to be executed under the conditions laid down in the tender documents. It is also specified in the application for subsidy (see annex 2_09) that the main output in addition to the construction is the building's basic equipment with apparatus, equipment, and technology.

[...] 3. BiopharmaHub (Masaryk University, Brno) – 19 035 m². Furthermore, in line with the description of the measure, Biopharma Hub - **new facilities for pharmaceutical and biomedical studies allowing to link the Faculty of Pharmacy with the single academic site of the Masaryk University in Brno.**

The public contract for the construction of BiopharmaHub was awarded to the contractor Biopharma Hub (annex 3_10b). The contractor consists of four companies: IMOS Brno, a.s., Metrostav DIZ s.r.o., PR BRNO, s.r.o., and IDPS s.r.o. (see annex 3_04, page 2). The contract was signed on 26 September 2023 (see annex 3_06, page 1) and the contract was published 29 September 2023 in the register of contracts (<https://smlouvy.gov.cz/smlouva/25917655> - accessed on 29 October 2024).

As specified in the contract (annex 3_06, pages 7-8, article 1), its objective is the construction of the Biopharma Hub MU, which will provide a link between modern teaching spaces for the Pharmaceutical Faculty and the research infrastructure of the Preclinical Centre and the Molecular Medicine Centre for the Medical and Natural Science Faculty of the Masaryk University. The application for subsidy (see annex 3_09) specifies new university area of total 33 389 m². The objective of the material equipment of the facilities is evidenced by the contract (see annex 3_06), where it is stated that the work includes laboratory equipment.

The total new university area to be constructed is 130 483,7 m².

Furthermore, in line with the description of the measure, the **new facilities shall allow for innovation of academic programmes [...]**

The call for applications (see annex 4) specifies that the new facilities shall allow for innovation of academic programmes. Furthermore:

- For Mephared 2, the application for subsidy (see annex 1_09) states that the main objective of the project is to build infrastructure facilities that will increase the educational, scientific and innovation potential of the faculty in the field of medical, biomedical, science and pharmaceutical research.

- For Biocentrum, the application for subsidy (see annex 2_09) states that one of the objectives of the project is that the students will be able to practice in high-tech areas of science, research and innovation.
- For BiopharmaHub, this objective is specified in the feasibility study (see annex 3_02) where it is stated that the aim of the constructed facilities is to increase the scientific and innovation potential of Masaryk University in biomedical research. The feasibility studies were required to be submitted as an attachment or an annex to the application for subsidy by the call for applications (see annex 4), and they were assessed as part of the evaluation of the applications for subsidy.

These objectives support the innovation of academic programmes by expanding opportunities for advanced research, practical training in high-tech fields, and integrating scientific developments into the educational offerings.

[...] expansion of practical teaching

The call for applications (see annex 4) specifies that the new facilities shall allow for expansion of practical teaching. Furthermore:

- For Mephared 2, the application for subsidy (see annex 1_09) states that the construction will result in built listening rooms, classrooms and laboratories, premises equipped with scientific laboratory equipment, and increased student capacity.
- For Biocentrum, as stated in the application for subsidy (see annex 2_09), the new construction will support practical training in specialised and technology-intensive areas of science, research and innovation.
- For BiopharmaHub, this objective is specified in the feasibility study (see annex 3_02) where it is stated that one of the expected results of the project is the development of teaching and laboratory facilities, and the expansion of facilities. The new teaching laboratories will enable the implementation of up-to-date research methods in the teaching of masters and doctoral students.

These objectives allow for the expansion of practical teaching by increasing student capacity, providing specialised laboratory facilities, and enabling hands-on training in technology-intensive and research-driven environments.

[...] development of interdisciplinary research

The call for applications (see annex 4) specifies that the new facilities shall allow for development of interdisciplinary research. Furthermore:

- For Mephared 2, as stated in the feasibility study (see annex 1_02), the new construction will create the conditions for strengthening high-quality interdisciplinary research and follow-up teaching, based on the promotion of synergies between excellent pharmaceutical and medicine research sites. The feasibility studies were required to be submitted as an attachment or an annex to the application for subsidy by the call for applications (see annex 4), and they were assessed as part of the evaluation of the applications for subsidy.
- For Biocentrum, as stated in the feasibility study (see annex 2_02), the new construction will be shared by a diverse spectrum of representatives of different disciplines, which will create a multidisciplinary environment with a strong international dimension. As also specified in the

application for subsidy (see annex 2_09), without the construction of the new facilities, interdisciplinary teaching and related research could not be reinforced. The feasibility studies were required to be submitted as an attachment or an annex to the application for subsidy by the call for applications (see annex 4), and they were assessed as part of the evaluation of the applications for subsidy.

- For BiopharmaHub, this objective is specified in the feasibility study (see annex 3_02) where it is stated that one of the expected results of the project is a completely new interdisciplinary curricula enabling students to be educated in key areas related to human health (pharmacy, medicine-pharmaceutical programmes), such as the development and testing of new medicines.

[...] and increased internationalisation.

The call for applications (annex 4) specifies that the new facilities shall allow for increased internationalisation. Furthermore:

- For Mephared 2, as stated in the application for subsidy (see annex 1_09), the new construction will increase interest in study programmes, primarily through laboratories equipped with technology and other equipment that also ensures the competitiveness of teaching at international level.
- For Biocentrum, as specified in the application for subsidy (see annex 2_09), internationalisation of tertiary education environments will be supported. This objective is further specified in the feasibility study (see annex 2_02) where it is stated that the objectives include further cultivation and expansion of internationalisation of the university.
- For BiopharmaHub, this objective is specified in the feasibility study (see annex 3_02) where it is stated that the implementation of the project will create the necessary conditions for follow-up international education and research projects for the development and internationalisation of Masaryk University.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C3.2]-I[I2]-T[183]: Number of schools organising tutoring programmes

Related Measure: C3.2.I2 Tutoring programmes

Quantitative Indicator: Number

Time: Q4 2023

1. Context:

The investment aims at providing catch-up classes for pupils with a disadvantaged socio-economic background preventing the further widening of inequalities between pupils and schools driven by social or other disadvantages. The same pupil may benefit from tutoring courses in several subjects (e.g., mathematics, English). The aim of the measure is to tutor pupils at risk of school failure. Schools and teachers may autonomously determine which pupils are considered at risk of school failure.

Target 183 requires that 4000 schools organise tutoring programmes. Tutoring is expected to be provided via 500 000 individual enrolments for tutoring courses by pupils. Tutoring aims to help pupils at risk of school failure restore learning habits and acquire the knowledge prescribed by the curricula in mathematics, Czech language and a foreign language. An evaluation of the impacts of this measure shall be published.

Target 183 is the only target of this investment. The investment has a final expected date for implementation on 31 December 2023.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|---|
| 1 | Summary document (October 2024) | Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Annex 1_1 – Copy of the decision by the ministry on the dedicated funding for tutoring pupils (issued in December 2021) | Ad hoc normative on the dedicated funding for the period 1.1.2022-31.8.2022. |
| 3 | Annex 1_2 – Copy of the decision by the ministry on the dedicated funding for tutoring pupils (issued in September 2022) | Ad hoc normative on the dedicated funding for the period 1.9.2022-31.12.2022. |
| 4 | Annex 1_3 – Copy of the decision by the ministry on the dedicated funding for tutoring pupils (issued in February 2023) | Ad hoc normative on the dedicated funding for the period 1.1.2023-31.8.2023. |
| 5 | Annex 2_Call 1 – Call for support of tutoring for private and church schools (signed on 18 March 2022) | Call for support of tutoring (Ref: MSMT-31956/2021-4) for the period 1.1.2022-31.8.2022. |

| | | |
|----|--|--|
| 6 | Annex 2_Call 2 – Call for support of tutoring for private and church schools (signed on 14 October 2022) | Call for support of tutoring (Ref: MSMT-25732/2022-2) for the period 1.9.2022-31.12.2022. |
| 7 | Annex 2_Call 3 – Call for support of tutoring for private and church schools (signed on 10 March 2023) | Call for support of tutoring (Ref: MSMT-32407/2022-3) for the period 1.1.2023-31.8.2023. |
| 8 | Annex 4 – List of schools | A list of schools where tutoring was provided, indicating per school the number of individual enrolments. |
| 9 | Annex 5 – Evaluation report (dated October 2024) | Report on the evaluation of the implementation of the project “Learnings from the National Recovery Plan 2022-2023”. |
| 10 | Sampling evidence | In the context of the sampling analysis, additional evidence provided for a sample of 60 units including: (1) class books, (2) surveys completed by school principals. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the target.

4000 schools organise tutoring programmes.

According to the evidence provided in annex 4, Czechia provided support to 4381 schools who organised tutoring programmes. Czechia has met this requirement by providing a list of schools where tutoring was provided, indicating per school the number of individual enrolments in each school across the three waves of tutoring that were completed. Therefore, Czechia has supported 4381 schools, thus exceeding the goal of Target 183 (the target under assessment) by 381.

As a priority, tutoring aims to help pupils at risk of school failure restore learning habits and acquire the knowledge prescribed by the curricula in mathematics, Czech language and a foreign language.

For public schools, as stated in the Decisions by the ministry on the dedicated funding for tutoring pupils (annex 1_1, page 5; annex 1_2, page 6; annex 1_3, page 258), the funding was provided in relation to the negative effects of the exclusion of face-to-face teaching caused by the COVID-19 pandemic on pupils' educational outcomes and the increase in educational inequalities. The criteria for the amount of funding provided specifies that the highest amount of funding was provided for disadvantaged pupils who had fallen behind in their studies. For private schools, as stated in the Calls for support of tutoring (annex 2_1, pages 4-5; annex 2_2, pages 3-4; annex 2_3, pages 4-5), the purpose of the tutoring programme was to offset the effects of the COVID-19 pandemic on pupils' educational outcomes. The highest amount of funding was provided for disadvantaged pupils who had fallen behind in their studies and who were at risk of school failure.

Following the selection of a random sample of 60 units, Czechia submitted both surveys completed by school principals containing the number of pupils at risk of school failure enrolled in tutoring and class books from the sampled schools containing the details of pupils enrolled in tutoring of specific subjects at the level of hour of tutoring provided. The evidence provided for a sample of 59 units confirmed that the requirement of the target has been met. The target requirement can be considered met because the evidence confirmed that the 59 schools sampled organised tutoring programmes, the pupils tutored were considered to be at risk of school failure, and the pupils were tutored in mathematics, Czech language and/or a foreign language. The sample was drawn from a population of 4381 schools.

A statistical analysis was carried out taking into account the overachievement of the target of 4381 for a required 4000. Based on this, there is statistical assurance that the target has been met, and all its constitutive elements have been satisfactorily fulfilled.

An evaluation of the impacts of this measure shall be published.

An evaluation report of the impacts of the tutoring programme was issued by the Ministry of Education, Youth and Sport and published on the website of the Ministry (<https://msmt.gov.cz/file/63575/>) on 22 October 2024. As stipulated in Annex 5, school directors reported that on average 46% of pupils managed to improve their achievement thanks to the tutoring, while on average 44% of pupils managed to maintain at least the same results which may have deteriorated without tutoring. Only for an average of 6% of pupils, tutoring did not have a significant impact. Many schools continued to tutor their students after the end of the tutoring programme. Therefore, the tutoring programme was for some schools an important offset of a continuous support for students who are at risk of school failure. On average, one-third of pupils received tutoring in participating schools, corresponding to approximately 300 000 students in each of the three waves of tutoring organised.

By reaching a total of 4381 schools, tutoring was provided via 575154 individual enrolments for tutoring courses by pupils who were considered to be at risk of school failure and were tutored in mathematics, Czech language and/or a foreign language.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C3.3]-R[R1]-M[186]: Database of reskilling and upskilling courses**Related Measure:** C3.3.R1 Development of labour market policies**Qualitative Indicator:** Public database of upskilling and reskilling courses put in operation**Time:** Q4 2023**1. Context:**

The objective of this reform is to promote life-long learning in Czechia. The reform consists of a number of systemic measures, including setting up a tripartite mechanism, creating a database of reskilling and upskilling courses, expanding the target groups that can participate in retraining organised by the Labour Office, establishing at least 14 regional training centres, and a legislative amendment to increase the flexibility and effectiveness of retraining courses.

Milestone 186 consists of creating a database of upskilling and reskilling programmes certified according to the Employment Act as well as courses offered by vocational schools, higher education institutions and other providers.

Milestone 186 is the second milestone of the reform, and it follows the completion of milestone 184, related to establishing the Reskilling and Upskilling Committee. It will be followed by milestone 185, amending the Employment Act, and target 188, related to regional training centres. The reform has a final expected date for implementation on 31 December 2023.

2. Evidence provided:

| | Name of the evidence | Short description |
|----|---|---|
| 1. | Summary document | Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled |
| 2. | Annex 1 – Framework Agreement Subcontract No. 16, signed by the Ministry of Labour and Social Affairs and the contractor on 5 and 4 October 2022, respectively. | The subject matter of the contract is a new service to connect the Labour Office, the providers of upskilling and reskilling courses and the job seekers. The list of requirements and features for the new database to be created is on p. 9 of Annex 1. |
| 3. | Annex 2 – Framework Agreement Subcontract No. 20, signed by the above Ministry and the contractor on 29 and 23 November 2022, respectively. | The agreement specifies the list of requirements and features of the new database (p. 10-15). |
| 4. | Annex 3 - Acceptance Protocol 16, signed by the above Ministry on 23 November 2022. | This acceptance protocol confirms that the work performed under subcontract 16 was delivered in line with the subcontract, including the testing and functionality. |
| 5. | Annex 4 - Acceptance Protocol 20, signed by the above Ministry on 13 December 2022 | This acceptance protocol confirms that the work performed under subcontract 16 was |

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|-----|--|--|
| | | delivered in line with the subcontract, including the testing and functionality. |
| 6. | Annex 5 – Testing email showing the functionality of the database (not dated) | The automated email informs the recipient that their course, titled "TEST KURZ 1.4 - JCE," has been officially approved by the Czech Employment Office. The course is therefore available for offering in the national database of requalification and further education. |
| 7. | Annex 6 –Terms and conditions for the entry and use of the Database of reskilling and other education. | <p>The general conditions for users of the database, specifying, e.g., the scope of courses covered by the database.</p> <p>The document is also available online at https://www.mpsv.cz/documents/20142/4552532/Datab%C3%A1ze+rekvalifikac%C3%AD_podm%C3%ADnky.pdf/00bd3812-01e9-0b09-cf6e-393a152375cb</p> |
| 8. | Annex 7– Data extracts from the database | Data extracts showing available courses from the database |
| 9. | Annex 9 – Categorisation of courses offered by the labour office in the past | Categories of courses offered by the Labour office in 2019, 2020 and 2021. The first sheet shows the seven categories, the other sheets show which regions were offering courses in a given category. |
| 10. | Annex 10 – Data extract showing the categorisation of courses currently offered by the labour office in the database | Data extract from 27 September 2024 showing the courses currently offered by the labour office. |
| 11. | Annex 11 – List of procurement procedures for courses offered by the labour office in the past | A list of the labour office's procurement procedures for requalification programmes for 2019, 2020 and 2021. These are the concrete procedures on the basis of which training was provided in the seven categories listed in Annex 9. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

Public database of upskilling and reskilling courses put in operation.

The database shall comprise upskilling and reskilling programmes certified according to the Employment Act (provided by the labour office) as well as courses offered by vocational schools, higher education institutions and other providers. Furthermore, in line with the description of the measure, the database shall comprise both reskilling programmes certified according to the Employment Act, but also courses offered by vocational schools and higher education institutions;

The extracts from the database illustrate that it contains programmes in line with the requirement (i).

According to the Employment Act, Article V, a programme is certified if it falls under Section 108 or Section 109a of the Employment Act, contrary to courses falling under the generic framework established in Section 106 of the Employment Act. As per Article V of the Employment Act, certified programmes would be marked with an attribute stating “Zabezpečovaná rekvalifikace”, which would translate into “Provided Requalification”.

As such, the database comprises:

- Upskilling programmes certified according to the Employment Act, as demonstrated by data extract 1. This programme improves workers’ skill in dealing with a concrete tool (a brush cutter) in a particular job (e.g., garden landscaping). Being a certified programme, it contains the “Zabezpečovaná rekvalifikace” attribute in the bottom left, in line with Article V of the Employment Act. Extract 1 serves as an example of a provided upskilling programme. The database contains numerous upskilling programmes addressing the specific needs of various industries.
- Reskilling programmes certified according to the Employment Act, as demonstrated by data extract 2. This is a reskilling programme as it teaches a person a new skillset (salary accounting) which is sufficient for starting a new position. Being a certified programme, it contains the “Zabezpečovaná rekvalifikace” attribute in the bottom left in line with Article V of the Employment Act.

The database contains also courses offered by vocational schools, higher education institutions and other providers as demonstrated by the data extracts in Annex 7:

- Courses offered by higher education institutions, as demonstrated by data extract 3, a course named “VMware vSphere 8 – instalace, management, konfigurace (prezenčně)” offered by Vysoká škola báňská, which is a higher education institution.
- Courses offered by vocational schools, as demonstrated by data extract 4, a course named “Úpravy digitální technologie – spojový mechanik (víkendový kurz)”, offered by Střední škola, živnostněstenská a Základní škola, Planá, which is a vocational school.
- Courses offered by other types of providers, as demonstrated by data extract 5, a course named “GOC225 – Windows Server 2019 – storage technologie – ONLINE”, offered by GOPAS, which is a company, i.e. another type of provider than a higher education institution or a vocational school.

Furthermore, in line with the description of the measure, the reform consists of a number of systemic measures: [...]

- **creating by 31 December 2023 a database of reskilling and upskilling courses which shall increase the offer of retraining courses and improve matching of supply and demand;**

The database was created on 13 December 2022 as required by the deadline, see the submitted contracts that specified the lists of requirements of the database (Annex 1, Annex 2). In addition, this is further ascertained by the acceptance protocols for the database signed on 21 November 2022 which verified the functionality of the database’s requested features (Annex 3, p.2) and 12 December 2022 (Annex 4, p.2). Further features of the database are described in the contracts used to building the database (Annex 1, p.9, and Annex 2, p.10).

The database is accessible on the website of the Ministry of Labour and Social Affairs for training providers (<https://www.mpsv.cz/web/cz/database-rekvalifikace>) and for clients (<https://www.mpsv.cz/web/cz/jsem-v-kurzu/>) – accessed on 29 October 2024.

Previously, the labour office offered courses only in 7 areas, as demonstrated in Annexes 9 and 11. As shown in Annex 10, in September 2024, the new database increased the offer of requalification courses available covering 22 areas, with additional new categories such as tourism, energy, project management.

The new database contains programmes and courses in line with Section 108, Section 109a and Section 106 of the Employment act (Annex VI, Art. 2, points 5.1-5.3, respectively), all on a single platform accessible on the internet. The new single point of entry database provides a unified platform for job seekers and education providers to connect and access appropriate training, extend the range of available courses as well as areas in which such courses are provided, thereby improving the alignment of supply and demand.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C3.3]-R[R2]-M[192]: Entry into force of the law on childcare (amendment to Act No 247/2014 on the provision of childcare services in a child group)

Related Measure: C3.3.R2 Ensuring sustainability of financing of childcare facilities

Qualitative Indicator: Provision in the law on childcare (amendment to Act No 247/2014 on the provision of childcare services in a child group) indicating the entry into force of the law

Time: Q4 2023

1. Context:

The objective of this measure is to increase the availability of affordable childcare for children below the age of three, so that parents, in particular mothers, can return sooner to the labour market. The reform consists of amending the law on pre-school care, which shall ensure stable financing of facilities as well as aim at ensuring access to affordable childcare for children below three years of age.

Milestone 192 requires the entry into force of the law on childcare which shall ensure stable financing of pre-school facilities for children below three years of age and aims at ensuring access to affordable childcare for such children in all regions.

Milestone 192 is the only milestone of this reform. The reform has a final expected date for implementation on 31 December 2023.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|--|
| 1 | Summary document | Summary document duly justifying how the target (including all the constitutive elements) was satisfactory fulfilled |
| 2 | Annex 1 - Act No 329/2021 Coll. of 18 August 2021 amending the Act No 247/2014 Coll., on the provision of childcare services in a child group and other related laws. | This Act was published in the Official Journal and entered into force on 8 September 2021. It entered into effect on 1 October 2021 (Article V), with a delayed applicability as of 1 July 2022 and 1 October 2024 for provisions unrelated to this milestone. Provisions used as evidence for this milestone were applicable since 1 October 2021. |
| 3 | Annex 2 - Track changed version of the consolidated law under Annex 1 | This working document shows the legislative changes adopted on 8 September 2021. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

Entry into force of the law on childcare (amendment to Act No 247/2014 on the provision of childcare services in a child group). Furthermore, in line with the description of the measure, the reform shall

consist of an amendment of the law on pre-school care [...].As evidenced in Annex 1, the Act No. 329/2021 of 18 August 2021, which entered into force on 1 October 2021, amends the Act No 247/2014 of 23 September 2014 on the provision of childcare services in a child group, which entered into force on 1 September 2014..The Act No 329/2021 amends the articles I, II, III, IV, V, VI and VII, regarding the rules on children groups including to strengthen the professional standards for the persons working in the childcare facilities and increase the quality of care provided, including through providing a minimum number of persons depending on the size of children group and also in line with the measure description. **The law on pre-school childcare (amendment to Act No 247/2014 on the provision of childcare services in a child group) shall:**

- **ensure stable financing of pre-school facilities for children below three years of age.** Furthermore, in line with the description of the measure, [...] **shall ensure stable financing of facilities for children below three years of age.**

As evidenced in Annex 1, page 51 and Annex 2, new provisions Sections §20a to §20l under Chapter V entitled ‘Contribution for the operation of a children’s group’ were inserted by the Act No. 329/2021 to ensure stable financing. Children group is one of the childcare services for preschool-aged children in the Czech Republic. They provide regular care for children from as young as 6 months old until the start of compulsory schooling (children younger than 1 year can only be cared for in a group with a maximum of 4 children under 4 years old).

These new provisions establish a state contribution to the operation of children's groups in order to cover the expenses connected with the provision of childcare in a children group. These expenses are listed in Section 20a and include salaries, social security, training expenses incurred by persons providing care and so on. The element that justifies the stability of this financing is the statutory entitlement to the operating contribution from the state budget. This contribution is linked to fully occupied capacity, ensuring that funds are consistently provided to cover essential operational costs as long as the childcare services meet the required regulatory standards. In addition, the new provisions also specify the conditions under which a provider of the group is eligible for such contribution (the contribution is granted to the provider only if the childcare service is provided in a children’s group with a capacity of at least 3 places.). This new contribution is higher for children below three years of age compared to children over three years of age (See Annex 1, page 53, point 37, § 20d). The law also enables the providers to request the contributions and related requests through electronic applications.

- **aim at ensuring access to affordable childcare for children below three years of age in all regions.** Furthermore, in the with the description of the measure, **the legislative amendment shall also aim at ensuring access to affordable childcare for children below three in all regions of Czechia.**

As demonstrated in Annex 1, the new Act No. 329/2021 Coll. introduced a number of measures to improve access to affordable childcare, such as for example by establishing a new contribution with the view to encourage creation of child care facilities for children below three years of age and by setting a maximum limit for fees that children's groups can charge parents for taking care of their child below three years of age (See Annex 1, page 47, point 14, § 6), thereby limiting the costs they incur. These measures are applicable in all regions in the entire territory of Czechia, as required in the Council Implementing Decision.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C4.3]-R[R1]-M[202]: Entry into force of the law on the protection of whistle-blowers and the accompanying amending law

Related Measure: C4.3.R1. Protection of whistle-blowers

Qualitative Indicator: Provision in the law on the protection of whistle-blowers indicating the entry into force

Time: Q4 2023

1. Context:

The objective of this measure is to improve the legal safeguards for whistle-blowing and its perception within the public administration and in civil society. A new legislation shall ensure effective protection of whistle-blowers against retaliation at work, establishing internal reporting channels for whistleblowing by public institutions, municipalities and large companies. An external notification system for whistleblowing shall be set up at the Ministry of Justice. In order to improve the perception of whistle-blowers, an awareness-raising campaign shall be carried out targeting both public administration and judiciary, as well as the general public.

Milestone 202 requires the entry into force of the law on the protection of whistle-blowers and the accompanying amending law. The law on protection of whistle-blowers prohibits retaliatory measures against whistle-blowers, establishes an external notification channel for whistleblowing at the Ministry of Justice and requires public institutions, large municipalities and large companies to set up internal notification systems for whistleblowing.

Milestone 202 is the only milestone of this reform, related to the protection of whistle-blowers. The reform has a final expected date for implementation on 31 December 2024.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|--|
| 1 | Summary document | Summary document duly justifying how the target (including all constitutive elements) was satisfactorily fulfilled |
| 2 | Annex 1 a copy of the publication in the Official Journal which contains (i) Act No 171/2023 of 2 June 2023, on the protection of whistle-blowers and (ii) Act No 172/2023 of 2 June 2023, amending other acts in relation to the Act on the protection of whistle-blowers | In line with the national law, these two Acts entered into force on 20 June 2023 and into application on 1 August 2023 (see Section 30 of the Act No 171/2023 and Article XV of the Act No 172/2023) |
| 3 | Annex 2.1 Resolution of the Government No. 959 of 23 November 2022 | The government's resolution approves the submission of the draft law on the protection of whistle-blowers to the Czech Parliament. |
| 4 | Annex 2.1 Resolution of the Government No. 960 of 23 November 2022 | The government's resolution approves the submission of the draft law amending other acts in relation to the Act on the protection of whistle-blowers to the Czech Parliament. |

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| 5 | Annex 2.3 Resolution of the Chamber of Deputies No. 617 of 21 April 2023 | The Parliament's resolution approves the government's draft law on the protection of whistle-blowers, as amended by the Parliament. |
| 6 | Annex 2.4 Resolution of the Chamber of Deputies No. 618 of 21 April 2023 | The Parliament's resolution approves the government's draft law amending other acts in relation to the Act on the protection of whistle-blowers, as amended by the Parliament. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

Entry into force of the law on the protection of whistle-blowers and the accompanying amending law

Two acts were submitted to fulfil this milestone. The Act No 171/2023 of 2 June 2023, on the protection of whistle-blowers and Act No 172/2023 of 2 June 2023, amending other acts in relation to the Act on the protection of whistle-blowers entered into force on 20 June 2023. These acts entered into effect on 1 August 2023.

The law on protection of whistle-blowers:

shall prohibit retaliatory measures against whistle-blowers [...]

As demonstrated in Annex 1, the new Act No 171/2023 entitled 'Retaliatory measures' codifies a legal definition of retaliatory measures and their prohibition. According to Section 4 of this law, retaliatory measures constitute either action or omission carried out in connection with employment or any other similar activity of the whistle-blower which was induced by his/her notification, and which could cause harm to the whistle-blower or other persons designated in the law. The provisions also set out a demonstrative list of the retaliatory measures which are prohibited and stipulate the right for reasonable satisfaction should the retaliatory measures cause non-pecuniary harm or damage. It is also stipulated that whistle-blowers cannot waive their right for protection against retaliation.

require establishment of an external notification channel for whistleblowing at the Ministry of Justice. Furthermore, in line with the description of the measure, an external notification system for whistleblowing shall be set up at the Ministry of Justice.

As further evidenced in Sections 13 to 18 of the Act No 171/2023, the Ministry of Justice is competent to accept and assess the whistle-blowers' notifications according to this law. The Ministry is also required to publish necessary information on its website instructing potential whistle-blowers how to submit notifications. The law further provides for a detailed procedure and timelines applicable to the Ministry's assessment of the notifications filed by whistle-blowers. This includes in particular its statutory obligation to transfer the information to the competent public authority, should the notification give rise to the suspicion of unlawful behaviour.

As confirmed by authorities, the external notification system is operational for whistle-blowers' use by accessing the Ministry's website: <https://oznamovatel.justice.cz/chci-podat-oznameni/>.

require public institutions, large municipalities and large companies to set up internal notification systems for whistleblowing

As evidenced under Sections 8 to 12 of the Act No 171/2023, the new law requires public institutions, large municipalities and companies to set up internal notification systems for whistleblowing. The law provides for an exhaustive list of persons obliged to set up such systems that include, for instance, (i) persons subject to public procurement law, exempting municipalities with less than 10 000 inhabitants and legal entities employing less than 50 employees and meeting other specified criteria, (ii) any employer employing at least 50 employees subject to further conditions, or (iii) public authorities as further specified in the law. Sections 9 to 12 set out the obligations of such persons, when accepting and processing the whistle-blowing notifications.

In addition, Articles I and XIII in the Act No 172/2023 which amends other laws set out further details that notably provide for bespoke notification system for whistleblowing in relation to auditors or clarify the interplay between the whistle-blower protection and the confidentiality or reporting obligations of so called obliged entities under specific regulations, such as the Act concerning the measures against the legalisation of the proceeds from criminal behaviour and terrorist financing.

The assessment of the compliance with Directive (EU) 2019/1937 for the purposes of payments from the Recovery and Resilience Facility does not prejudice the assessment by the Commission in any other proceedings regarding the conformity of the national law with the aforementioned legislation.

Furthermore, in line with the description of the measure, in order to improve the perception of whistle-blowers, an awareness-raising campaign shall be carried out targeting both public administration and judiciary, as well as the general public.

The Czech authorities submitted that media campaign targeting the general public was carried out online and via other media channels during the period between June and July 2023. This is evidenced by the Annual Activity Report published by the Ministry of Justice (see pages 8 and 9 of the report publicly available at <https://korupce.cz/ministerstvo-spravedlnosti-zverejnilo-vyrocní-zprávu-o-cinnosti-ministerstva-spravedlnosti-na-useku-ochrany-oznamovatelů-v-roce-2023/>) which details the seminars, webinars and workshops focusing on the new whistle-blowing rules held in 2023.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C4.3]-R[R3]-M[205]: Creation of methodology for measuring of corruption in the Czech Republic

Related Measure: C4.3.R3.M205 Collection and analysis of data on corruption

Qualitative Indicator: Publication of the methodology by the Ministry of Justice

Time: Q4 2023

1. Context:

The reform aims at obtaining quantitative and qualitative data on the prevalence of corruption and broadening the range of tools to map and analyse the predominant types of corruption in different sectors. This shall be achieved by a research project, which shall identify the extent and forms of corruption in selected sectors in the Czech Republic. The analysis shall result in recommendations of measures to reduce corruption in the selected sectors and is expected to feed into the future anti-corruption strategies of the government. The final research report shall propose a methodology for the measurement of direct and indirect experience of corruption. The methodology shall be made available to government authorities, non-profit organisations and academic communities for further development and application.

Milestone 205 requires the creation of methodology for measuring of corruption in the Czech Republic. The new methodology shall allow for replicable and efficient measurement of the direct and indirect experience of corruption in the Czech Republic. It shall be a part of the final research report which shall also (i) identify the extent and forms of corruption in selected social sectors in the Czech Republic and (ii) formulate recommendations of measures to reduce corruption in the selected sectors.

Milestone 205 is the only milestone of this reform related to collection and analysis of data on corruption. The reform shall be completed by 31 March 2023.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|---|
| 1 | Summary document | Summary document duly justifying how the target (including all constitutive elements) was satisfactorily fulfilled |
| 2 | Annex 1 Research report entitled "Corruption in Selected Sectors of the Czech Republic and possibilities of its Reduction: General Research Report for the Project TL05000011" dated 2023 | The authorities provided a hyperlink to the website of the Ministry of Justice where this report and related documents are published: https://korupce.cz/projekt-korupce-ve-vybranych-sektorech-v-ceske-republice-a-moznosti-jejich-snizeni-byl-uspesne-dokoncen/ . |
| 3 | Annex 3 Questionnaire on corruption, prepared as part of the above project (not dated) | This template document contains questions inquiring about respondents' experience and perception regarding corruption. |
| 4 | Annex 4 – Data file from the questionnaire (not dated) | An excel sheet with answers from respondents from the sector concerning executions and foreclosures |

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| 5 | Annex 5 – Data file from the questionnaire (not dated) | An excel sheet with answers from respondents from the sector concerning education and science |
| 6 | Annex 6 – Data file from the questionnaire (not dated) | An excel sheet with answers from respondents from the sector concerning sports |
| 7 | Annex 7 – Data file from the questionnaire (not dated) | An excel sheet with answers from respondents from the sector concerning construction and planning proceedings |
| 8 | Annex 8 – Data file from the questionnaire (not dated) | An excel sheet with answers from respondents from the public procurement sector |
| 9 | Annex 9 – Data file from the questionnaire (not dated) | An excel sheet with answers from respondents from the healthcare sector |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

Creation of methodology for measuring of corruption in the Czech Republic. The new methodology shall allow for replicable and efficient measurement of the direct and indirect experience of corruption in Czechia. Furthermore, in line with the description of the measure, the final research report shall propose a methodology for the measurement of direct and indirect experience of corruption.

As evidenced under Annex 1, a new methodology was designed to ensure replicable and efficient measurement of experience of direct and indirect corruption. As detailed in Sections 4.2 and 4.3 of the report, the creation of the methodology is based on several consecutive stages: (i) the analysis of prior knowledge and available information on presence of corruption and measurement methods per sector, (ii) expert interviews leading to the preparation of template questionnaire focusing explicitly on both direct and indirect experience with corruption (providing specific questions that explicitly distinguish between direct and indirect experience with corruption), (iii) determination of different types of respondents per relevance to each of the selected sector, (iv) collection of data and subsequent workshops with experts to analyse the collected data and formulate recommendations, (v) analysis of quantitative and qualitative data. In addition, the Commission acknowledged the adopted methodology and the report in the Rule of Law Report published in July 2024.

It shall be a part of the final research report which shall also identify the extent and forms of corruption in selected social sectors in the Czech Republic. Furthermore, in line with the description of the measure, this shall be achieved by a research project, which shall identify the extent and forms of corruption in selected sectors in the Czech Republic.

The methodology is part of the final research report submitted under Annex 1. The report dated 2023 was authored by the research team of experts from the Sociological Institute of the Czech Academy of Sciences, joined by one independent researcher and an expert from the Ministry of Justice. It was published on 29 December 2023 on the website of the Ministry of Justice. Based on the research ongoing from April 2021 to 2023, the report identifies the extent and forms of corruption in each of the selected social sectors such as sports, education, public procurement and so on in the Czech Republic (see chapter 5). The report concludes that the extent of corruption and its perception is largely dependent on the sector. While ‘petty’ corruption is perceived as normal in the sector of sports, education, health and construction, the sectors of public procurement, construction, foreclosures are more likely subject to ‘grand’ corruption. The conclusions demonstrate the perception of corruption in each sector as compared to the general perception of corruption in Czechia. Moreover, the conclusions also qualify the extent of corruption (on a scale 0 – no corruption to 6 – widely spread corruption) and

the forms of corruption encountered or heard of in each sector based on the data collected from the respondents.

[...] formulate recommendations of measures to reduce corruption in the selected sectors Furthermore, in line with the description of the measure, the analysis shall result in recommendations of measures to reduce corruption in the selected sectors and is expected to feed into the future anti-corruption strategies of the government.

As evidenced in Annex 1, in Chapter 5, the report also formulates concrete recommendations of measures conducive to reduced corruption in each of the selected sectors in the relevant subsections entitled 'Summary and recommendations'. As part of overall recommendations to reduce the level of corruption, the report proposes several measures which are either called for by respondents or the outcome of expert analysis. For example, these are surcharges for above-standard healthcare services to tackle common-spread practice of patients' 'shadow' payments for certain health services, increase of salaries in sectors such as education or public administration to improve the resilience against corruption and increased transparency of administrative procedures as a systemic tool to reduce corruption potential (such as continuing digitalisation or a recently created register of public contracts). The report also sets out the recommended measures to be reflected in the future anti-corruption strategy of the government (p. 82).

Furthermore, in line with the description of the measure, the methodology shall be made available to government authorities, non-profit organisations and academic communities for further development and application.

The Czech authorities demonstrated that the methodology is accessible to the public on the website of the Ministry of Justice. Minutes of meetings held by the Working Commission on Open Government and Transparency of Public Administration of the Government Anti-Corruption Council, established by the Ministry of Justice and attended by the representatives of the public administration, civil society and academic sphere, are also publicly available at the website of the Ministry of Justice (<https://korupce.cz/rada-vlady/pracovni-komise-predsedy-rady-vlady-pro-koordinaci-boje-s-korupci/komise-k-otevrenemu-vladnuti-a-transparentnosti-statni-spravy/>) and demonstrate the ongoing dissemination of the methodology to the relevant actors. The Ministry of Justice also presented the methodology at the 2nd plenary meeting of the EU network against corruption on 3 October 2024.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C3.3]-I[I4]-M[274]: Call for projects published for housing for children at risk

Related Measure: C3.3.I4 Development and modernisation of infrastructure in the field of care for children at risk

Qualitative Indicator: Call

Time: Q1 2024

1. Context:

The investment aims at addressing the insufficient social care infrastructure for children at risk and to support the process of transition to community-based care in Czechia. The investment supports the provision of social care infrastructure for children at risk through the renovation of existing buildings, building of new facilities and/or purchase of facilities or housing units.

Milestone 274 consists of at least one call for projects that shall be published for the acquisition of housing for children at risk. The relevant call(s) shall include four specific requirements for the housing unit and bedrooms.

Milestone 274 is the first step of the implementation of the investment, and it is accompanied by milestone 275 in this payment request, related to the call for projects for facilities for children at risk. It will be followed by target 277 and target 278, related to the housing area acquired for children at risk in line with the call for projects assessed under this milestone. Target 279, related to the increased capacity of facilities for children at risk in line with the call for projects under milestone 275, is the fifth and last target of the investment. The investment has a final expected date for implementation on 31 August 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|---|
| 1 | Summary document (September 2024) | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence. |
| 2 | Annex 1 – Call for projects for the acquisition of housing for children at risk, call number 31_24_114 (published on 22 January 2024) | A call for development and modernisation of community-type services for children at risk – the acquisition of housing units. |
| 3 | Annex 2 – Model decision to grant a subsidy (valid from 1 March 2024) | Model legal act for granting the subsidy. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

At least one call for projects shall be published for the acquisition of housing for children at risk.

As evidenced in Annex 1, a call for development and modernisation of community-type services for children at risk – the acquisition of housing units, was launched on 22 January 2024 (published on the website of the Ministry of Labour and Social Affairs on 22 January 2024). It was open for the submission of applications between 15 February 2024 and 31 December 2024. The objective of the call was to support the deinstitutionalisation of residential care for children at risk in Czechia by increasing the availability of community-type services for vulnerable children and families through the purchase of housing units (Annex 1, page 5). As specified on page 6 of the call (Annex 1), the target group of the call are children placed in the following facilities: children's homes, children's school homes, diagnostic institutes, educational institutions, homes for persons with disabilities (with a target group under the age of 18), and facilities for children in need of immediate assistance. As specified in the call, the target group is defined based on national legislation in Act No 359/1999 on Social and Legal Child Protection (Annex 1, page 6).

The relevant call(s) shall require that:

1. Each housing unit shall not be larger than 200 m² and shall have bedrooms designed for at most two children.

As specified on page 7 of the call (Annex 1), none of the supported dwellings shall be more than 200 m² of useful floor area.

As specified on page 7 of the call (Annex 1), each child should ideally have their own room. Newly acquired housing units can have single rooms or a maximum of double rooms for children.

2. Bedrooms designed for two children shall not be smaller than 12.25 m² and bedrooms designed for one child shall not be smaller than 8 m².

As specified on page 7 of the call (Annex 1), the minimum technical standard sets the minimum area of a double room at 12.25 m². As specified on page 7 of the call (Annex 1), the minimum technical standard sets the minimum area of a single room per child at 8 m².

3. The housing units shall be used by children at risk within at most 12 months since their purchase.

As specified on page 7 of the call (Annex 1), the housing units must be used by children at risk not later than 12 months after their acquisition.

4. The housing units shall be used for social purposes for at least 10 years.

As specified on page 13 of the call (Annex 1), the projects implemented under the call must be maintained for 10 years. This condition is also ensured in the model legal act (see Annex 2, page 12), which requires the recipient to fulfil the purpose of the subsidy throughout the sustainability period of the project, that is, for 10 years from the beginning of the sustainability period, to continue operating a service for the care of children at risk.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C3.3]-I[I4]-M[275]: Call for projects published for facilities for children at risk

Related Measure: C3.3.I4 Development and modernisation of infrastructure in the field of care for children at risk

Qualitative Indicator: Call for projects

Time: Q1 2024

1. Context:

The investment aims to address the insufficient social care infrastructure for children at risk and to support the process of transition to community-based care in the Czech Republic. The investment supports the provision of social care infrastructure for children at risk through the renovation of existing buildings, building of new facilities and/or purchase of facilities or housing units.

Milestone 275 consists of at least one call for projects that shall be published for acquiring, renovating or building facilities for children at risk. The relevant call(s) shall include five specific requirements for the facilities.

Milestone 275 is the first step of the implementation of the investment, and it is accompanied by milestone 274 in this payment request. It will be followed by target 277 and target 278, related to the housing area acquired for children at risk in line with the call for projects assessed under milestone 274. Target 279, related to the increased capacity of facilities for children at risk in line with the call for projects under this milestone, is the fifth and last target of the investment. The investment has a final expected date for implementation on 31 August 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|---|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, with appropriate links to the underlying evidence. |
| 2 | Annex 1 – Call for projects for facilities for children at risk, call number 31_24_113 (published on 19 January 2024) | Call for construction and renovation of the infrastructure for residential care of children. |
| 3 | Annex 2 – Model decision to grant a subsidy (valid from 1 March 2024) | Model legal act for granting the subsidy. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

At least one call for projects shall be published for acquiring, renovating or building facilities for children at risk.

A call for the development and renovation of the infrastructure for residential care for children at risk was launched on 19 January 2024, and it was opened for the submission of applications on 12 February 2024 (see Annex 1). The end date for applications is 31 December 2024. As specified on page 7 of the call (Annex 1), the main activities of the call include the purchase of real estate, the construction, refurbishment and modification of buildings intended for residential care for children. As specified in the call (Annex 1, page 7), the target group of the call are children placed in the following facilities: children's homes, children's school homes, diagnostic institutes, educational institutions, homes for children with disabilities (with a target group under the age of 18), and facilities for children in need of immediate assistance. The target group is defined based on national legislation in Act No 359/1999 on Social and Legal Child Protection (Annex 1, page 7).

The relevant call(s) shall require that:

1. Each facility shall consist of at most three apartments [...]

As specified on page 8 of the call (Annex 1), the maximum capacity is two living units (households) per building. An exception is made for facilities providing ZDVOP services (facilities for children requiring immediate assistance), where up to three separate living units are allowed if the maximum capacity of each unit is four children.

[...] each apartment shall be designed for at most six children and per each apartment, at most.

As specified on page 8 of the call (Annex 1), the maximum household capacity is six children.

2. Bedrooms designed for two children shall not be smaller than 12.25 m² and bedrooms designed for one child shall not be smaller than 8m².

As specified on page 8 of the call (Annex 1), the minimum technical standard sets the minimum area of a double room at 12.25 m². As specified on page 8 of the call (Annex 1), the minimum technical standard sets the minimum area of a single room per child at 8 m².

3. All renovations shall include at least other energy efficiency renovations.

The project indicators No. 1242 and 1243 (Annex 1, page 10) specify that the recipients shall fulfil or report on the following: "Number of renovated residential childcare infrastructure buildings achieving on average either at least 30 % primary energy savings or at least 30 % reduction of direct and indirect greenhouse gas emissions" and "Other energy-efficient renovation of buildings of residential childcare infrastructure below either at least 30% primary energy savings or at least 30% reduction of direct and indirect greenhouse gas emissions on average".

4. All new constructions shall have a primary energy demand of at least 20% below the nearly zero-energy buildings requirement.

The project indicator No. 1241 specifies that the recipients shall fulfil or report on the following: "Number of new buildings of residential childcare infrastructure with primary energy demand at least 20% lower than the nearly zero-energy building requirement" (Annex 1, page 10).

5. The facilities shall be used for social purposes for at least 10 years.

As specified on page 16 of the call (Annex 1), the projects implemented under the call must be maintained for 10 years. This condition is also regulated by a legal act (see Annex 2, page 12) which requires the recipient to fulfil the purpose of the subsidy throughout the sustainability period of the project, that is, for 10 years from the beginning of the sustainability period, to continue operating a service for the care of children at risk.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C4.1]-R[R1]-M[280]: Establishment of the Coordination and Competence Centre and adoption of its management plan

Related Measure: C4.1.R1 Methodological support for the preparation of projects in line with the EU objectives

Qualitative Indicator: The Coordination and Competence Centre is established and its management plan is adopted

Time: Q4 2023

1. Context:

The reform consists of institutional and procedural changes and aims to provide capacity building as well as methodological and information support to public investors e.g. municipalities, regions or corporations owned by public entities that are responsible for implementation of public investments. This methodological and information support shall be provided by the established Coordination and Competence Centre. The reform shall focus on adoption of the management plan of the Coordination and Competence Centre with a detailed description of supported activities and their timeline of implementation.

This reform shall be implemented by 31 December 2023.

Milestone 280 requires that the Coordination and Competence Centre is established to provide methodological support for the preparation of projects in line with the EU objectives. The management plan shall include a description of planned activities of the Centre with the timeline of their preparation. The activities shall include at least the preparing of guidance documents, training, dissemination and support for other authorities.

Milestone 280 is the only milestone of this reform, related to strengthening methodological support for the preparation of projects in line with the EU objectives. The reform has a final expected date for implementation of 31 December 2023.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|---|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Annex 1 - Decision of the State Investment Support Fund Committee of 18 December 2023 | This resolution was adopted at the meeting of the Fund Committee and bears the electronic signature of the Director of the State Investment Promotion Fund. |
| 3 | Annex 2 – Agreement between the Ministry of Regional Development and the State Investment Support Fund (31 January 2024) | The agreement contained in Annex 2 sets out the duties and activities of the Coordination and Competence Centre (description of planned activities of the Centre with the timeline of their preparation). The agreement frames the rights and obligations between the Ministry of Regional Development and the State Investment |

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| | | Support Fund. This contract is electronically signed by the Minister and the Director of the State Investment Support Fund. |
| 4 | Annex 3 - SFPI Coordination and Competence Centre (KKC) Management Plan | The Management Plan was adopted by the State Investment Support Fund on 18 December 2023 and bears the electronic signature of the Director of the State Investment Promotion Fund. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

Establishment of the Coordination and Competence Centre and adoption of its management plan.

The Coordination and Competence Centre shall be established to provide methodological support for the preparation of projects in line with the EU objectives. Furthermore, in line with the description of the measure, **this methodological and information support shall be provided by the established Coordination and Competence Centre.**

According to Ad. 4 of the Decision of the State Investment Support Fund Committee of 18 December 2023, the Coordination and Competence Centre was established as part of the State Investment Support Fund on 18 December 2023. The Director of the Coordination and Competence Centre was appointed on the same day as confirmed by the Decision of the State Investment Support Fund Committee. As stated in Ad. 4 of the Decision of the State Investment Support Fund Committee of 18 December 2023 (Annex 1, page 1), the main objective of the Coordination and Competence Centre is *'Developing capacities for the implementation of projects co-financed with public funding, including by providing the necessary knowledge, data and methodological support for better project preparation.'* The decision was officially signed on 22 January 2024 by Director of the State Investment Support Fund.

The management plan shall include a description of planned activities of the Centre with the timeline of their preparation. Furthermore, in line with the description of the measure, **the reform shall focus on adoption of the management plan of the Coordination and Competence Centre with a detailed description of supported activities and their timeline of implementation.**

Pages 1 to 13 the Management Plan, adopted by the Decision of the State Investment Support Fund Committee of 18 December 2023, includes a detailed description of planned activities of the Centre with the timeline of their preparation and risk assessment, divided per years, from 2023 to 2026. For example, in 2024, the following activities are planned: 1) the development and deployment of a project evaluation system for managing the capacities of public investment experts; 2) implementation of minimum 2 workshops for the professional and lay public.

The tasks of the Centre are also confirmed in the Agreement between the component owner (Ministry of Regional Development) and the State Investment Support Fund. Article 5 of the Agreement includes the following description of the tasks: a) carrying out the activities of the Centre as an advisory hub providing free-of-charge advice to contracting authorities and SMEs on public investment and related issues (e.g. financial advice, land development consultancy, construction technical advice, energy

advice including Do No Significant Harm (DNSH) and others or b) outsourcing experts to provide ad hoc advice on specific topics related to the area of public investment, administration of contractual documentation relating to experts' activities and their financing activities.

The activities shall include at least the preparing of guidance documents, training, dissemination and support for other authorities.

According to Article 5 letter c) and d) of the Agreement between the Ministry of Regional Development and the State Investment Support Fund, the activities of the Centre include among others: organising workshops, trainings, training events, carrying out publicity activities in the field of public investment and on related topics (e.g.: EU Taxonomy, European Green Deal, Digital Transformation, Do No Significant Harm principle – DNSH and others), the production or processing of methodological and expert material in the field of public investment.

Those activities are also included in the management plan (pages 3 to 8) and will take place in each year, from 2023 to 2026.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C4.1]-R[R2]-M[281]: Adoption by the Government of the Czech Republic a new public procurement strategy and an action plan for its implementation

Related Measure: C4.1.R2 Methodological support and modernisation of public investment

Qualitative Indicator: The strategy and the action plan adopted

Time: Q1 2024

1. Context:

The reform consists of institutional and procedural changes and aims to support preparation and adoption of a new public procurement strategy.

This reform shall be implemented by 31 March 2024.

Milestone 281 requires the adoption of a new public procurement strategy and an action plan for its implementation. The strategy and the action plan shall focus at least on the following priorities: professionalisation of contracting authorities, sustainable purchasing, centralisation and joint purchases.

Milestone 281 is the only milestone of this reform. The reform has a final expected date for implementation of 31 March 2024.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|---|
| 1 | Summary document | Summary document, submitted on 3 October 2024, duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Annex 1 - National Public Procurement Strategy | The national public procurement strategy |
| 3 | Annex 2 - Resolution of the Government of the Czech Republic of 21 February 2024 No. 117, on the National Public Procurement Strategy for the period 2024 to 2028 | <p>The government resolution approving the National Public Procurement Strategy and tasking the relevant ministers to implement it.</p> <p>The strategy was approved on 21 February 2024.</p> |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

A new public procurement strategy and an action plan for its implementation shall be adopted.

The National Public Procurement Strategy for the period 2024 to 2028 was approved by Government Resolution No. 117 on 21 February 2024 (See Annex 2, page 1, point 1). The action plan is part of the strategy (See Annex 1, page 95, chapter 10.)

The strategy and the action plan shall focus at least on the following priorities: professionalisation of contracting authorities, sustainable purchasing, centralisation and joint purchases.

The strategy and the action plan focus on nine priorities: Quality and Innovation; Effective Public Procurement; Environmentally and Socially Responsible Public Procurement; Professionalisation; Support for Centralised Purchasing and Cooperation; Support for Strategically Significant Investments and Contracting Authorities; Legal Certainty in Public Procurement; Public Procurement in Construction; Data and Digitalisation.

This list (Annex 1) includes all four priorities listed in the Council Implementing Decision requirement, as follows:

- Professionalisation (strategy: p. 45, Ch. 8.4; action plan: p. 97, Ch. 10.2, section 4)

This section focusses on improving the functioning and image of public procurement, as well as its preparedness for new challenges and risk management, by setting up and increasing the professional capacity of those responsible for public procurement.

- Sustainable purchasing (strategy: p. 35, Ch. 8.3; action plan: p.96, Ch. 10.2, section 3)

This section focusses on ensuring that environmentally and socially responsible public procurement is always used in those areas where it is appropriate.

- Centralisation and joint purchases (strategy: p. 52, Ch. 8.5; action plan: p.97, Ch.10.2, section 5)

This section focuses on creating optimal conditions for the development of central purchasing and cooperation, particularly at regional level, among the high number of contracting authorities in the Czech Republic.

The action plan shall include a timeline and objectives for implementation of priority areas elaborated in the strategy.

The action plan is part of the strategy document. The timeline for implementation of all the priority areas is covered in section 10.2 (See Annex 1, pages 96-99, chapter 10.2). This chapter contains 49 actions from all nine priority areas, and the timeline for their implementation is between 2024 and 2026. The objectives for the implementation of all the priority areas are also covered in section 10.2 and described in more detail, for each chapter, in the chapter's sub-chapter 3, named "Goals" (for example, for the "Professionalisation" area, this is in Annex 1, page 48, section 4.3).

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C4.1]-R[R4]-M[284]: Approval of a government resolution on increasing the administrative capacity for the implementation of the National Recovery and Resilience Plan (systematisation decision) and approval of the related budget

Related Measure: C4.1.R4 The increase of effectiveness and enhancing the implementation of the Recovery and Resilience Plan

Qualitative Indicator: Approved government decision on increasing the administrative capacity for implementation of the plan and of the related budget

Time: Q3 2023

1. Context:

The reform consists of institutional and procedural changes and aims to strengthen the administrative capacity to coordinate and implement the Czech Recovery and Resilience Plan. New full-time equivalent staff shall be hired to support the strategic, analytical, coordination, monitoring, control and communication activities of the bodies involved in the implementation of the Plan, including its coordination and audit. Communication and media campaign as well as new functionalities of the monitoring and reporting system shall also be supported.

This reform shall be implemented by 31 December 2024.

Government resolution(s) directing the Minister of the Interior to increase the administrative capacity to support the implementation of the Recovery and Resilience Plan shall be approved. It shall i) include systematisation(s) of positions in the relevant ministries (component owners) and in the implementation entities; ii) allocate funds for pre-financing from the state budget iii) increase the capacity for implementation of the Recovery and Resilience Plan through the use of agreement to perform work. Funding from the national budget for pre-financing of the positions allocated by the systematisation decision shall be approved by the government.

Milestone 284 is the first step of the implementation of the reform and it will be followed by Targets 285 and 288, and Milestone 287 related to increasing the number of people working on the RRP, approving media and communications plan for the revised RRP and upgrading of the RRP repository system (AIS). The reform has a final expected date for implementation on 31 December 2024.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|---|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Annex 1 – Government Resolution No. 492 of 28 June 2023 with effect from 1 July 2023 | The resolution approves the amendment on the change of the systematisation of state service posts and posts with effect from 1 July 2023. It is published on the website of the Czech Government of the Czech Republic: https://odok.cz/portál/zvlady/jednani-detail/2023-06-28/ |

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| 3 | Annex 1b – Appendix to the Government Resolution No 492 of 28 June 2023 with effect from 1 July 2023 | Table containing the number of posts effective from 1 July 2023, as well as the respective salary information. |
| 4 | Annex 2 - The amendment on the change of the systematisation of state service posts and posts with effect from 1 July 2023 | The amendment is published at the website of the Ministry of Interior: https://www.mvcr.cz/sluzba/clanek/zmena-systemizace-sluzebnich-a-pracovnich-mist-s-ucinnosti-od-1-cervence-2023.aspx |
| 5 | Annex 3 - The call published by the Ministry of Regional Development as a part of this milestone (published on 31 October 2023) | The call containing the option to use agreements to perform work to increase the capacity for implementation of the NPO. |
| 6 | Annex 4 – Resources allocated to relevant entities of the Czech government for pre-financing of position implementing the NPO | The annex includes a table summarising the budgets of all entities in the Czech administration allocated for the financing of positions included in the systematisation. The relevant government entities are also required to Allocate this financing by the Resolution No. 492 |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

Approval of a government resolution on increasing the administrative capacity for the implementation of the National Recovery and Resilience Plan (systematisation decision) and approval of the related budget.

Government resolution(s) directing the Minister of the Interior to increase the administrative capacity to support the implementation of the Recovery and Resilience Plan shall be approved.

Government Resolution No. 492 from 28 June 2023 (hereinafter “the Resolution”) approves the amendment to the systematisation of state service posts, taking effect from 1 July 2023 (Annex 1).

The Resolution, published on the Czech Government website (<https://www.mvcr.cz/>), directs the Minister of the Interior, other Ministers, and Heads of central administration to a) follow the approved systemisation of posts (paragraph II, point 1); b) transfer state budget resources for salaries and related charges, budgeted for the second half of 2023, for existing systemised posts under the National Recovery Plan, reallocating these funds through a budgetary measure to Chapter 313 – Ministry of Labour and Social Affairs for pension insurance benefits (paragraph II, point 2); and c) apply for funding for salaries and related expenses for newly established systemised posts in the National Recovery Plan only after these posts have been filled (paragraph II, point 3).

Annexes 1b and 2 of the Resolution demonstrate an increase in administrative capacity, allowing for the creation of up to 364 posts (Annex 2, page 126). These posts are displayed by Ministry, specifying the new roles assigned to the implementation of the National Recovery Plan, as well as the related budget. As an example, the Ministry of Environment (Annex 2, pages 46-50) is expected to create 53

posts related to the National Recovery Plan, with an increase on the total salary budget of 40 802 951 CZK.

It shall

a) include systematisation(s) of positions in the relevant ministries (component owners) and in the implementation entities;

The approved amendment (Annex 2) is a systematisation of various service offices, highlighting the differences between the current systemisation in force and the systemisation after incorporating the proposed changes. The physical number of posts subject to systematisation is determined in accordance with Section 17(1) of Act No. 234/2014 on civil service, along with its amendments.

Annex 2 describes the systemisation across at least three categories, applied horizontally to several ministries and implementation entities. The first category concerns adjustments to the number of posts, as illustrated by the Office of the Government, which reports both the cancellation of some positions and the creation of new ones (this includes at least three fixed-term posts directly tied to the implementation of the National Recovery Plan). The second category revises position grade classifications, while the third focuses on changes to salary appropriations for civil servants.

b) allocate funds for pre-financing from the state budget

The Resolution, particularly in paragraph II, point 2, directs a budgetary transfer of state funds allocated for salaries and related expenses for existing systemised posts under the National Recovery Plan for the second half of 2023. These funds are to be reallocated to Chapter 313, under the Ministry of Labour and Social Affairs, for pension insurance benefits. The proposed systematisation of posts, effective from July 1, 2023, detailed in Annex 2, outlines the distribution of these posts across various service offices, with specific amounts allocated to newly created positions. As an example, the Ministry of Finance established the creation of 53 new posts to comply with the National Recovery Plan, specifying under point 3. (page 49) the amount allocated for budget lines 5011 and 5013, as well as the allocation from the state budget. Annex 4 includes a table summarizing the budgets of all included Czech government entities allocated for the financing of positions included in the systematisation.

Furthermore, the Resolution requires from the institutions responsible for the implementation of the National Recovery Plan to apply for funding for salaries for newly established systemised posts in the context of the Recovery and Resilience Plan, only after these systemised posts have actually been filled (paragraph II point 3).

c) increase the capacity for implementation of the NPO through the use of agreement to perform work.

The Council Implementing Decision required the Government Resolution to increase the capacity for implementation of the NPO, through the use of agreements to perform work. Czechia has demonstrated an increase in administrative capacity through the approval of the Resolution and its Systemisation decision (Annexes 1 and 2). The Resolution adopted does not explicitly mention the use of agreements to perform work, as defined in the Labour Code in Sections 75 and 76 as being fixed term contracts whose scope cannot exceed 300 hours per calendar year. Instead, it is mentioned in the systemisation decision that new positions will be created also with fixed term contracts. These fixed term contracts are also a type of agreements to perform work and as such the increase in capacity

through the use of this type of agreements is ensured. Additionally, Czechia submitted a call from the Ministry of Regional Development (Annex 4), enabling the ministries to use the agreements to perform work as a type of contract to carry out activities related to the implementation of the NPO.

Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, it does not change the nature of the measure nor affect the progress towards the achievement of the reform that the milestone represents. Indeed, a Government Resolution was approved increasing the administrative capacity to support the implementation of the NPO and there are visible results to achieve this support through agreements to perform work. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C4.1]-R[R4]-T[285]: Increasing the number of people working on the Recovery and Resilience Plan by 2023

Related Measure: C4.1.R4 The increase of effectiveness and enhancing the implementation of the Recovery and Resilience Plan

Quantitative Indicator: Full-time equivalent people

Baseline: 196

Target: 338

Time: Q4 2023

1. Context:

The reform consists of institutional and procedural changes and aims to strengthen the administrative capacity to coordinate and implement the Czech Recovery and Resilience Plan. New full-time equivalent staff shall be hired to support the strategic, analytical, coordination, monitoring, control and communication activities of the bodies involved in the implementation of the Plan, including its coordination and audit. Communication and media campaign as well as new functionalities of the monitoring and reporting system shall also be supported.

Target 285 concerns the increase of the administrative capacity, more specifically the number of Full-Time Equivalent People (hereinafter “FTE People”) working in the Recovery and Resilience Plan. To this end, the objective of this target is to allocate at least 142 FTE people to work on the Recovery and Resilience Plan.

Target 285 is the second target of the implementation of this reform, and it follows the completion of milestone 284, related to the increase of the administrative capacity. It will be followed by milestones 286, 287 and target 288, also related to the increase of number of people working on the Recovery and Resilience Plan. The reform has a final expected date for implementation on 31 December 2024.

The target under assessment consists of the second step of this reform, and it is accompanied by milestone 284 and milestone 286 in this payment request. It will be followed by milestone 287 and target 288, also related to the increase of the number of people working on the RRP, approving media and communications plan for the revised RRP and upgrading of the RRP repository system (AIS). The reform has a final expected date for implementation on 31 December 2024.

2. Evidence

| | Name of the evidence | Short description |
|---|---|---|
| 1 | Summary Document | Summary document duly justifying how the Target (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Annex 1 – List of full time People in RRF (signed on 4 March 2024) | Table containing the list of RRP supporting staff between 1 Jul. 2023 and 31 Dec. 2023 |
| 3 | Annex 2 – 60 job characteristic fiches/contracts (dated between 24 September 2021 and 31 December 2026) | Each job chart includes a signed agreement with the necessary information to assess target conformity (including, but not limited to, the job description and the FTE). These documents |

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| | | were selected from a random sample of 60 out of 545. |
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3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

At least 338 full-time equivalent people shall work on the Recovery and Resilience Plan.

The target demands quantitative evidence, 338 full-time equivalent people (hereinafter referred to as “FTE people”), and qualitative evidence, job assignments relevant to the Recovery and Resilience Plan.

According to the evidence provided, Czechia has hired 354 FTE People. Several full-time and part-time contracts were signed between 2021 and 2023, to allocate civil servants into the implementation of the Recovery and Resilience Plan. Therefore, Czechia has completed 354 FTE People, thus exceeding the goal of Target 338 FTE People by 16 FTE People.

Following the selection of a random sample of 60 units, Czechia submitted 60 anonymised contracts across 14 ministries. Each contract is accompanied by a unique ID, job description, position identifier, institution of employment, full-time equivalent, as well as employment start and end dates (spanning from 24 September 2021 to 31 December 2026). The evidence provided for a sample of 60 units confirmed that the requirement of the target has been met.

According to the sampled evidence, civil servants were assigned to RRP-related tasks across multiple ministries and sectors. Some employees’ time is fully allocated to the RRP, while others contribute on a part-time basis. Together, their combined efforts result in 354 FTE people, as detailed in Annex 1, Column 6.

Furthermore, in line with the description of the measure, **new full-time equivalent people shall be hired to support the strategic, analytical, coordination, monitoring, control and communication activities of the bodies involved in the implementation of the Plan, including its coordination and audit.**

Column 5 in Annex 1 shows that all the staff work on these activities to help support the implementation of the RR, data that was confirmed in the sampled contracts.

4. Commission Preliminary Assessment: Satisfactorily Fulfilled

CZ-C[C4.1]-R[R4]-M[286]: Approved media and communications plan for the revised Recovery and Resilience Plan

Related Measure: C4.1.R4 The increase of effectiveness and enhancing the implementation of the Recovery and Resilience Plan

Qualitative Indicator: Approved media and communication plan for the revised Recovery and Resilience Plan

Time: Q1 2024

1. Context:

The reform aims to strengthen the administrative capacity to coordinate and implement the Czech Recovery and Resilience Plan by implementing a series of institutional and procedural changes. New people shall be hired to support the strategic, analytical, coordination, monitoring, control and communication activities of the bodies involved in the implementation of the Plan, including its coordination and audit. Communication and media campaign as well as new functionalities of the monitoring and reporting system shall also be supported. The reform shall be implemented by 31 December 2024.

Milestone 286 requires the update of the media and communication plan for the revised Recovery and Resilience Plan and adoption of the updated documents.

Milestone 286 is the third milestone of the reform, and it is accompanied by milestone 284 and target 285 in this payment request, which aim to strengthen the administrative capacity by increasing the number of people working on the implementation of the Recovery and Resilience Plan, increasing administrative capacity and allocating pre-financing. It will be followed by milestone 287 and target 288, which further increase the number of people working on the plan while also aiming to upgrade the repository system of the plan. The reform has a final expected date for implementation on 31 March 2024.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|---|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | National Communication Strategy for the National Recovery Plan for the period 2021-2026 (26 March 2024) | The updated communication strategy for the National Recovery and Resilience Plan following the revision of the plan. |
| 3 | Minutes of the No. 11 meeting of the Steering Committee of the National Recovery Plan (26 March 2024) | Minutes of the Steering Committee of the National Recovery Plan from 26 March 2024 which approved, among other methodological documents, the National Communication Strategy for the National Recovery Plan |
| 4 | Annual Communication Plan of the Delivery Unit- Ministry of Industry and Trade for the year 2024 | The annual communication plan for 2024, drawn up in accordance with the National |

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| | | Communication Strategy for the National Recovery Plan 2021-2026. |
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3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

Update of the media and communication plan for the revised Recovery and Resilience Plan shall be adopted.

Following the approval by the Council in 2023 (Council Implementing Decision amending the Council Implementing Decision of 8 September 2021 on the approval of the assessment of the recovery and resilience plan for Czechia) of the updated Czech Recovery and Resilience Plan, National Communication Strategy for the National Recovery Plan previously adopted on 25 November 2022 has been revised and updated by the Czech Ministry of Industry and Trade. The updated strategy was approved by the Steering Committee of the National Recovery Plan led by the Ministry of Industry and Trade as shown by the Minutes of the meeting No. 11 from 26 March 2024 (Annex 3). The strategy encompasses media and communication plans for the Recovery and Resilience Plan remaining duration (as required by the CID decision). The Strategy provides that annual communication plans are to be adopted, detailing planned information and publicity activities during each year, and monitoring progress. Such Annual Communication Plan for 2024 was adopted. The latter summarizes the communication and media outreach activities performed in 2023 and those envisaged for 2024 on p. 6 to 10.

The National Communication Strategy for the National Recovery Plan (Annex 2) constitutes the framework communication strategy for the Delivery Unit for the plan (acting inside the Ministry of Industry and Trade), as well as for other bodies involved in the implementation of the plan. The objective of the strategy is to raise awareness of the plan and ensure the effective communication of the benefits of the plan to the general public and other target groups. The strategy also acknowledges the obligation of the implementing bodies to comply with Article 34 of the RRF Regulation EU Regulation 2021/241 ("the RRF Regulation").

The National Communication Strategy for the National Recovery Plan is structured among several chapters. First, the general objectives of the strategy are established, including raising awareness of the plan, ensuring that the general public is informed about the content and implementation of the plan, and of the specific projects, investments and reforms. The basic principles to be applied in the field of publicity are also defined, including transparency, comprehensibility, effectiveness, efficiency, political neutrality and others. The target groups for the publicity campaign are also defined as well as the recommended communication tools. Mandatory communication tools and activities are specified, in accordance with provisions of EU Regulation 2021/241. Annual communication plans are also required to be adopted in order to specify measures planned during each year. The impact of the plan should also be measured as specified in the monitoring and evaluation chapter.

Furthermore, in line with the description of the measure, communication and media campaign [...] shall also be supported.

The National Communication Strategy (Annex 2) also sets out on p. 10 the recommended communication tools to ensure adequate communication and media campaign outreach, while noting the necessity to flexibly adapt this outreach in response to the circumstances such as crisis or extraordinary situations. As part of the communication and media campaign, several tools are used ranging from a dedicated website, spot videos on several social media channels, press releases and advertising in the mass media to conferences streamed online and events in regions. The dedicated

website, which contains further hyperlinks redirecting users to the afore-mentioned communication and media outreach including on social networks, was checked by Commission services on 29 October 2024.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C5.2]-I[I5]-T[292]: Research and development in line with the RIS3 strategy

Related Measure: C5.2.I5 Aid for research and development in enterprises in line with the national RIS3 strategy

Quantitative Indicator: Number of projects in line with the RIS3 strategy for which a grant agreement has been signed

Baseline: 0

Target: 78

Time: Q2 2024

1. Context:

The investment aims to support industrial research and experimental development projects submitted by enterprises in line with the national RIS3 strategy and aimed at putting results into practice, in particular in industrial production and in the supply of products on the market, projects developing new services, technologies and materials, increasing automation and robotisation and the use of digital technologies.

Target 292 requires that grant agreements be signed for the support of at least 78 industrial research and experimental development projects in line with the national RIS3 strategy, and that the total budget committed in the grant agreements for all projects and the overall implementation period amounts to at least EUR 59 million.

Target 292 is the first step of the implementation of the investment, and it will be followed by target 293, related to the disbursement of at least 90% of the budget committed for the projects under target 292. The investment has a final expected date for implementation on 31 March 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|---|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Annex 1 – Call for Proposals Announcement for 10 th public competition, programme TREND, sub-programme 1 | The announcement, published on the website of the Technology Agency of the Czech Republic on 5 April 2023, informs about the call for project proposals and the deadline for their submission. |
| 3 | Annex 2 – Call Documentation for 10 th public competition of programme TREND, sub-programme 1, No TACR/12-6/2023, and Cards of thematic areas, version 4 | The call, published on the website of the Technology Agency of the Czech Republic on 5 April 2023, sets out eligible applicants and projects, the time frame for their selection and implementation, legal and financing terms, and project evaluation. In line with the Operational Arrangements, the call is aligned with the investment and target descriptions laid down in CID, in particular with regard to the national RIS3 |

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| | | strategy. The cards of thematic areas, dated December 2022, contain the description of all domains of RIS3 specialisation in Czechia. |
| 4 | Annex 3 - Projects Summary | In line with the Operational Arrangements, the summary contains projects descriptions including their implementation period. |
| 5 | Annex 4 – Grant Agreements , their Amendments and Binding Parameters | The Grant Agreements, signed between 7 December 2023 and 22 March 2024, oblige the Technology Agency of the Czech Republic to provide grants to the recipients in exchange for implementing the projects. In line with the Operational Arrangements, the Grant Agreements are signed with the main recipients and include the amounts committed (excluding VAT). The Amendments, signed between 11 December 2023 and 24 April 2024, ensure that there is no double financing. The Binding Parameters set out the goals of the project. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the target.

Grant agreements shall be signed for the support of at least 78 projects in line with the national RIS3 Strategy.

The projects selected for support shall be in line with one R&D&I specialisation domain of the national RIS3 strategy.

According to the evidence provided (Annex 4), Czechia submitted copies of the grant agreements signed between 7 December 2023 and 22 March 2024 for 93 projects. Therefore, Czechia has completed 93 grant agreements signed, thus exceeding the goal of Target 292 (the target under assessment) by 15. The amendments to the grant agreements were needed in order to make the ban of double financing part of the grant agreements.

As demonstrated by Annex 2, each project proposal shall be in line with one domain of specialisation of the National RIS3 strategy. These domains are the main "vertical" thematic priorities of the National RIS3 Strategy that are built on the strengths of the Czech Republic and on its specific capacities and resources in terms of economics, innovation and research. As demonstrated by Annex 3, each of the 93 supported projects falls within a domain of specialization of the National RIS strategy (e.g. Advanced medicine and pharmaceuticals; Advanced materials, technologies and systems; Green technologies, bio economics and sustainable food resources; Electronics and digital technologies).

The tender shall aim at supporting industrial research and experimental development projects aimed at putting results into practice, in particular in industrial production and in the supply of products on the market, projects developing new services, technologies and materials, increasing automation and robotisation and the use of digital technologies.

As demonstrated by Annex 2 on page 2, the call included the condition that industrial research and experimental development projects aiming at putting results into practice would be supported, in particular in industrial production and in the supply of products on the market, projects developing new services, technologies and materials, increasing automation and robotisation and the use of digital technologies.

The total budget committed in the grant agreements for all projects and the overall implementation period shall amount to at least EUR 59 million.

As demonstrated by Annexes 3 and 4, the total funding for the 93 contracted projects over the overall implementation period from January 2024 until June 2026 the latest was in the amount of CZK 1,414,281,739. When applying the exchange rate that was used to cost the measure for the 2023 revision when the investment at hand was included in the Recovery and Resilience Plan (i.e., 23.742 CZK/EUR), the amount of total funding contracted equals EUR 59,568,770. Therefore, the budgetary target of at least EUR 59 million (as revised in 2024) is met.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C5.2]-I[I6]-T[294]: Research and development in the field of transport

Related Measure: C5.2.I6 Aid for research and development in the field of transport

Quantitative Indicator: Number of projects in the field of transport for which a grant agreement has been signed

Baseline: 0

Target: 16

Time: Q2 2024

1. Context:

The investment aims to support R&D&I projects in the field of transport.

Target 294 requires that grant agreements be signed for the support of at least 16 R&D projects in one of the following fields: (i) sustainable, accessible and safe transport, (ii) automation, digitalisation and technologically advanced transport, (iii) zero emission transport, and that the total budget committed in the grant agreements for all projects and the overall implementation period amounts to at least EUR 8 million.

Target 294 is the first step of the implementation of the investment. It will be followed by target 295, related to the disbursement of at least 90% of the budget committed for the projects under target 294. The investment has a final expected date for implementation of 31 March 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|--|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Annex 1 – Call for Proposals Announcement for 1 st public competition, programme TRANSPORT 2030 | The announcement, published on the website of the Technology Agency of the Czech Republic on 26 April 2023, informs about the call for project proposals and the deadline for their submission. |
| 3 | Annex 2 – Call Documentation for 1 st public competition of programme TRANSPORT 2030, No TACR/12-14/2023 | The call, published on the website of the Technology Agency of the Czech Republic on 26 April 2023, sets out eligible applicants and projects, the time frame for their selection and implementation, legal and financing terms, and project evaluation. In line with the Operational Arrangements, the call is aligned with the investment and target descriptions laid down in CID, in particular with regard to the national RIS3 strategy. |

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| 4 | Annex 3 - Projects Summary | In line with the Operational Arrangements, the summary contains projects descriptions including their implementation period. |
| 5 | Annex 4 – Grant Agreements, their Amendments and Binding Parameters | The Grant Agreements, signed between 12 January 2024 and 6 March 2024, set out the rights and obligations of the Technology Agency of the Czech Republic as the grant provider and the recipient. In line with the Operational Arrangements, the Grant Agreements are signed with the main recipients and include the amounts committed (excluding VAT). The Amendments, signed between 29 February 2024 and 9 April 2024, ensure that there is no double financing. The Binding Parameters set out the goals of the project. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the target.

Grant agreements shall be signed for the support of at least 16 R&D projects in the field of transport.

According to the evidence provided (Annex 4), Czechia submitted copies of the grant agreements signed between 12 January 2024 and 6 March 2024 for 19 research and development projects in the field of transport. Therefore, Czechia has completed 19 grant agreements signed, thus exceeding the goal of Target 294 (the target under assessment) by 3. The amendments to the grant agreements were needed in order to make the ban of double financing part of the grant agreements. Amendments to the grant agreements were needed in order to make the ban of double financing part of the grant agreements.

The tender shall aim at supporting projects for applied research, experimental development and innovation in one of the following fields: (i) sustainable, accessible and safe transport, (ii) automation, digitalisation and technologically advanced transport, (iii) zero emission transport.

As demonstrated by Annex 2, the call included on pages 2 and 8 the condition that each project proposal must fulfil one of the specific objectives of the programme: (i) sustainable, accessible and safe transport, (ii) automation, digitalisation and technologically advanced transport, (iii) low emission and environmentally friendly transport; under the latter objective, only the support of project proposals focused on research and development of zero emission transport is allowed.

As demonstrated by Annex 3, all 19 projects fall under one of the afore-mentioned fields.

The projects selected for support shall also be in line with one of the following two specialisation domains of the national RIS3 strategy: (i) green transport; and (ii) technologically advanced and safe transport.

As demonstrated by Annex 2, the call included on page 12 the condition that each project proposal shall fulfil one domain of specialisation of the National RIS3 strategy. As demonstrated by Annex 3,

each of the 19 supported projects falls under the domain of RIS3 specialization “Technologically advanced and safe transport” or “Environmentally friendly transport”.

The total budget committed in the grant agreements for all projects and the overall implementation period shall amount to at least EUR 8 million.

As demonstrated by Annexes 3 and 4, the total funding for the 19 contracted projects over the overall implementation period from January 2024 until June 2026 the latest was CZK 197,095,370. When applying the exchange rate that was used to cost the measure for the 2023 revision when the investment was included in the Czech Recovery and Resilience Plan (i.e., 23.742 CZK/EUR), the amount of total funding contracted equals EUR 8,301,549. Therefore, the budgetary target of at least EUR 8 million is met.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C5.2]-I[I7]-T[296]: Research and development in the environmental field

Related Measure: C5.2.I7 Aid for research and development in the environmental field

Quantitative Indicator: Number of projects for which a grant agreement has been signed

Baseline: 0

Target: 35

Time: Q2 2024

1. Context:

The investment aims to support industrial RDI projects submitted by research organisations and enterprises, including collaborative projects, aimed at addressing challenges identified under the “State Environmental Policy of the Czech Republic 2030 with outlook to 2050” and the sectoral strategy of research support.

Target 296 requires that grant agreements be signed for the support of at least 35 R&D&I projects in the environmental field, and that the total budget committed in the grant agreements for all projects and the overall implementation period amounts to at least EUR 17.9 million.

Target 296 is the first step of the implementation of the investment. It will be followed by target 297, related to the disbursement of at least 90% of the budget committed for the projects under target 296. The investment has a final expected date for implementation on 31 March 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|--|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Annex 1 – Call for Proposals Announcement for 7 th public competition, programme Environment for life, sub-programmes 1 and 2 | The announcement, published on the website of the Technology Agency of the Czech Republic on 12 July 2023, informs about the call for project proposals and the deadline for their submission. |
| 3 | Annex 2 – Call Documentation for 7 th public competition of programme Environment for life, sub-programmes 1 and 2, No TACR/12-21/2023, and Cards of thematic areas, version 4 | The call, published on the website of the Technology Agency of the Czech Republic on 12 July 2023, sets out eligible applicants and projects, the time frame for their selection and implementation, legal and financing terms, and project evaluation. In line with the Operational Arrangements, the call is aligned with the investment and target descriptions laid down in CID, in particular with regard to the national RIS3 strategy. The cards of thematic areas, dated |

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| | | December 2022, contain the description of all domains of RIS3 specialisation in Czechia. |
| 4 | Annex 3 Projects Summary | In line with the Operational Arrangements, the summary contains projects descriptions including their implementation period. |
| 5 | Annex 4 – Grant Agreements and Binding Parameters | The Grant Agreements, signed between 15 April 2024 and 10 June 2024, set out the rights and obligations of the Technology Agency of the Czech Republic as the grant provider and the recipient. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the target.

Grant agreements shall be signed for the support of at least 35 R&D&I projects in the environmental field.

According to the evidence provided (Annex 4), Czechia submitted copies of the grant agreements signed between 15 April 2024 and 10 June 2024 for 49 research, development and innovation projects in the environmental field. Therefore, Czechia has completed 49 grant agreements signed, thus exceeding the goal of Target 296 (the target under assessment) by 14.

The projects selected for support shall also be in line with one R&D&I specialisation domain of the national RIS3 strategy.

As demonstrated by Annex 2, the call included on page 15 the condition that each project proposal shall fulfil at least one domain of specialisation of the National RIS3 strategy. As demonstrated by Annex 3, each of the 49 supported projects falls under one domain of RIS3 specialization (Advanced materials, technologies and systems; Green technologies, bio economics and sustainable food resources; Electronics and digital technologies).

The total budget committed in the grant agreements for all projects and the overall implementation period shall amount to at least EUR 17.9 million.

As demonstrated by Annexes 3 and 4, the total funding for the 49 contracted projects over the overall implementation period from 1 April 2024 until 30 June 2026 was in the amount of CZK 428 984 750. When applying the exchange rate that was used to cost the measure for the 2023 revision when the investment at hand was included in the Recovery and Resilience Plan (i.e., 23.742 CZK/EUR), the amount of total funding contracted equals EUR 18 068 602. Therefore, the budgetary target of at least EUR 17.9 million is met.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C6.1]-R[R1]-M[231]: Electronic system for management, administration and evaluation of training of healthcare professionals

Related Measure: C6.1.R1 Improvement of education of healthcare professionals

Qualitative Indicator: A basic platform for the electronic system of management, administration and evaluation of healthcare workers' education put in operation

Time: Q2 2024

1. Context:

The training and education of healthcare workers shall be adapted with the aim to improve the availability of highly specialised healthcare professionals. Planning of healthcare staff at the national and regional level shall be improved thanks to creation of an electronic system (connecting existing databases of healthcare professionals) for management, administration, and evaluation of training needs of healthcare professionals. The improvement of the organisation of post-graduate training of health professionals shall help reduce the duration of specialist training and allow younger doctors to start providing care earlier, thereby improving access to care.

Milestone 231 is the only milestone of this reform, related to creating an electronic system which will serve to manage the post-graduate training for healthcare professionals. The reform has a final expected date for implementation in Q2 of 2024.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|--|
| 1 | Summary Document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Annex 1 - Implementation report | Report signed in July 2024 by the contractor and the Implementing body |
| 3 | Annex 2 - Implementing body opinion | Opinion of the Implementing body confirming that the system is complete and operational since on 9 July 2024 |
| 4 | Annex 3 - Link: https://administrator.ipvz.cz/ | Link to the platform |
| 5 | Annex 4 - User manual | Manual dedicated for users of the platform |
| 6 | Annex 5 - Analytical report prepared in 2023 | Background analysis |
| 7 | Annex 6 - Completion certificate | Certification of completion signed on 12 July 2024 by the Implementing body |
| 8 | Annex 7 - Report on future implementations | Further developments envisaged |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

Creation of a basic platform by the Ministry of Health for the new electronic system of management, administration, and evaluation of healthcare workers' education.

The call for proposals for a platform to manage, administer and assess the post-graduate education of health professionals has been published on 20 December 2022, and the Institute for Postgraduate Medical Education was selected as project contractor. As a first step, the analysis of the current status and recommendations for improving the system was prepared (Annex 5). Following this analysis, the platform was implemented and delivered to the Ministry of Health on 30 June 2024. The ministry has confirmed receipt by signing the certificate of completion (Annex 6), which provides evidence that the platform is operational and that it complies with the requirements set out for the investment. An implementation report was also prepared and signed by both the contractor and the implementing body (Annex 1), which explains the main features of the platform, as well as the future possibilities of its development by further modules. A link to the platform <https://administrator.ipvz.cz/> was also provided as evidence (Annex 3), as well as a user manual (Annex 4), which demonstrate the main features of the platform.

The electronic system shall be further developed and completed with modules according to education needs.

As explained in the implementation report (Annex 1), and in line with the background analysis (Annex 5) as well as the certificate of completion (Annex 6), the basic platform allows for further development shall be further developed by adding new modules in the future. The Ministry of Health has direct control over the development and operation of the system. Further development of the system will take place until the end of 2025. During this period, modules for accreditation, subscriber training, evaluation, etc. will be developed (Annex 7). As explained in Annex 7, the system will integrate the data from the national health registers and various modules such as "training participant module" or "accreditation module", which will allow for a holistic view of the whole learning process. This will contribute to a better response to the education needs and improve management of the educational processes (Annex 7, pages 2-3, 9).

Furthermore, in line with the description of the measure, the milestone has achieved all of the requirements listed in the measure's description, as explained below:

The training and education of healthcare workers shall be adapted with the aim to improve the availability of highly specialized healthcare professionals.

The development of the platform allows to increase the availability and the efficiency of providing specialised post-graduate training for healthcare professionals. Digitalising the administration and management of the users' data, as well as the training materials will help increasing the availability of trained medical staff.

Planning of healthcare staff at the national and regional level shall be improved thanks to creation of an electronic system (connecting existing databases of healthcare professionals) for management, administration, and evaluation of training needs of healthcare professionals.

Digitalising records will also facilitate the data analysis and planning of training needs. The creation of the basic platform allows already to connect multiple existing databases and make the data

management more efficient. Further development of the platform by new modules in the future will improve the planning and evaluation of training.

The improvement of the organisation of post-graduate training of health professionals shall help reduce the duration of specialist training and allow younger doctors to start providing care earlier, thereby improving access to care.

By removing the administrative difficulties and digitalising the records, as well as creating pre-filled forms used in the system, the organisation of the post-graduate training for health professionals will be more easily available and the time needed for searching, applying, and accrediting the training will be reduced. This will increase availability and reduce the time needed for the training of doctors, which will help improve access to care in Czechia. This is demonstrated in the analysis provided in Annex 5 (e.g. pages 5-6, 32-34, 64, 87, 100-105, 112-113, 117), as well as further enhancements planned described in Annex 7.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C7.1]-R[R1]-M[301]: Entry into force of the amended legislation

Related Measure: C7.1.R1 Simplifying permitting procedures for renewables

Qualitative Indicator: Provision in the law indicating the entry into force

Time: Q3 2023

1. Context:

The Czech legislation prior the adoption of the REPowerEU chapter presented several shortcomings as the Clean Energy Package had not yet been transposed in the Czech legal system. The purpose of the reform in Milestone 301 by a legislative amendment is to contribute to the decarbonisation of the Czech economy and represents a crucial step towards ensuring energy security in the country. Supporting renewable energy sources (RES) development could have a significant impact on energy security in the country by replacing imported natural gas.

The aim of this reform is to simplify the permitting process for renewable energy installations. For installations with a capacity of up to 50 kW, the reform eliminates the need for construction permits, production licenses, zoning consent decisions, and grid connection authorisations for those up to 10 kW. Installations above 1 MW will be designated as public interest, receiving expedited permits, further streamlining the deployment of larger renewable energy projects.

Milestone 301 requires the entry into force of amended legislation aiming at simplifying permitting procedures for renewables. It is the only milestone of the reform. The reform has a final expected date for implementation of 31 March 2023.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|---|
| 1 | Summary Document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled |
| 2 | Act No. 19/2023 Coll., amending Act No 458/2000 on business conditions and the exercise of state administration in the energy sectors and amending certain laws (Energy Act), as amended, and other related acts. | This legislative act known as LEX RES I amends the Energy Act No 458/2000. In line with national law, it is published in the Official Journal and enters into force on 23 January 2023. It entered into application on 24 January 2023. It establishes new legal provisions in particular to streamline permitting procedures for renewables. |
| 3 | Act No. 469/2023 Coll., amending Act No 458/2000 on business conditions and the exercise of state administration in the energy sectors and amending certain Acts (Energy Act), as amended, and other related acts | This legislative act known as LEX RES II amends the Energy Act No 458/2000. In line with national law, it is published in the Official Journal and entered into force on 31 December 2023. It entered into application on 1 January 2024. It establishes new legal provision that remove the grid connection authorisation. |

| | | |
|---|---|--|
| 3 | Act No 152/2023 amending Act No 283/2021 Coll., the Construction Act, as amended by Act No 195/2022 Coll., and certain other related acts | In line with national law, legislative act amending the Act 283/2021 (Construction Act) introducing the provisions regarding permits and notion of public interest for certain electricity infrastructures was published in the Official Journal, entered into force on 5 June 2023 and entered into application on 1 July 2023. |
| 4 | Decree No 248/2024 Coll. of 14 August 2024 amending Decree No 16/2016 Coll., on the conditions for connection to the electricity grid, as amended by Decree No 487/2021 Coll. | In line with national law, this Decree is published in the Official Journal and entered into force on 22 August 2024 and into application on 1 October 2024. It implements the provisions of Act No. 469/2023 Coll. known as LEX RES II (i.e. Section 98a(2)(g)). |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

Entry into force of the amended legislation

On 11 January 2023, Czechia adopted Act No. 19/2023 that amends the Energy Act (Act No. 458/2000) and other acts (hereinafter called LEX RES I). LEX RES I entered into effect on 24 January 2023, the day following its publication in the Official Journal (Part six, article VII of the Act No. 19/2023).

On 31 December 2023, Czechia adopted Act No 469/2023 that amends the Energy Act (Act No. 458/2000 and other related acts (hereinafter called LEX RES II)). LEX RES II entered into effect on 1 January 2024, the day following its publication in the Official Journal (Part Nine, Article XI of Act No. 469/2023).

On 10 May 2023, Czechia adopted Act No. 152/2023 amending Act No 283/2021 Coll. (hereinafter called "Construction Act") and certain other related acts. The Construction Act (Act No 283/2021) entered into effect on 1 January 2024 (Point 420 of Act No. 152/2023).

On 14 August 2024, Czechia adopted Decree No. 248/2024 Coll. amending Decree No. 16/2016 Coll., on the conditions for connection to the electricity system (hereinafter "Decree on connection procedures"). The Decree on connection procedures was published on 22 August 2024 and entered into effect on 1 October 2024.

The legislation shall be amended to:

- **remove the requirement to obtain a construction permit, (...) and a zoning consent / zoning permit for renewable power installations with a total installed capacity of up to 50 kW**

Legislative amendments have been introduced so that whoever wants to build or refurbish a renewable power installation with a total capacity of up to 50kW does not need to submit any application for permit (construction permit, zoning permit) or any other statement to any construction authority or any other administrative body. It is demonstrated that neither building permit nor zoning consent, that were previously applicable in relation to installations of up to 50 kW, are required.

According to Section 5 paragraph (2)(b) in conjunction with Sections 171 and 197 of the Construction Act, no building permit is required for so called “minor structures”. Minor Structures are defined in Attachment 1 of the consolidated Construction Act (amended by Article I, points 425 of Act No. 152/2023) and include infrastructures for the production of renewable energy sources up to 50kW as “minor structures” according to Section 5(2) of the Construction Act.

Similarly, Attachment 1 Point 1(f) to the Construction Act (amended by Article I, point 428 of Act No. 152/2023) also provides that structural changes to existing constructions for the production of renewable energy sources up to 50kW, considered as “minor structures”, also do not require building permit.

Moreover, these legislative amendments also introduced additional simplifications for such installations. As minor structures they can be carried out directly by the builder without any contractor (Section 159(2) of the consolidated Building Act) what in practice implies that for instance for rooftop installations up 50kW no construction project is required.

- **Remove (...) a license to produce electricity (...) for renewable power installations with a total installed capacity of up to 50 kW**

Article I, point 4 of Act No. 19/2023 (LEX RES I, Part one) amends the existing provision in the Energy Act to increase the power-generating capacity threshold from 10 kW to 50 kW below which no licence to produce electricity is necessary. Under new provisions, the Energy Regulatory Office shall grant a licence only to installations above 50 kW. This threshold of 50kW is also modified in other related legislations such as the Construction Act (Article I, points 425 of Act No. 152/2023) to ensure a consistent treatment of such installations.

Moreover, Article I of Act No.19/2023 (LEX RES I, Part one) amends the existing provision in the Energy Act on the conditions for granting a licence increasing the thresholds from 20kW to 50kW in which no obligation to demonstrate professional competence for the production of electricity from RES. This amendment will contribute in particular to the production of renewable energy sources in the case of rooftop installations for households.

- **as well as remove the grid connection authorization for the installations up to 10 kW.**

Grid connection is a private contract between the applicant and the distribution system operator. Customer has the right to operate installations up to 50 kW and installations up to 10.8kW can be connected based on DSO’s approval within 30 days if technical requirements are met (Section 28 (5) of the Act No. 458/2000 as amended by point 81 of LEX RES II).

Section 3 paragraph 2(f)) of the consolidated Decree on connection procedures provides for small-scale installations of up to 10.8kW that no grid connection authorisation is necessary (Point 2 of Decree No. 248/2024 amending Decree on connection procedures).

- **Accelerate and simplify the permitting procedure (building permit, zoning permit) and grid connection for installations above at least 1MW; Furthermore, in line with the description of the measure, the reform shall simplify the permitting procedure for renewable energy installations with an installed capacity above 1MW.**

The permitting procedure in relation to the construction and operation of renewables power plants of at least 1MW is simplified and accelerated through the following legislative amendments:

- Renewable energy sources constructions above 1 MW are classified as "reserved constructions" (*Vyhrazené stavby*) according to the Attachment 3 point o) to the consolidated text of the Construction Act (as amended by Article I, point 444 of Act 152/2023). As a result, permitting procedures of such installations are in the remit of one competent construction authority, specialised in decision-making concerning reserved constructions. This construction authority is the Transport and Energy Construction Authority as regulated under Section 33, point 2, letter a of the Construction Act (as amended by Article I, points 55 to 62 of Act 152/2023). It is considered that concentrating the decision-making on permitting of complex constructions in the remit of one specialised authority will contribute to ensuring a more professional and expeditious assessment of the permitting procedures. This is an improvement compared to the situation, as it was the case before the amended construction act, where multiple construction authorities were competent depending on the location of the installation.
- Moreover, the permitting procedures will also benefit from general reduced timelines for the decision of the building authority. This timeline is 60 days unless extended because of objective circumstances as set out under section 196, point 1 of the consolidated Construction Act. While previously no timelines for permitting procedures were set out in the Construction Act, these new provisions will also have positive effect on acceleration of procedures.
- Lastly, simplification is also achieved by the fact that the need for such installations to obtain two permits, i.e. construction permit and zoning consent, was replaced by a single document "Permit" under section 197 of the consolidated Construction Act.

Czechia also took steps regarding the grid connection process contributing to simplify the overall permitting procedure for renewable energy installations. Following amendments to the Decree No. 16/2016 on connection procedure (amended by Act No. 248/2024), Czechia reduced the applicable deadlines for both the investor and the distribution system operator (DSO) and transmission system operator (TSO) to reply in the application process for the connections of facilities including above 1MW. Once TSO or the DSO notify the applicant of their decision (section 8 (5) of the decree on connection procedures), the deadline for the applicant to reply to the TSO or DSO notification was reduced from 30 to 20 days. Following the confirmation by the applicant, the deadline for the TSO to submit a draft contract was reduced from 90 days to 25 working days and for the DSO from 60 or 30 days (depending on the level of voltage) to 15 working days (Article I, point 11 of Act No 248/2024 amending Section 8(7) of decree on connection procedures). While the reduced timelines apply irrespective of the size of installations, it is demonstrated that the above legislative amendments will contribute to the acceleration of grid connections concerning the installations above 1MW.

Furthermore, in line with the description of the measure, [...] **those shall be considered as of public interest and shall benefit from a preferential treatment as regards zoning permits and building permits**

Under the above legislative amendments, construction and operation of renewables power plants of at least 1MW are of public interest:

- Areas for production of electricity including from renewable sources shall after these legislative amendments be considered of public interest - section 39(f) in the consolidated text of the Construction Act as amended by Article I, point 72 of Act No. 152/2023;
- Energy buildings, including power generation plants from renewables energy sources, are defined as "Public Utility Building" (*Veřejně prospěšná stavba*) – section 11, point 1 of the consolidated text of the Construction Act.

Considering such renewable energy plants to be of public interest allows such projects to benefit from a simplified assessment:

- public utility structures are favoured in terms of public interest, e.g. in connection with the necessary expropriation of land – section 170, point 1, letter a) of the Construction Act
- mutual cooperation between public authorities - the building authority is obliged to cooperate directly with other public authorities concerned when examining the application – section 18 of the Construction Act as amended by Article I, point 20 of Act No. 152/2023

In addition, these installations will also benefit from other provisions which simplify the permitting procedure such as the required cooperation of the building authority. For example, if the submitted application does not include a statement or binding opinion required by the legislation, the building authority is obliged to directly request it from the authority concerned - section 184, point 3 of the Construction Act.

- replacement of the original documents (construction permit, zoning consent) by a single document "Permit" – section 197 of the Construction Act

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C7.1]-R[R3]-M[305]: Publication of information on grid connection requests and capacities

Related Measure: C7.1.R3 Improving the predictability, transparency and availability of grid connection process

Qualitative Indicator: Entry into operation of the interactive map

Time: Q1 2024

1. Context:

The reform aims to increase the transparency of the grid connection procedure through actions to raise awareness and provide visibility for market participants and network customers.

Every month, the three regional Distribution System Operators (DSOs) shall publish a map on their website which includes, for each of their respective areas of operation, information on available grid connection capacities at all voltage levels, and publish aggregated anonymized information of accepted and rejects requests.

Milestones 305 relates to the entry of operation of interactive maps published on the websites of the three regional DSOs (E.GD, CEZ and PRE) which shall display information of the available grid capacity for the medium and high voltage and information on connection requests for low voltage.

Milestone 305 is the second step of the implementation of the reform and it is accompanied by milestone 304 related to the entry into force of the grid connection reform in this payment request. It will be followed by milestone 306 and target 307, related to information on available grid capacities at all voltage levels and cumulative additional grid capacity for connection of RES, respectively. The reform has a final expected date for implementation of 31 March 2024.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|--|
| 1 | Summary Document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, including the relevant hyperlinks |
| 2 | Act No. 469/2023 Coll., amending Act No 458/2000 on business conditions and the exercise of state administration in the energy sectors and amending certain Acts (Energy Act), as amended, and other related acts | This legislative act, known as LEX RES II, amends the Act No 458/2000 Energy Act. In line with national law, it is published in the Official Journal and entered into force on 31 December 2023. It entered into application on 1 January 2024. It includes new legal provisions concerning an obligation for the Distribution System Operators to provide information on available grid capacity. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

Entry into operation of the interactive map

The obligation for the DSOs to publish interactive maps displaying their available grid capacity is set out in Section 25 of the Energy Act (as amended by point 11 (m) of Act No. 469/2023). The DSOs have this obligation since 1 April 2024 because this new provision entered into force on 1 April 2024 (Part 9, Article XI of the Act No 469/2023).

The Commission services conducted an on-the-spot check on 22 October 2024 to verify that the interactive maps of the three regional DSOs in Czechia (E.GD, CEZ and PRE) displaying information on the available grid capacity for different levels of voltage and on status of connections applications for low voltage. This check was completed successfully, confirming that the interactive map for each DSO entered into operation and that it can be used. Furthermore, the required features, including for basic navigation such as zoom in and out of the map, were provided and users can interact with it (clickable icons, possibility to click on elements to display information), therefore effectively demonstrating the operation of interactive maps.

For EG.D, the maps of high and very high voltage show the grid available capacity according with a colour code (see assessment below), the Commission services consider that the maps are granular enough demonstrating its usefulness.

The following links were verified by Commission services:

1. For ČEZ Distribuce: <https://www.cezdistribuce.cz/cs/pro-vyrobce/volna-distribucni-kapacita-pro-pripojovani-vyroben> and besides of the maps ČEZ Distribuce also publishes information of free distribution capacity at transformer level in the link <https://www.cezdistribuce.cz/cs/distribucni-soustava/volna-distribucni-kapacita>
2. For EG.D: <https://pripojitelnost.egd.cz/public/occ?lang=cs>
3. For DSO – PREdi: <https://www.predistribuce.cz/cs/potrebuji-zaridit/vyrobcu/mapa-pripojitelnosti-vyroben/>

An interactive map shall be published on the websites of the three regional DSOs (E.GD, CEZ and PRE)

The Council Implementing Decision states that an interactive map shall be published on the websites of the three regional DSOs. The Council Implementing Decision also states, in the description of the measure that this milestone represents, that “the three regional DSOs shall publish a transparency map on their website”. The Recovery and Resilience Plan (component fiche 7.1) provides that “Measures to raise awareness of connectivity opportunities (PDS, TSOs publishing online information on available network connection capacities for new connections in their respective areas of competence; PDS, TSOs report on the status and handling of their connection requests”. In light of the contextual interpretation of this requirement from the Council Implementing Decision, this element is interpreted as requiring the publication of an interactive map by each of the three regional DSOs depending on the level of voltage. Paragraph 25, point 11(m) of the Act No. 469/2023 Coll, establishes that the distribution system operators in Czechia are obliged to publish and update once a month on its website data the number of accepted and rejected application for connection to the distribution system and publish an interactive map containing information per voltage level for all territories defined by the license of the DSO. The Commission services accessed the link <https://eru.gov.cz/> provided by the authorities on 22 October 2024 to verify that Czechia the distribution system operator is determined by the delineated area. The distributors for electricity are ČEZ Distribuce, EG.D and

PREdistribuce. The links of which the interactive maps are published on the websites of the three regional DSOs are referred above. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

and displays the following information:

-for each area of operation information on the available grid capacity at medium and high voltage levels.

Distribution System Operators (DSOs) are required to provide information on available network capacity as stated by Paragraph 25, point 11(m) of the Act No. 469/2023 Coll. The three main DSOs provide information on the free distribution in the form of maps at high and medium voltage levels. This obligation is laid down by Paragraph 25, point 11(m) (1) of the Act No. 469/2023 Coll.

The levels of voltage vary depending on the distribution transformers and substations very much. Distribution grids are primarily concerned with bringing electricity from substations to end users (households, businesses and industries) and three voltage levels generally apply: i) low voltage is used to supply electricity directly to residential homes and some light commercial facilities; ii) medium voltage mainly for regional and local distribution to bring power from substations to neighbourhoods or industrial sites; iii) high voltage connecting primary substations to larger substations and industrial facilities. In the case of EG.D, the three equivalent levels of voltage are low, high and very high.

ČEZ Distribuce publishes an interactive map on free distribution capacity for medium and high voltage. The map informs the investor on the probability of processing a certain request for the connection of a plant in a certain area. It presents probability because the availability of distribution capacity is constantly changing over time, especially depending on the volume of applications received and their processing.

The interactive map presents three types of colours as a legend:

- **White** showing that the DSO do not have the necessary data to assess the connectivity or that is an area outside the distribution area of ČEZ Distribuce
- **Green** as areas with a high probability of plant connection
- **Orange** as areas with limited possibilities of connecting new power plants outside the existing supply points, the connection of a new plant is linked to the strengthening of the capacity of the network in terms of the development plan of the DSO

The Commission services conducted an on-the-spot check on 22 October to verify that the connection map from ČEZ Distribuce was displaying information for each area of operation on the available grid capacity at medium and high voltage and its last update. This check was completed successfully, confirming that the ČEZ Distribuce map was displaying for each area of operation information on the available grid capacity at medium and high voltage levels. The last update of the map was 17 September 2024.

EG.D. publishes maps on free distribution capacity for connection of power-generating plants for high and very high voltage. (equivalent to medium and high voltage).

The map for very high voltage presents 3 types of colours as legend:

- **Red** showing areas with no available grid capacity (0MW – depleted)
- **Yellow** showing areas with free available capacity (0MW-40MW)
- **Green** showing areas with free available capacity (more than 40MW)

The interactive map for high voltage presents 3 types of colours as legend:

- **Red** showing areas with no available grid capacity (0MW – depleted)
- **Yellow** showing areas with free available capacity (0MW-20MW)
- **Green** showing areas with free available capacity (more than 20 MW)

The Commission services conducted an on-the-spot check on 22 October to verify that the connection map from EG.D was displaying information for each area of operation on the available grid capacity at high and very high voltage and its last update. This check was completed successfully, confirming that the EG.D map was displaying for each area of operation information on the available grid capacity at medium and high voltage levels. The last update of the map was 30 September 2024.

PREDistribuce publishes information on the possibilities of connection power plants, separately for medium and high voltage level.

The interactive map for medium voltage presents four types of colour as legend:

- **Green** for the areas where there is more than 30 MW of available capacity; ii) yellow for the areas with available capacity between 15 and 30MW;
- **Yellow** for the areas with available capacity between 15 and 30MW;
- **Orange** for the areas of available capacity below 15MW;
- **Red** for the areas with exhausted capacity 0MW.

The interactive map for high voltage presents four types of colour as legend:

- **Green** for the areas where there is more than 100 MW of available capacity
- **Yellow** for the areas with available capacity between 50 and 100 MW;
- **Orange** for the areas of available capacity below 500 MW;
- **Red** for the areas with exhausted capacity 0MW.

The Commission services conducted an on-the-spot check on 22 October 2024 to verify the connection map from PREDistribuce was displaying information for each area of operation on the available grid capacity at medium and high voltage and its last update. This check was completed successfully, confirming that the PREDistribuce map was displaying for each area of operation information on the available grid capacity at medium and high voltage levels. The last update of the map was October 2024.

-For low voltage level, information at the level of the transformer, station-aggregated anonymized information on the accepted and rejected requests (including the number of alternative connection agreements), and anonymised reasons for rejected requests at aggregate level and the expected date of modifications of the distribution network

Distribution System Operators (DSOs) are required to provide information on available network capacity as stated by Paragraph 25, point 11(m) of the Act No. 469/2023 Coll. In the first stage, the three main DSOs will provide information on data on connection requests at the level of the distribution transformer stations at low voltage levels. This obligation is laid down by Paragraph 25, point 11(m) (2) of the Act No. 469/2023 Coll.

Data are published in the summarized form, and they are strictly anonymous, the personal data of the applicants and contractual data about connection are subject of contractual confidentiality. The information provided for low voltage level include anonymized data - number of accepted connection requests, rejected requests. Alternative connection agreements are offered only in case of limited network capacity.

ČEZ Distribuce publishes an interactive map on free distribution capacity for low voltage. The map informs the investor on the probability of processing a certain request for the connection of a plant with a link to the modification of the distribution network if necessary, in a certain area. It presents probability because the availability of distribution capacity is constantly changing over time, especially depending on the volume of applications received and their processing.

At the level of the transformer, ČEZ Distribuce indicates station-aggregated anonymized information on the total number of connection requests received, information of the approved and rejected requests, number of requests requiring an alternative connection agreement as their requests require either an adjustment to fit the distribution network conditions (e.g. new contract but with a lower capacity to be connected) or a modification in the distribution network (e.g. new distribution line or modernisation) and expected year when those modifications to the distribution network are concluded

The interactive map presents four types of colours as legend:

- **White** shows that there is no necessary data to assess the connectivity or area outside the distribution area of ČEZ Distribuce
- **Green** shows the area in which the connection of production source will probably take place with the current grid capacity.
- **Yellow** shows the area in which connecting a production source may require adjustments to the distribution network (so connection agreements may require modification to be compatible with the distribution network)
- **Orange** shows an area in which connecting a production source may require modification of the distribution network (i.e. expansion or modernisation of the distribution network may be necessary)

The Commission services accessed the link (<https://eru.gov.cz/monitoring-pripojovani-vyroben-elektriny-do-distribucni-soustavy-v-ceske-republice-2021-2023>) provided by the authorities on 22 October to verify that the energy regulator report demonstrates the requirement on the status of the connection of generation capacities, including reasons for rejected connection requests. This check was completed successfully, confirming that each DSO provides information on the accepted and rejected requests and anonymised reasons for the rejected requests at aggregate level.

The Commission services conducted an on-the-spot check on 22 October to verify that the functionalities of the map for low voltage level include the likelihood of grid available capacity and for each sub-station the number of applications, approved / rejected requests, number of applications requiring modification and expected year that modifications in the network are expected. This check was completed successfully, confirming that for ČEZ Distribuce at low voltage level, information at the level of the transformer, station-aggregated anonymized information on the accepted and rejected requests (including the number of alternative connection agreements), and anonymised reasons for rejected requests at aggregate level and the expected date of modifications of the distribution network. The last update of the map was 17 September 2024.

EG.D. publishes an interactive map in which customers can obtain information about the probability of RES connection. Customers should introduce the address or geographic location of the intended RES or by clicking in the map and the intended capacity.

In case of available grid capacity, the result of the search will indicate to the customer that it is likely that connection to the grid is possible.

The website presents an overview as well of accepted and rejected applications for the period 2023/09 – 2024/08 per level of voltage, including low voltage level. However, this information is not provided at the level of the transformer but at aggregate level for the DSO and it is also not presented the number of alternative contract agreements.

The Commission services accessed the link (<https://eru.gov.cz/monitoring-pripojovani-vyroben-elektriny-do-distribucni-soustavy-v-ceske-republice-2021-2023>) provided by the authorities on 22 October to verify that the energy regulator report demonstrates the requirement on the status of the connection of generation capacities, including reasons for rejected connection requests. This check was completed successfully, confirming that each DSO provides information on the accepted and rejected requests and anonymised reasons for the rejected requests at aggregate level.

The Commission services conducted an on-the-spot check on 22 October to verify that the functionalities of the map for low voltage level include the likelihood of grid available capacity and for each sub-station the number of applications, approved / rejected requests, number of applications requiring modification and expected year that modifications in the network are expected. This check was not completed successfully, confirming that for **EG.D** at low voltage level, information at the level of the transformer, station-aggregated anonymized information on the accepted and rejected requests (including the number of alternative connection agreements and the expected date of modifications of the distribution network is not. Anonymised reasons for rejected requests is provided. The last update of the map was 30 September 2024.

PREDistribuce publishes information for the low voltage level on the potential of the plant connection in areas for each distribution transformer stations. At the level of the transformer, the interactive map shows the current number of applications received and their processing status (approved, with the need of modification and rejected).

The interactive map presents three types of colour as legend:

- **Green** showing connection is likely to be approved
- **Yellow** connection may require some modifications in the distribution network
- **Red** connection may require more extensive modifications in the distribution network

It is indicated that for areas in which there are power output limitations (red area), the expected deadline for network modifications is 2026.

The Commission services accessed the link (<https://eru.gov.cz/monitoring-pripojovani-vyroben-elektriny-do-distribucni-soustavy-v-ceske-republice-2021-2023>) provided by the authorities on 22 October to verify that the energy regulator report demonstrates the requirement on the status of the connection of generation capacities, including reasons for rejected connection requests. This check was completed successfully, confirming that each DSO provides information on the accepted and rejected requests and anonymised reasons for the rejected requests at aggregate level.

The Commission services conducted an on-the-spot check on 22 October to verify that the functionalities of the map for low voltage level include the likelihood of grid available capacity and for each sub-station the number of applications, approved / rejected requests, number of applications requiring modification and expected year that modifications in the network are expected. This check was completed successfully, confirming that for **PREDistribuce** at low voltage level, information at the level of the transformer, station-aggregated anonymized information on the accepted and rejected requests (including the number of alternative connection agreements), and anonymised reasons for rejected requests at aggregate level and the expected date of modifications of the distribution network. The last update of the map was October 2024.

4. Commission Preliminary Assessment: Satisfactory fulfilled

CZ-C[C7.2]-I[I1]-M[309]: Entry into force of the legislation establishing the Electricity Data Centre

Related Measure: C7.2.I1 Electricity Data Centre

Qualitative Indicator: Provision in the law indicating the entry into force of Electricity Data Centre

Time: Q1 2024

1. Context:

The reform relates to the set-up of an Electricity Data Centre (EDC) in Czechia. The EDC shall manage a digital IT platform collecting data on generation, consumption and flexibility at one central location and providing technical services to enhance the security and reliability of the operation of the electricity system of the Czech Republic for the benefit of all market participants (including end customers). The implementation of the EDC is divided in two phases. In the first phase, the EDC shall provide the electricity sharing functionalities to allow the energy communities to operate. In a second phase, the EDC shall ensure the coordination, sharing and exchange of measured data as well as the matching and data processing related to the provision of flexibility, flexibility aggregation and electricity storage.

Milestone 309 relates to the establishment by law of the Electricity Data Centre. Milestone 309 is the first step of the implementation of the investment. It will be followed by milestone 310 related to the launch of functionalities linked to energy sharing and milestone 311 related to entry into operation of all functionalities. The investment has a final expected date for implementation of 31 March 2024.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|---|
| 1 | Summary Document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, including the relevant hyperlinks |
| 2 | Act No. 469/2023 Coll., amending Act No 458/2000 on business conditions and the exercise of state administration in the energy sectors and amending certain Acts (Energy Act), as amended, and other related acts | This legislative act, known as LEX RES II, amends the Act No 458/2000 Energy Act. In line with national law, it is published in the Official Journal and entered into force on 31 December 2023. It entered into application on 1 January 2024. It includes new legal provisions that to establish the Electricity Data Centre. |
| 3 | Decision from the Energy Regulatory Office (Ref. No.: 07226-11/2024-ERU) adopting the Order of the Electricity Data Centre ("EDC Order"), approved by the Energy Regulatory Office on 1 August 2024 and effective | This decision published by the Energy Regulator describes the process of adoption of the EDC Regulations including the EDC Order as annex to the Decision. The EDC Order details the functionalities of the Electricity Data Centre. |

| | | |
|--|---|--|
| | on 1 August 2024. Annex to the Decision is the approved “EDC Order” | |
|--|---|--|

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

Entry into force of the legislation establishing the Electricity Data Centre

The Electricity Data Centre (hereinafter referred to as “EDC”) was established by the amendment to the Energy Act, known as LEX RES II (Act No. 469/2023 Coll, amending Act No. 458/2000), which was adopted on 20 December 2023, published in the Official Journal on 31 December 2023, and it entered into force on 1 January 2024 (Part 9, Article XI of the Act No 469/2023). Paragraph 27 establishes the main legal provisions related to the EDC.

The Electricity Data Centre is established by law and its functionalities and obligations are defined by the law.

Section 22 (1) (h) of the Act No 469/2023 establishes the EDC as a new electricity market participant. Under Section 17 (7) (g) of this Act, the Energy Regulator Office is obliged to approve the Data Centre Order (evidence 3, hereinafter referred as “EDC Order”). The EDC Order was adopted by the Energy Regulatory Office on 1 August 2024 by a Decision (Ref. No.: 07226-11/2024-ERU). Section 27 of the Act No 469/2023 sets up its shareholder structure, license and the governance. Section 27c establishes the rights and obligations of the EDC and its functionalities. Section 27d stipulates the rights and obligations of the EDC in electricity sharing activities.

In particular, the EDC shall:

- register, at the request of the market participant, the assignment of transfer points involved in electricity sharing and transfer points involved in off-take at another off-take point in the data centre and transmit the registration information to the market operator,

Under Act No 469/2023, the data centre is designated as the entity responsible for providing virtually all data management services for energy sharing and communities. Under Section 27d (2) (a) of this Act, the EDC is obliged to register the assignment of transfer points involved in electricity sharing and transfer points involved in off-take at another off-take point (the cases where a participant has multiple point of consumption), collect metering data and transmit data to the market operator in order to extract the amount of shared electricity from the total consumption and provide data for billing, both for electricity sharing and regulated services. In addition, the EDC Order (evidence 3), section 2.2 indicates the conditions and procedure for access to the EDC.

- allocate, at the request of the market participant, the share of electricity shared within the transfer points and allocate the share of own generated electricity at another market participant's point of consumption,

The allocation of the shared energy between the transfer points and the calculation of the shared amount of energy between the transfer points of the group/community members is calculated by the EDC. This data, which is required for regular billing, is made available to market participants according to their role in the process (self-consumption, consumer, supplier). Section 27d (2) (a) of Act No 469/2023 Coll. obliges the EDC to provide this information to the electricity supplier.

Under Section 27c(2)(d), the EDC is obliged to conclude a contract with any market participant who requests the access to the information data centre system in compliance with the applicable rules. Therefore, the EDC shall allocate at the request of the market participant the share of electricity shared within the transfer points and also make it available to another market participants' point of consumption.

- process electricity metering data for inclusion of electricity sharing in the deviation assessment and in the amount of electricity for which regulated and unregulated prices are paid in the electricity market,

Energy sharing data is available to all market participants according to their role in the billing process (self-consumption, consumer, supplier). Under Section 27d (2) (b), the EDC is obliged to process the measured and evaluated data on electricity deliveries. Data for energy sharing must be available within a 15-minute period provided by smart meters. The ability to distinguish between shared and consumed energy in every 15-minute period enables the design of different billing schemes either for regulated or unregulated prices. The amount of shared energy is extracted from the consumption of the transfer point in the sharing group according to the allocation key and from the energy supplied by the energy supplier. The allocation key shall be agreed within the energy community, and it serves to allocate the produced energy to the consuming members in each 15-minute period. Shared energy is not considered to be a part of the normal supplier delivery. It is ensured that the deviation of the original supplier is only counted on trading positions without the shared energy.

In addition to Section 27d (2) (d) concerning the obligation for the EDC to provide the electricity supplier with information on the method of allocation of shared electricity, the accuracy of billing on the side of the customer and simultaneously on the side of the electricity supplier (trader) is ensured.

- provide traders with anonymised data recorded by the data centre with the transfer points of electricity consumption points and generation plants, including other data related to electricity sharing,

Data provided by the data centre to traders for billing purposes under Section 27d (2) (c) are shared digitally and only to the market participants according to their roles. The data do not include names or any personal data. The assignment of the transfer points to the groups/communities is available only in the energy supplier's database or energy data centre, and its data are subject of contractual confidentiality. The obligation of data protection is set under Section 27c (2) (c). Section 2.6 of the EDC Order stipulates the procedure to ensure access by electricity market participants to the EDC. The data could be provided only to the entities according to the law, who need them to process billing or other related calculations. In line with Section 3.1 of the EDC Order, every delivery point has a special European Article Numbering (EAN) code, which is a unique code for the smart meter demonstrating unique connection. The owner of the transmission point is known only to the subject, with whom the owner of the delivery point concluded an agreement about delivery or sharing. Other intermediaries have at disposal only the EAN code, so that the contractual confidentiality and anonymity are ensured. The personal data of each delivery point owner are at the disposal of contractual counterparties only; the other entities have at their disposal only the EAN code.

- provide the market operators and the distribution system operators with metering data taking into account shared electricity.

Under Section 27d (2) (c) of the Act No. 469/2023, all market operators and distribution system operators shall be provided with the necessary data by the Energy Data Centre. All participants in energy sharing schemes or communities are required to have installed smart meters with 15-minute metering granularity. Shared energy is calculated within the 15-minute trading interval and is

mandatory for billing of both shared energy and electricity supply. The Energy data centre provides data for each transmission point in 15-minute granularity and distinguishes between the amount of shared energy and traditional delivery. These underlying data enable to calculate the supporting data for billing, charging the distribution fees and the position of the traders, so as to calculate the charges for auxiliary services concerning the deviation. The data are anonymized; the EAN code is used as an identification tool. Data necessary for energy market purposes and supporting data for invoicing are provided by the market operator. Section 3.6 of the EDC order indicates how data and information by the EDC can be disclosed to electricity market participants.

The access to technical functionalities provided by of the EDC shall be non-discriminatory and be open to all market participants.

Under Section 27c (2) (d) of Act No. 469/2023, the EDC is obliged to conclude a contract on access to the data centre information system with anyone who requests it, therefore confirming that the access to technical functionalities provided by the EDC is non-discriminatory and is open to all market participants.

Customers, distribution system operator, electricity suppliers and electricity market operators shall be able to access data they are entitled to under the relevant applicable legislation.

Under Section 27c(3) of the Act No. 469/2023, the EDC shall provide to customer, distribution system operator, electricity suppliers, electricity market operators and any legal person who transfers or provides data to the data centre under the Energy Act access to the data centre's information system with which they have concluded an electricity supply contract or a contract on associated electricity supply services.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C7.2]-I[I1]-M[312]: Entry into force of the amended legislation on energy communities

Related Measure: C7.2.R1 Energy communities

Qualitative Indicator: Provision in the law indicating the entry into force of the law

Time: Q1 2024

1. Context:

The objective of the reform is to establish a regulatory framework in view of incentivizing the possibility to use electricity sharing and facilitating the development of citizens and renewable energy communities. The reform promotes the formation of energy communities by offering incentives for collective energy production and consumption, ensuring their development is not hindered by size or geographical constraints.

Milestone 312 relates to the enactment of the legislation that introduces citizen and renewable energy communities as new participants in the electricity market, while also creating a regulatory framework to govern these communities. Milestone 312 is the first step of the implementation of the reform. It will be followed by milestone 313 related to a progress report on electricity sharing and milestone 314 related to publication of guidelines on energy communities. The investment has a final expected date for implementation of 31 March 2024.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|---|
| 1 | Summary Document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, including the relevant hyperlinks |
| 2 | Act No 469/2023 Coll. of 20 December 2023, amending Act No 458/2000 on business conditions and the exercise of state administration in the energy sectors and amending certain Acts (Energy Act), as amended, and other related acts | This legislative act, known as LEX RES II, amends the Act No 458/2000 Energy Act. In line with national law, it is published in the Official Journal and entered into force on 31 December 2023. It entered into application on 1 January 2024. It includes new legal provisions aiming to introduce citizen and renewable energy communities as new participants in the electricity market, while also establishing a regulatory framework to govern these energy communities. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

Entry into force of legislation establishing a regulatory framework for citizens and renewable energy communities.

Act No 469/2023 Coll was adopted on 20 December 2023, published on Official Journal on 31 December 2023, and entered into force on 1 January 2024 (Part 9, Article XI of the Act No 469/2023). Point 79 of Act No 469/2023 Coll. entered into force on 1 August 2024, i.e. on the first day of the seventh calendar month following the publication (Part 9, Article XI (a) of the Act No 469/2023).

Point 57 of the Act No 469/2023 Coll., amending Act No 458/2000 (hereinafter referred as “LEX RES II”), introduces the legal concepts of citizens and renewable energy communities by adding Paragraph 20b to the Energy Act (Act No 458/2000). The concept of citizens energy communities in accordance with Directive (EU) 2019/944 is set out in Paragraph 20b (2) and renewable energy communities in line with Directive (EU) 2018/2001 is set out in Paragraph 20b (3).

Point 57 of LEX RES II also adds new Sections 20c to 20i to the Energy Act which establishes the regulatory framework to support and facilitate the development of citizens and renewable energy communities by:

- establishing membership requirements and measures to regulate the protection of the members joining energy communities (Section 20c)
- establishing the requirements and procedure to register in a community (Section 20d)
- introducing an obligation for the community to notify a change to the information entered in the Community register (Section 20e)
- introducing the rules in the case of a change of data in the Community register (Section 20f)
- indicating the process in the case of a removal from the Community register (Section 20g)
- establishing a Community Register as a public administration information system (Section 20h)
- introducing the rights and obligations of energy communities (Section 20i)

This reform is related to other elements introduced by LEX RES II on electricity sharing. LEX RES II established a new electricity market operator (the Electricity Data Centre, “EDC – milestone 309). A member of the community shall have the right to share electricity to the community or to another member of the community and a pre-requisite for electricity sharing is to register the assignment of transfer point at the data centre. Point 79 of LEX RES II includes Section 27e into the Energy Act (Act No 458/2000) which regulates the conditions for the sharing of electricity in the community and the procedural procedure for involving transmission points in electricity sharing.

The reform shall introduce incentives for the development of energy communities

The new legislation (LEX RES II) introduces four different incentives for the development of energy communities:

- Registration is free of charge: When sharing electricity, registration of the assignment of handover points at the data centre is a pre-requisite. Registration and cessation of the assignment shall be free of charge (Section 27e (2)).
- Cessation is free of charge: The reform also regulates the protection of members of the Community when joining the Community. If a member of the community wishes to leave the community, they can cease their membership unilaterally vis-à-vis the community at any time and free of charge (Section 20b (2)(d) and (3)(e)).
- A grace period: The possibility to end membership in a community is particularly relevant at the beginning of a community’s development, where there may be a lower level of consumer awareness regarding the community's nature, the governing legislation, the implications of membership, and the associated responsibilities. Consequently, it is justifiable to permit new

members the option to withdraw from the community within a specific timeframe, free from any obligations that membership might entail, such as the payment of fees or contributions to the community's operations. However, this statutory protection is forfeited once a member begins to exercise their membership rights, for instance, by participating in activities like electricity sharing. This action indicates a clear acceptance of the membership terms, including potential responsibilities like the transfer of membership rights to another individual. Under Section 20c(2), a community member who is also a consumer and opts to terminate their membership within one month of joining—via a formal application—will not be considered a member unless they have already commenced exercising their membership rights.

- Smart meters are free of charge: Given that one of the necessary conditions for the evaluation of shared electricity is the installation of continuous meters with a daily transmission interval of metered data at the transmission points involved in the sharing group (Section 27e(2)), Under Point 92 of the Act No 469/2023 Coll., which amends Section 49(8) of the Energy Act, anyone, who wishes to exercise the right to share electricity, is newly entitled to an installation of a continuous metering device by the distribution system operator. In addition, under this provision, the installation and operation of such measurement is free of charge for the users of the handover points, where it is understood that the user of the handover point does not pay any special one-off payment for the installation. This responsibility lies with the distribution system operator.

and encourage collective production and consumption within the energy community framework.

Encouraging collective production and consumption within the energy community framework involves creating systems and incentives that promote cooperation, collaboration, and shared benefits among community members.

By establishing by law that the main purpose of an energy community is not to generate profits, but to provide environmental, economic and social benefits related to collective production and consumption (Section 20b (2)(a) and (3)(a) of LEX RES II) gives an incentive the members of the community to focus on collective production and consumption. Section 20b (8) and (9) of LEX RES II sets out limits to the distribution of profits depending on the type of community.

The Community has the right to obtain electricity at a specific point of demand, provided it owns it (Section 20i (1)(a) of LEX RES II) or to take electricity from a point connected to the electricity system without necessarily going through external electricity suppliers (Section 20i (1)(d) of LEX RES II). It also has the right to produce (Section 20i (1)(b) of LEX RES II) and supply electricity to the market from a power-generating facility (Section 20i (1)(c) of LEX RES II). Moreover, a community focused on renewable energy sources has a right to produce electricity outside its territory, with the condition that the total installed capacity of its off-territory facilities does not exceed one-third of the total installed capacity of all its power-generating facilities (Section 20i(3) of LEX RES II). By limiting the capacity of off-territory generation, the regulation encourages the community to focus on developing local renewable energy resources and in order to maximize the efficiency of their energy production within the set limits, communities may be more likely to invest in shared infrastructure and collaborate on energy projects.

The reform shall implement the open participation principle

The reform introduces the concept of energy community as a legal entity in the form of association, cooperative and other corporation (Section 20b (2) and 20b (3) of LEX RES II) based on democratic

principles and equal status for all its members. In line with this principle, paragraph 20b (7) establishes how membership in a community works.

Membership in the energy communities is voluntary and members of the energy communities choose to join the community of their own free will and there are no undue barriers to entry or exit for members (Section 20b(2)(d) and (3)(e) of LEX RES II). Moreover, the community is accessible to a broad range of participants, including individuals, local authorities, small businesses, and other stakeholders (Sections 20b(2)(c) and 20b(3)(c) of LEX RES II). Anyone who intends to share electricity has the right to exercise it within energy community. (Sections 27e and 27f of LEX RES II).

Section 20c establishes the membership requirements for energy communities, stipulating in particular the rules related to the voting rights of the members enabling them to influence the activities of the community. Notably, the exercise of the voting rights of each member of the community with voting rights is limited to a maximum of 10% of the total voting rights.

The exercise of membership under Section 20c (1) consists of the same rights and obligations attached to membership, unless the founding document provides for different types of members depending on different needs of members guaranteed by the community or for other fair reasons. This applies also to non-voting members *mutatis mutandis*.

it shall not unduly restrict the collective self-consumption and production or introduce any kind of unjustified restrictions based on the size or geography.

Section 20b(2)(b) and 20b(3)(b) of LEX RES II sets out the object of energy communities' activities. Only one of those activities is sufficient to obtain community status. Thus, the Community is not prohibited from engaging in other activities, but it should not conflict with the main purpose. At the same time, the definition of activities does not mean that the community could carry out such activities automatically, but under the conditions laid down in this law (e.g. if the community intended to operate an electricity generating facility, with a capacity of up to 50 kW without a license to produce electricity, it shall supply electricity from that electricity generation facility only to the electricity trader (Section 20i (2) and in case the renewable energy community produced from renewable sources outside the territory of the renewable energy community, that cannot exceed one third of the total installed capacity of all power generating facilities it operates.

In addition to the positive and specific activities of the community, the object of the community's activity under Section 20b (2) (b) and (3) (b) also includes the residual category defined as "*the provision of other services related to the provision of energy needs of its members*" of the community, since, in accordance with Article 2(11) of Directive (EU) 2019/944, the community may be involved not only in the generation of electricity, including the generation of electricity from RES, but also in "*the distribution, supply, consumption, aggregation, storage, energy efficiency services or charging services of electric vehicles or the provision of other energy services to its members or shareholders*".

Until 30 June 2026, a sharing group between transfer points in the Community may include no more than 1 000 registration numbers of the transfer points of electricity consumption points or electricity generation plants, within the contiguous territory of the administrative districts of no more than 3 municipalities with extended competence or within the territory of the capital city of Prague. Until 30 June 2026, the non-community sharing group may include no more than 1 000 registration numbers of the transfer points of electricity consumption points or electricity generation 4 plants, unless otherwise provided for in Act No 458/2000 Coll., as in force from the date of entry into force of the Act No 469/2023 (Point 9 of Article II, Transitional Provisions of Act No 469/2023). The current transitional provision is necessary to be established given the projected capacity of the Energy Data

Centre and its computing capacity. However, this temporary threshold does not impose any restriction as transfer points per community is rather large number, taking the current average of 200 to 500 transfer points per community. As supporting IT systems progress, the limits for the size and number of participants will not be applied.

Renewable and Citizen Energy Communities shall also be allowed to operate also in renewable heating, not only on the electricity market.

According to Section 20b (3) (b), a renewable energy community is a legal person whose subject of activity is the “production of electricity or other forms of energy from renewable sources of energy, the supply of electricity, the sharing of electricity or the performance of other activities or the provision of other services related to the provision of the energy needs of its members”. As such, the Renewable Community is a new type of entity that can promote energy sharing between community members in any form of energy, including renewable heating.

The reform shall ensure every customer participating in energy sharing is entitled to receive a smart meter.

One of the necessary conditions for the evaluation of shared electricity is the installation of continuous smart meters with a daily transmission interval of metered data at the transmission points involved in the sharing group (Section 27e(2)).

Section 49(8) of Energy Act is amended by introducing the right to an installation of a continuous metering device (smart meter) by the distribution system operator to anyone wishing to exercise the right to share electricity (point 92 of Act No 469/2023). The installation and operation of such measurement (smart meter) is free of charge for the users of the handover points, where it is understood that the user of the handover point does not pay any special one-off payment for the installation. This responsibility lies with the distribution system operator.

Renewable and Citizen Energy Communities shall have the right to receive metering data on electricity supplies, metering data taking into account electricity shared within the energy community and evaluated data.

Point 79 of LEX RES II inserts a new Section 27e(5) in the Energy Act under which energy communities have the “right to measured and evaluated data on electricity supply and consumption and measured and evaluated data on electricity supply and consumption, taking into account shared electricity at the transfer points assigned to the sharing group, from the data centre.”

In the case of electricity sharing and sharing electricity to a customer outside the community, the paragraph above shall be applied mutatis mutandis (Point 79 of LEX RES II introducing Section 27f(2) in the Energy Act).

While Renewable and Citizen Energy Communities have those rights, the EDC has an obligation to transmit and provide such metering data.

Point 78 of the Act No 469/2023 includes Section 27c (3) in the Energy Act under which the Electricity Data Centre shall transmit and provide data to the communities through the data centre information system, as there are contractual obligations.

Under Section 27d (2) (b) (also from point 78 of the Act No. 469/2023), the EDC has the obligation to process the measured and evaluated data on electricity deliveries. The amount of shared energy is

extracted from the consumption of the transfer point in the sharing group according to the allocation key and from the energy supplied by the energy supplier.

Section 27d (2) (c) (also from point 78 of the Act No. 469/2023) establishes that energy communities shall be provided with the necessary measures and evaluated data on electricity supply and off-takes, taking into account shared electricity.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C7.4]-R[R1]-M[325]: Launch of a programme to support transformation of universities

Related Measure: C7.4.R1 Transformation of universities to adapt to changing needs of the labour

Qualitative Indicator: Call

Time: Q4 2023

1. Context:

This reform shall establish at least 90 study programmes. All programmes established as part of this measure shall foster green skills education and have defined learning outcomes in line with the European Skills, Competences, Qualifications and Occupations (ESCO) framework.

Milestone 325 requires the launch of a call for projects supporting the adaptation of universities to changing needs of the labour market by promoting green skills development in study curricula. The objective shall be to establish at least 20 new study programmes, add at least 50 new courses to existing study programmes, and establish at least 20 lifelong learning courses.

Milestone 325 is the first step of the implementation of the reform. It will be followed by target 326, related to the establishment of new study programmes, new courses in existing study programmes and lifelong learning courses. The reform has a final expected date for implementation on 31 December 2025.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|--|
| 1 | Summary document | Summary document justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. |
| 2 | Annex 1 – Call for applications for support for projects under the framework "Green skills support and sustainability in universities", No. MSMT-25827/2023-3 (Published 8 November 2023) | Call for applications for support for projects under the framework "Green support skills and sustainability in universities". |
| 3 | Annex 2 – Methodological guidance for applicants and beneficiaries, version 2.0, date of validity from 2 February 2024 | Methodological guidance for applicants and beneficiaries of the call for project support under component 7.4, providing information on the procedure and mandatory elements of the applications. |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

The call for projects supporting the adaptation of universities to changing needs of the labour market by promoting green skills development in study curricula shall be launched.

The call for projects (ref. No: MSMT-25827/2023-3) was published on 8 November 2023 by the Ministry of Education, Youth and Sports (see Annex 1). As specified on pages 2 and 9 of the call for projects the objective of the call is the transformation of tertiary education (universities) in academic and professional study programmes in view of focusing the study curricula on resilient sustainability and ecological transformation (Green Deal), and acquiring the skills needed in a changing labour market. The methodological guidance for applicants also specifies that the call is linked to the green transition of the education system, in particular by supporting the development of green skills (see Annex 2, page 12).

The objective shall be to establish at least 20 new study programmes.

The Key Activity 1 (KA1) of the call (see Annex 1, page 9) supports the creation of newly accredited study programmes (Bachelor, Master, Doctorate). Page 2 of the call (Annex 1) presents the categorisation of the public universities, whereby category 1 includes seven universities, category 2 includes 14 universities, and category 3 includes five universities. The table on page 11 (Annex 1) provides the minimum conditions for the acceptance of submitted projects. The objective to establish at least 20 new study programmes is specified in the table, where it is stipulated that the requirement to create new study programmes applies to 14 universities in category 2, and five universities in category 3. Category 2 universities are required to create at least one new study programme, and category 3 universities are required to create at least two new study programmes. The total sum provides a minimum of 24 new study programmes as the minimum output from the call.

The objective shall be to add at least 50 new courses to existing study programmes.

The Key Activity 2 (KA2) of the call (see Annex 1, page 9) supports the creation of new subjects in existing study programmes (Bachelor, Master, Doctorate). Page 2 of the call (Annex 1) presents the categorisation of the public universities, whereby category 1 includes seven universities, category 2 includes 14 universities, and category 3 includes five universities. The table on page 11 (Annex 1) provides the minimum conditions for the acceptance of submitted projects. The objective to add at least 50 new courses to existing study programmes is specified in the table, where it is stipulated that the requirement to add new courses to existing study programmes applies to seven universities in category 1, 14 universities in category 2, and five universities in category 3. The universities in all three categories are required to each add at least two new courses to existing study programmes. The total sum provides a minimum of 56 new courses added to existing study programmes as the minimum output from the call.

The objective shall be to establish at least 20 lifelong learning courses, including lifelong learning courses leading to micro-credentials.

The Key Activity 3 (KA) of the call (see Annex 1, pages 10-11) supports the creation of new lifelong learning courses, which are to be designed in line with the Council Recommendation of 16 June 2022 on a European approach to micro-credentials for lifelong learning and employment. Page 2 of the call (Annex 1) presents the categorisation of the public universities, whereby category 1 includes seven universities, category 2 includes 14 universities, and category 3 includes five universities. The table on page 11 (Annex 1) provides the minimum conditions for the acceptance of submitted projects. The objective to establish at least 20 lifelong learning courses is specified in the table, where it is stipulated that the requirement to establish lifelong learning courses applies to seven universities in category 1, 14 universities in category 2, and five universities in category 3. The universities in all three categories are required to each establish at least one lifelong learning course. The total sum provides a minimum of 26 lifelong learning courses established as the minimum output from the call.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C7.5]-R[R1]-M[329]: Revision of the National Action Plan for Clean Mobility

Related Measure: CZ-C[C7.5]-R[R1]-M[329]: National Action Plan for Clean Mobility and deployment targets for zero-emission mobility

Qualitative Indicator: Adoption by the Government of the revision of the National Action Plan for Clean Mobility

Time: Q2 2024

1. Context:

The objective of the reform is to set a pathway for transition towards clean transport and rapid deployment of zero-emission mobility. The reform aims to present a pathway for Czechia to accelerate the deployment of zero-emission mobility and the roll-out of relevant refuelling and recharging infrastructure.

Milestone 329 concerns the adoption of the Revised National Action Plan for Clean Mobility, which is to lists of measures which defines public financing priorities for different segments, sets indicative timelines for launching relevant funding calls, as well as to present additional measures aimed at creating a conducive environment for deployment and operation recharging and refuelling infrastructure.

Milestone 329 is the first milestone of the reform. It will be followed by milestone 330 which will result in a minimum 70% percentage increase in the number of zero-emission vehicles registered in respective vehicle categories. The reform shall be completed by 31 June 2026.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|--|
| 1 | Summary document | Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled |
| 2 | Annex I Government Resolution No 590/2024 of 28 August 2024 | This resolution adopted by the Czech Government approves the Revised National Action Plan for Clean Mobility, accessible at the link: https://odok.cz/portal/zvlady/jednani-detail/2024-08-28/ |
| 3 | Annex 2 Copy of the Revised Action Plan, dated 28 August 2024 | Revised National Action Plan for Clean Mobility approved by the government on 28. August 2024 and a link https://www.mpo.gov.cz/cz/rozcestnik/pro-media/tiskove-zpravy/cista-a-udrzitelna-doprava--vlada-schvalila-aktualizaci-narodniho-akcniho-planu-ciste-mobility---282792/ |
| 4 | Annex 3 List of financial and fiscal measures, dated 28 August 2024 | List of measures included in the Revised National Action Plan for Clean Mobility |

| | | |
|---|--|--|
| 5 | Annex 4 List of additional measures, dated 28 August 2024 | List of additional measures aimed at creating a conducive environment for deployment and operation of recharging infrastructure and hydrogen refuelling stations |
| 6 | Annex 5 Summary Report, dated 28 August 2024 | Summary Report issued by Ministry of Industry summarising stakeholder input |
| 7 | Annex 6 Analytical Annex, dated 28 August 2024 | Analytical Annex of the Revised National Action Plan for Clean Mobility |
| 8 | Annex 7 Supplementary information requested on the public consultation | The Supplementary evidence provided by the Ministry of Industry demonstrating the names of entities which participated in the consultation process. |

Analysis:

The justification and substantiating evidence provided by the Czech authorities covers all constitutive elements of the target.

The Government shall adopt a revision of the National Action Plan for Clean Mobility, defining a pathway for Czechia to accelerate the deployment of zero-emission mobility and the roll-out of relevant recharging and hydrogen refuelling infrastructure.

In line with the Council Implementing Decision, the Czech Government adopted the revision of the National Action Plan for Clean Mobility (the Revised Action Plan), on 28 August 2024, through Government Resolution No 590/2024, adopted on 28 August.

As required by the Council Implementing Decision, the Revised Action Plan specifically seeks to define pathways for Czechia to increase the rollout of zero-emission mobility (both battery electric and hydrogen fuelled vehicles) and the associated recharging and refuelling infrastructure, which are described in sections 4 and 5 of the Revised Action Plan.

The Action Plan shall be consistent with relevant EU legal requirements (such as, the Alternative Fuel Infrastructure Regulation, Renewable Energy Directive, Clean Vehicles Directive, the Trans-European Transport Network Regulation) and with Czechia's National Energy and Climate Plan and the National Air Pollution Control Programme.

As evidenced by Annex 2, the Revised Action Plan is a non-binding strategic document prepared by Czechia to set pathway for clean mobility in the country. Therefore, consistency with relevant EU legal requirements (such as, the Alternative Fuel Infrastructure Regulation, Renewable Energy Directive, Clean Vehicles Directive, the Trans-European Transport Network Regulation) and Czech policy documents such Czechia's National Energy and Climate Plan and the National Air Pollution Control Programme has to be established.

The requirement of consistency of the Revised Action Plan with EU legal framework and Czech policy framework is detailed in Section 2 titled: The goals and the purpose of the Action Plan (Annex 1), as well as in the supporting analytical document (Annex 6). In line with the requirement of the Council Implementing Decision, some of the key consistencies are described below.

The consistency of the Revised Action Plan with the Renewable Energy Directive (REDII) targets stems from the need to calculate the REDII targets for the use of renewable energy in transport and sub-targets for use of advanced biofuels and renewable fuels of non-biological origin (Article 25). This is directly reflected in the targets for the use of electromobility in Section 2, but also in Section 6 on the targets on bioLNG and biomethane, and the share of renewable fuels of non-biological origin in section 5.

As regards the consistency of Czechia's National Energy and Climate Plan, the Revised Action Plan is consistent with the modelling undertaken in Czechia's 2019 National Energy and Climate Plan. Moreover, the Revised Action Plan was also assessed against the modelling of the draft National Energy and Climate Plan submitted to the Commission as part of the EU Governance Regulation of the Energy Union process in 2023, currently under belated finalisation. This is evidenced in particular by section 2 for the calculations of the use of renewable energy in transport, resulting in the identification of required numbers of vehicles for each alternative fuel in operation in Czechia.

The consistency with Alternative Fuels Infrastructure Regulation (AFIR) is directly considered in sections below in a dedicated milestone requirement, where it is concluded that the Revised Action Plan is consistent with the targets of AFIR (namely Articles 3,4, and 6 targets for the deployment of charging infrastructure and hydrogen refuelling infrastructure). Likewise, the Trans-European Transport Network Regulation (TEN-T) is equally reflected in the Revised Action Plan, both in the prioritisation of TEN-T networks and the inclusion of requirements on urban nodes.

Besides section 2 described above, the consistency of the Revised Action Plan with the Clean Vehicles Directive is ensured by tackling the minimum clean vehicle procurement targets of the said Directive (Annex 1 of the Directive) in section 5.3.1.1 of the Revised Action Plan. Moreover, a dedicated support scheme for deployment of clean public transport and clean vehicles for public administration, in line with the requirements of the Directive, is described at point 9.3.).

Lastly, National Air Pollution Control Programme and other Czech legislative and policy documents were integrated in the Analytical Annex at point 1.1.3 (Annex 6).

The assessment of the compliance with EU legislative framework for the purposes of payments from the Recovery and Resilience Facility does not prejudice the assessment by the Commission in any other proceedings regarding the conformity of the national law with the aforementioned legislation.

The Action Plan shall define dedicated targets for the increase of number of zero-emission vehicles registered in Czechia in respective categories (M1-passenger cars, N1 - light commercial vehicles; N2 and N3 - heavy-duty vehicles, based on UNECE standards), to be met by 31 December 2025 and 31 December 2030. The dedicated targets for zero-emission vehicle registrations for 2025 shall reflect a requirement of reaching an increase of at least 70% in the number of zero-emission vehicles registered in the respective vehicle categories compared to the 2022 baseline.

As required by the Council Implementing Decision, the Revised Action Plan concretely spells out the targets for all types of zero-emission vehicles registered both by UNECE categories and fuel types, at point 4.2 Based on EU legislation, zero-emission vehicles are to be understood as vehicles complying with Regulation (EU) 2019/631, as amended, for cars and vans, and Regulation (EU) 2017/2400, as amended, for heavy-duty vehicles (buses, lorries). These match the categories of vehicles listed in the requirements of the milestone (M1, N1, N2, N3). For the purposes of clarity, the types of vehicles that

are included as zero-emission vehicles (vehicles with zero tailpipe emissions), which are battery-electric vehicles and hydrogen-fuelled vehicles.

Turning to the target of the 70% increase in the number of zero-emission vehicles registered in the respective vehicle categories compared to the 2022 baseline, the target is set in section 4.2.1.1 of the Revised Action Plan on pages 33-34.

The goals targets for various type of vehicles are defined in even greater detail in sections 4.2 for battery electric vehicles and at section 5.2.2 for hydrogen fuelled vehicles, respectively.

The targets to be met set for 31 December 2025, namely at 50,200 zero-emission vehicles of category M1 (set against a benchmark of 13,580 such vehicles from 2022), 4,050 zero-emission vehicles of category N1 (set against a benchmark of 929 such vehicles from 2022), and 160 zero-emission vehicles of category N2 and N3 (set against a benchmark of 11 such vehicles from 2022).

The 2025 targets for vehicle categories set out above mathematically meet the text of the milestone an increase of at least 70% of new zero-emission registered in the respective vehicle categories compared to the 2022 baseline.

As to the 31 December 2030 goals, section 3.1 (Table 1) sets out minimal targets for each category of battery-electric and hydrogen fuelled vehicles, as well for each type of vehicle in line with requirements of the milestone and UNECE categories of vehicles. As regards battery-electric vehicles, the table sets 2030 target of 250,000 of vehicles of category M1, 20,000 vehicles of category N1, and 6,000 vehicles of category N2 and N3. Likewise, as regards hydrogen-fuelled vehicles, the table sets 2030 target of 3.000 vehicles of category M1, 800 of category N1, and 380 vehicles of types N2 and N3.

The Action Plan shall define dedicated targets for charging infrastructure and hydrogen refuelling stations, in line with relevant legal requirements of the Alternative Fuels Infrastructure Regulation. Furthermore, in line with the description of the measure, the revised National Action Plan shall also set clear deployment targets for charging infrastructure and hydrogen refuelling stations aligned with the Alternative Fuels Infrastructure Regulation.

As required by the Council Implementing Decision, the Revised Action Plan provides for charging infrastructure and hydrogen refuelling infrastructure deployment targets, building on the legal requirements of the Regulation (EU) 2023/1804 Alternative Fuels Infrastructure Regulation (AFIR). This EU Regulation sets binding minimal deployment targets for various types of alternative fuels infrastructure, including charging infrastructure and hydrogen refuelling infrastructure. The requirement of the milestone mirrors the requirement in the description of the measure, both refer to the same types of infrastructure and same minimal deployment targets of AFIR.

As regards charging infrastructure, Table 2 of section 3.2 calculates the minimal targets set out based on requirements of AFIR in Czechia. Section 4.2.2 operationalises these legislative requirements by setting out specific targets for different types of charging infrastructure in Czechia. More specifically, the targets are divided as follows:

- By 31 December 2025, a total of 6,000 charging points: 4,400 charging points up to 22kW AC, 70 charging points up to 50 kW DC, 2,000 charging points between 50-149 kW, 400 charging points between 150-349 kw, and 40 charging points for above 350 kw.

- by 31 December 2030, a total of 20,800 charging points: 4,400 charging points up to 22kW AC, 100 charging points up to 50 kW DC, 3,000 charging points between 50-149 kW, 900 charging points between 150-349 kW, and 300 charging points for above 350 kW.

The charging infrastructure targets set out above meet those stemming out of the minimum requirements of the Alternative Fuels Infrastructure Regulation.

Likewise, Table 2 of section 3.2 also sets the minimal targets for hydrogen refuelling infrastructure by 31 December 2030 in Czechia. Furthermore, targets for hydrogen refuelling stations are operationalised and set out in section 5.2.2, and they equally exceed set out in Article 6 of AFIR. The targets for 31 December 2030 are set as follows: 10 public hydrogen refuelling stations along TEN-T corridors; 30 public hydrogen refuelling stations in urban nodes; 10 non-public hydrogen refuelling stations mainly used for buses, trucks, and trains in their depots. Moreover, the same section of Revised Action Plan also sets out a trajectory for 2025 and 2027. These targets exceed the specific requirements set in Article 6 of AFIR Regulation and are aligned with the Update of the Hydrogen Strategy (submitted for the purposes of the same payment request as milestone 333 of the Czech RRF).

The assessment of the compliance with Regulation (EU) 2023/1804 for the purposes of payments from the Recovery and Resilience Facility does not prejudice the assessment by the Commission in any other proceedings regarding the conformity of the national law with the aforementioned legislation.

The Action Plan shall include a list of measures to provide financial and fiscal incentives to further incentivise deployment of zero-emission vehicles and infrastructure.

The Revised Action Plan (Annex 2) includes a list of measures in Chapters 9 and 10, including measures most of which are specifically designed to provide financial incentives for zero-emission vehicles and infrastructure. As per the Operational Arrangements, the list of the relevant financial incentives contained in Chapter 9 (incentives 9.1-9.7, 9.8) and Chapter 10 (incentives 10.10) of the Revised Action Plan is reproduced in Annex 3. Moreover, further incentives for infrastructure are also set out in Chapter 3.3.1 of Annex 2, as this Chapter lists ongoing and future support schemes which finance charging infrastructure primarily from EU funding (e.g. EU Structural Funds, RRP, and the Modernisation Fund).

Furthermore, although Chapter 10 does not list additional financial incentives for charging infrastructure, the incentives for such type of infrastructure are included under Chapter 3.3.1.

Furthermore, the Revised Action Plan also sets out measure 9.8 in support of uptake of zero-emission trucks. This measure, in line with an option permitted under the EU Eurovignette Directive, allows for a 75% reduction of road tolling charges for zero-emission trucks compared to conventionally - fuelled trucks.

As regards the requirements of fiscal incentives to further incentivise zero-emission vehicles and infrastructure, Czechia declares a recently adopted measure, Act 349/2023 Act amending certain laws in connection with the consolidation of public budgets, adopted 8 November 2023, with entry into force on 1 January 2024. The law provides fiscal incentive by increasing the cost of highway vignettes for low-emission and conventionally-fuelled cars and vans, whereas zero-emission cars and vans are fully exempted. As per the requirement of the milestone, the measure is listed in the Revised Action Plan under chapter 3.3.1 as a measure already in force.

The Action Plan shall also present a list of additional measures aimed at creating a conducive environment for deployment and operation of recharging infrastructure and hydrogen refuelling station, notably easing the construction, permitting, and operation for the relevant infrastructure.

Annex 4 (List of Additional measures) and Annex 2 (Revised Action Plan) present a variety of measures that are conducive to the construction, permitting and operation of zero emission recharging and refuelling infrastructure. The substance of the measures listed in Annex 4 is provided in the Revised Action Plan (Annex 2), namely Chapters 9, 10 and 11. These measures are additional to those described above regarding financial and fiscal incentives.

As regards the requirement of easing construction of zero-emission recharging and refuelling infrastructure, measures 10.6, 10.14 and 10.15 are related to the creation of a conducive environment for the construction of zero-emission charging and/or refuelling infrastructure. For example, these measures include the *Coordination of construction and operation activities of distribution system operators*, and measure *Issues of mobile hydrogen refuelling stations*.

As regards easing the operation of such infrastructure, measures 10.2, 10.4-10.8, 11.3-11.6 are related to the creation of a conducive environment for the operation of zero-emission charging and/or refuelling infrastructure. For example, these measures include as *Amendments to the Fuel Act; Setting CO2 reduction obligations for fossil fuel suppliers; Marking of parking spaces for charging; Registration and monitoring of charging stations*.

Lastly, as regard easing the rules on permitting for zero-emission infrastructure, Czechia's change to the regime of classification of permitting for charging infrastructure has come into force on 1 July 2024. This was achieved via a revision to the Building Act (Law 283/2021 Building Act, adopted on 13 July 2021, with entry into force of the relevant part of the Act on 1 July 2024). Annex 1 of this Law provides preferential treatment for chargers up to 22 kW by defining this type of infrastructure as "minor construction" and chargers above 22 kW as "simple construction" for building permit purposes. As the measure has already entered into force on 1 July 2024, the mention was only included in Analytical Annex to the Revised Action Plan (Annex 6) and not directly in the Revised Action Plan (Annex 2) as a measure.

Relevant stakeholders, such as industry representatives and non-government organisations, shall be consulted on the draft Action Plan before its finalisations

As required by the Council Implementing Decision, the revision of the Action Plan was thoroughly consulted with varied types of stakeholders. As Annex 5 and Annex 7 prove, these stakeholders were industrial stakeholders (e.g. Skoda Auto), industrial associations (e.g., Association of Road Transport Operators CEZMAD, Czech Hydrogen Technology Platform HYTEP), non-governmental organisations (e.g., Institute for Society 4.0 ISFOR), but also academic institutions such as the Charles University. Annex 5 also evidences that other ministries, state organisations, municipalities, and regions were consulted both throughout the preparatory work and the subsequent public consultation.

As evidenced by Annex 5 and Annex 7, the public consultation took place from 30 May 2024 (launched on Ministry of Industry and Trade website until 23 June 2024. The consultation was preceded by meetings of working groups which started on 6 January 2023 and ended 23 August 2024. Furthermore,

the draft was also consulted in the internal ministerial procedure in the Ministry of Industry and Trade, the lead ministry on the Revised Action Plan, which finished on 27 May 2024. The inter-ministerial comment procedure was opened on 31 May 2024. Therefore, the requirement of relevant stakeholders being consulted before the finalisation of the Action Plan is met.

Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C7.5]-R[R1]-M[333]: Revision of the Czech Hydrogen Strategy

Related Measure: CZ-C[C7.5]-R[R3]: Improving the regulatory framework for renewable hydrogen

Qualitative Indicator: Adoption by the Government

Time: Q2 2024

1. Context

The reform envisages the updating the Czech Hydrogen Strategy to better respond to current challenges, conditions, and level of economic and technological progress in the hydrogen sector, and the Strategy's alignment with relevant new EU requirements.

Milestone 333 concerns the adoption of the revision of the Czech Hydrogen Strategy, which is to include action plan which defines public financing priorities for different segments of the hydrogen ecosystem and set out indicative timelines for launching relevant funding calls. The aim of the reform is to explore production balance scenarios, consumption requirements and projections in various segments of the hydrogen ecosystem, and to identify the import and export balance of hydrogen through EU hydrogen transmission network, while identifying any infrastructure bottlenecks.

Milestone 333 is the first milestone of the reform, and it will be followed by milestones 334, related to the adoption of specific legislative and technical norms. The reform shall be completed by 31 December 2025.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|--|
| 1 | Summary document | Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled; |
| 2 | Annex I – Copy of Government Resolution Nr 496/2024, adopted on 17 July 2024 | The Government resolution adopted the revised Czech Hydrogen Strategy on 17 July 2024. Published on 17 July 2024 at link: https://odok.cz/portal/zvlady/usneseni/2024/496 |
| 3 | Annex 2 – Copy of the Revised Hydrogen Strategy, adopted on 17 July 2024. | Copy of the adopted revision of the Czech Hydrogen Strategy, link: https://www.mpo.gov.cz/cz/prumysl/strategicke-projekty/vodikova-strategie-cr-aktualizace-2024-schvalena-vladou--282165/ |
| 4 | Annex 3 – “Navigator for Legislation norms”, dated on 17 July 2024. | Annex to the Czech Hydrogen Strategy listing the primary legislation, secondary legislation, technical norms, and methodologies whose adoption or amendment is necessary to ensure alignment with the EU legal framework relating to hydrogen and enabling conditions for the development of the Czech hydrogen ecosystem |

| | | |
|---|---|---|
| 5 | Annex 4 – “Navigator for Refilling stations in transport”, dated on 17 July 2024. | Annex to the Czech Hydrogen Strategy detailing an assessment and trajectory for suppliers of hydrogen and operators of hydrogen refuelling stations to supply renewable hydrogen at hydrogen refuelling stations in Czechia |
|---|---|---|

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities covers all constitutive elements of the target.

As per the qualitative indicator, the Czech Government adopted the Resolution No. 496/2024 adopting the revised Czech Hydrogen Strategy on 17 July 2024, as evidenced by Annex 1.

The Czech Hydrogen Strategy shall be revised to define the priorities of developing primarily a renewable hydrogen-based ecosystem in Czechia. The revised strategy shall be based on an analysis of the various segments of the Czech hydrogen economy and take into account relevant EU requirements. The revision shall define dedicated targets for the production and utilisation of hydrogen, with a primary focus on renewable hydrogen.

The revised strategy shall be based on an analysis of the various segments of the Czech hydrogen economy and take into account relevant EU requirements. The revision shall define dedicated targets for the production and utilisation of hydrogen, with a primary focus on renewable hydrogen.

The Revised Hydrogen Strategy, submitted under Annex 2, sets out an analysis of various segments of the burgeoning Czech hydrogen economy. This is demonstrated via the analytical section of the Revised Hydrogen Strategy, namely Chapter 4, stating the hydrogen consumption requirements in the Czech economy for various segments, the production options, the barriers that must be eliminated, and concludes with a detailed SWOT overview.

As regards the requirement that the Revised Hydrogen Strategy has to consider relevant EU acquis, Annex 2 demonstrates that the drafting takes into account of the *EU Fit for 55* legislative package, such as the Renewable Energy Directive (Directive (EU) 2023/2413) and its Delegated Acts, the Alternative Fuels Infrastructure Regulation (Regulation (EU) 2023/1804). As per page 11, these EU legislative packages are the main driving principles for the revision of the original Hydrogen Strategy.

As required by the Council Implementing Decision, the Revised Hydrogen Strategy demonstrates that it sets out dedicated targets for production and utilisation of renewable hydrogen and its derivatives in chapter 4.1 in line with the EU Renewable Energy Directive (REDII). For context, the targets are based on the targets of the EU Renewable Energy Directive (REDII), which in turn sets targets for the use of Renewable Fuel of Non-Biological Origin (RFNBO, namely renewable hydrogen and its derivatives), in the mobility and industrial sectors.

As demonstrated by chapter 4.1 of the Revised Hydrogen Strategy the Czech targets for production of hydrogen are 20 000 tonnes per year of renewable (RFNBO) hydrogen production by 31 December 2030. The Revised Hydrogen Strategy also sets out a target of building 400 MW of new installed

capacity for electrolyzers by 31 December 2030. The targets and the timelines are in line with the timing and the requirements for the mobility and industrial sectors of the REDII.

Additionally, Article 6 of the Alternative Fuels Infrastructure Regulation (AFIR) sets minimal targets for deployment of hydrogen refuelling stations. As demonstrated by chapter 4.1.2 of the Revised Hydrogen Strategy, the Strategy reflects on these targets. The resulting targets for the year 2030 are as follows: 10 public hydrogen refuelling stations along TEN-T corridors; 30 public hydrogen refuelling stations in urban nodes; 10 non-public hydrogen refuelling stations mainly used for buses, trucks, and trains in their depots. Moreover, the same section of Revised Hydrogen Strategy also sets out a trajectory for 2025 and 2027. These targets exceed the specific requirements set in Article 6 of AFIR Regulation, and are aligned with the Revision of the National Action Plan for Clean Mobility (submitted for the purposes of the same payment request as milestone 329 of the Czech RRF).

The assessment of the compliance with Regulation (EU) 2023/1804 and Directive (EU) 2023/2413 for the purposes of payments from the Recovery and Resilience Facility does not prejudice the assessment by the Commission in any other proceedings regarding the conformity of the national law with the aforementioned legislation.

The Czech Hydrogen Strategy shall be revised to define the priorities of developing primarily a renewable hydrogen-based ecosystem in Czechia.

The Czech Revised Hydrogen Strategy (Annex 2), demonstrates two main strategic priorities on page 12. They are, firstly, to reduce carbon dioxide emissions, and secondly, to stimulate the economic growth with increasing the competitiveness of the Czech Republic's hydrogen sector.

The Revised Hydrogen Strategy also outlines three main stages to achieve decarbonisation goals by 2050. These stages have very different ambition and means, as they account for limited renewable resources in Czechia, the lack of existing hydrogen transport infrastructure, high prices of renewable hydrogen, some technologies still being in development, and the limited EU and national funding for the sector. The Revised Hydrogen Strategy presents a challenging pathway to transform Czech industries and achieve decarbonization goals. As evidenced by page 12, the main pillars of the hydrogen strategy are as follows: production of renewable and low-carbon hydrogen; utilisation of renewable and low-carbon hydrogen; importation, transmission, and storage of renewable and low-carbon hydrogen; and development of hydrogen technologies.

The Council Implementing Decision states that the Czech Hydrogen Strategy shall be revised to define the priorities of developing primarily a renewable hydrogen-based ecosystem in Czechia. The Recovery and Resilience Plan submitted by Czechia on 30 June 2023 (section on component 7.5) provides that besides a primary focus on developing a renewable hydrogen-based ecosystem, the revised Hydrogen Strategy is to also explore the potential of other sustainable types of hydrogen, such as low-carbon hydrogen (e.g., sourced from nuclear power generation) as an additional priority to develop in the country. In light of the contextual interpretation of this requirement from the Council Implementing Decision, the requirement of "primarily" is interpreted as allowing for other types of sustainable hydrogen besides renewable hydrogen to be considered and explored in the Czech Hydrogen Strategy. The consideration of other types of sustainable hydrogen, such as low-carbon hydrogen reflects the state of the development of the European hydrogen sector and the particular challenges faced by the Czechia. Namely, these challenges include but are not limited to low renewable power penetration compared to other EU Member States, more expensive cost of sustainable hydrogen production compared to some other EU Member States (e.g., due to existing bottlenecks

and lower solar generation potential), an electricity mix dominated by coal and nuclear power generation, as well as Czechia's current fossil hydrogen production pathways being different to other countries (partial oxidation from crude oil rather than the more widely used steam methane reformation process). This is justified in line with the contextual interpretation of the requirement, as developing a renewable hydrogen economy of Czechia is one of the main focuses of the Revised Hydrogen Strategy and the Strategy meets the requirements of the milestone on reflecting on EU renewable hydrogen legislative framework, as noted in the section above. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

The revised Hydrogen Strategy shall be accompanied by a list of primary legislation, secondary legislation, technical norms, and methodologies whose adoption or amendment is necessary to ensure alignment with the EU legal framework relating to hydrogen, especially the Renewable Energy Directive, as well as to provide enabling conditions for the development of the Czech hydrogen ecosystem. The list shall include expected indicative timelines for the adoption or amendments of such measures.

The Revised Hydrogen Strategy (Annex 2) demonstrates the inclusion of a list of primary legislation, secondary legislation, technical norms, and methodologies whose adoption or amendment is necessary to ensure alignment with the EU legal framework relating to hydrogen. This is evidenced by Task O5 at page 58 and further develop on pages 102 -109 of the Revised Hydrogen. The Czech authorities have submitted the document, the "Navigator for Legislation norms" (Annex 3), which reproduces the same document as Annex 2. This is because the list of measures is directly integrated into the Revised Hydrogen Strategy and not as a separate document.

The measures are first listed in the implementation section 5 (pages 53-66), and further developed in Action Plan (pages 78 onwards).

The list of measures put forward includes indicative timelines for adoption or amendments, ranging from 2024 to 2028.

To provide examples of the measures envisaged, the list of measures anticipates transposition and implementation of the EU's Renewable Energy Directive (RED2), the Hydrogen and Low Carbon Gas Package. As regards primary legislation, the measures include revision of primary legislation, such as Law No 458/2000 (Czechia's Energy Law) by 2025.

As to secondary legislation, the list of measures anticipates revision of a secondary regulations related to the Czech gas market, gas transmission rules to ensure alignment with the EU legal framework, such as Czech Ministry of Industry Regulation 108/2011 on the measurement of gas (include in measure O5.2.5) and Regulation 349/2015 of Czechia's Energy Regulatory Office on the rules of functioning of the gas market (include in measure O5.2.4).

Furthermore, the list also includes measures related to technical norms and methodologies, such as the adoption of technical norms based on update of the EU technical gas measures. For instance, these would include EU technical norms on allowing repurposing of existing natural gas infrastructure for use of hydrogen (measure O5.2.6). Additionally, the list also includes a measure on the creation of methodologies and recommendation for production of hydrogen to be used in transport, industry and energy sectors.

As regards the requirement to list measures which will provide enabling conditions for the development of the Czech hydrogen ecosystem, this is met through measures point 5.6 on pages 59-60 (Support the development, research and production of hydrogen technologies for the production, distribution and use of hydrogen). Furthermore, measures listed under tasks M1-M5 on pages 60-65 and further developed in the supplement 1 (pages 110 to 127) will equally provide enabling conditions for the development of the Czech hydrogen ecosystem. For instance, this would be achieved by preparing the conditions for the Czech hydrogen ecosystem to import hydrogen, creating conditions for hydrogen storage, repurposing existing natural gas pipelines to transport hydrogen.

The revision shall also include an action plan which aims to define public funding priorities for different segments of the hydrogen ecosystem and set out timelines for launching relevant funding calls.

The milestone requirement sets out to include an Action plan which amongst others defines the public funding priorities for different segments. This requirement is met in Annex 2, as the Revised Hydrogen Strategy includes Chapter 6 on funding priorities and funding programmes, as well as an Action Plan from page 78 onwards. The tasks are both measures and actions to be taken in pursuit of the goals of the Revised Hydrogen strategy for different segments of the hydrogen ecosystem.

In line with the milestone requirement, the Action Plan defines public funding for various hydrogen segments through the respective tasks used specifically to develop the different segments of the hydrogen ecosystem. The sources of funding for the public funding priorities are detailed in Chapter 6 (see pages 67-70 in Annex 2), which also details the scope of the specific funding, sectoral dedication, timeframes, and overall financial allocations of the programmes.

The Revised Hydrogen Strategy includes a list of measures based on Czech and EU funding instruments in the Action Plan,, with the funding instruments being listed in Chapter 6 of the Revised Hydrogen Strategy. The Revised Hydrogen Strategy in Chapter 6 lists funding programs. It details the scope of support and which hydrogen sectors or activities can be supported. The links to the respective funds (e.g., Modernisation Fund, RRP, Cohesion Funds, Innovation Fund, Just Transition Fund), are included in Chapter 6 of the Revised Hydrogen Strategy.

The Revised Hydrogen Strategy includes a timelines for measures (e.g., O1.1.3 on funding for hydrogen islands, O3.3.3-4 on deployment of publicly accessible and hydrogen refuelling infrastructure for public transport). However, the Revised Hydrogen Strategy notes that not all relevant calls from various funding programmes are outlined in the tasks of the Action Plan, as additional support schemes are outlined on the dedicated websites of the funding instruments.

The Revised Hydrogen Strategy includes an indicative timeline for some measures (e.g., O1.1.3 on funding for hydrogen islands, O3.3.3-4 on deployment of publicly accessible and hydrogen refuelling infrastructure for public transport).

However, the Revised Hydrogen Strategy notes that not all relevant calls from various funding programmes are outlined in the tasks of the Action Plan, as additional support schemes are outlined on the dedicated websites of the funding instruments to avoid that outlining all calls and timelines in the document makes it obsolete due to possible future developments. As noted in the text of the Revised Hydrogen Strategy, the Czech authorities are preparing an online review of all public financing

calls for the development of the Czech hydrogen economy. This upcoming system was outlined as one of the tasks (task O3.4 at page 97) of the Action Plan, which will be maintained and regularly updated once it launches by 31 December 2024.

The Council Implementing Decision required that the Revised Hydrogen Strategy “set out timelines for launching relevant funding calls.” While some funding calls and timelines for funding calls have been presented in the Revised Hydrogen Strategy, this is not a full list of funding calls available for the hydrogen sector. Instead, the Strategy notes that all relevant calls are published online for each funding instrument separately managed by respective ministries, with timelines included in the said calls. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, this is justifiable as there is considerable risk that the funding calls and the timelines provided in the Strategy would have become obsolete very quickly due to various developments. As of this, this minimal deviation does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

The revised Hydrogen Strategy shall also include an assessment and trajectory for suppliers of hydrogen and operators of hydrogen refuelling stations to supply renewable hydrogen at hydrogen refuelling stations in Czechia. Notably, the trajectory shall set a target for Czech hydrogen refuelling stations to cumulatively supply volumes of renewable hydrogen in line with the sub-targets of the Renewable Energy Directive and ensures that hydrogen refuelling stations which received support under General Block Exemption rules solely supply renewable hydrogen from 2035 onwards.

The Revised Hydrogen Strategy details this requirement of the milestone at pages 38 - 41 in Chapter 4.1.2 (Annex 2, and Annex 4) regarding the assessment and trajectory for suppliers of hydrogen and operators of hydrogen refuelling stations to supply renewable hydrogen at hydrogen refuelling stations in Czechia. This section presents an assessment of the expected consumption trajectory supply trajectory for renewable and low-carbon hydrogen, production targets for renewable hydrogen, and trajectory to reach AFIR targets in the area of hydrogen mobility, building infrastructure of publicly accessible hydrogen refuelling points. Considering the number of hydrogen refuelling stations expected in light of targets in AFIR, these have been covered in the AFIR compliance requirement in section above.

Based on the above assessment, the Revised Hydrogen Strategy puts forward three simultaneous pathways for Czechia in supplying renewable fuels of non-biological origin (RFNBOs), consisting of renewable hydrogen and renewable hydrogen-derived fuels (renewable synthetic fuels/e-fuels), for uses in transport. First, supplying hydrogen directly at hydrogen refuelling stations. Second, replacing grey hydrogen used now as part of refining processes with renewable hydrogen. Third, supplying renewable synthetic fuels directly to the market as blends to conventional fuels. The Strategy expects that the optimal path chosen by operators, fuel suppliers, and refiners will be a combination the first two pathways, due to the expensiveness of supplying e-fuels to road transport users.

The milestone also requires that the Revised Hydrogen Strategy sets a target for Czech hydrogen refuelling stations to cumulatively supply volumes of renewable hydrogen in line with the sub-targets of the Renewable Energy Directive. The EU Renewable Energy Directive (REDII) sets 1) a minimum supply target to be met by 31 December 2030 of 1% of all fuels supplied in the transport sector to be met by RFNBOs 2) a combined supply target of 5.5% of all transport fuels to be met by RFNBOs and advanced biofuels. In light of the first legal requirement, which is also reflected in this milestone

requirement, the Revised Hydrogen Strategy (Annex 2) sets a minimum target for RFNBO supplied in transport at 13 600 tonnes per annum based on calculation of all fuels used, as is evidenced by [page 38](#). As the second REDII requirement is a combined requirement with advanced biofuels, the Revised Hydrogen Strategy acknowledges that renewable hydrogen may play a higher role than the minimum set out in the first requirement. This will depend both on market forces and availability of advanced biofuels on the European market.

Lastly, the Revised Hydrogen Strategy also sets a target and requirement for suppliers that benefitted from General Block Exemption rules to solely supply renewable hydrogen by 2035. This can be found on [page 40](#). This meets the milestone requirement of ensuring that hydrogen refuelling stations which receive support under General Block Exemption rules solely supply renewable hydrogen from 2035 onwards.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C7.7]-R[R1]-M[340]: Entry into Force of the Single Environmental Opinion

Related Measure: C7.7.R1 Single Environmental Opinion

Qualitative Indicator: Provision in the law indicating the entry into force of the law

Time: Q3 2023

1. Context:

The reform on the Single Environmental Opinion aims to simplify and streamline the environmental permitting process, including for renewable energy projects while considering environmental conservation standards and EU legal requirements. It shall consolidate various environmental statements covered by the Construction Act into a single process, and, if requested by the project applicant, also for projects subject to an environmental impact assessment under the Environmental Impact Assessment Act (No. 100/2001 Coll.)

Milestone 340 related to the entry into force of legislation on the Single Environmental Opinion. Milestone 340 is the first step of the implementation of the reform and it is accompanied by target 341 related to recruitment of additional staff in this payment request. It will be followed by milestone 342 related to the implementation of binding methodological guidelines to support administrative bodies affected by the introduction of the Single Environmental Opinion (e.g., regional authorities, municipalities). The reform has a final expected date for implementation of 31 December 2023.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|---|
| 1 | Summary Document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled |
| 2 | Act No. 148/2023 Coll., on the Single Environmental Opinion | In line with the national law, this legal act is published in the Official Journal and entered into force on 5 June 2023. It entered into application on 1 January 2024 . It sets out the procedure and powers of the administrative authorities to issue a Single Environmental Opinion while ensuring the public interest in the protection of the environment. |
| 3 | Act No. 149/2023 Coll., amending certain acts in connection with the adoption of the Act on Single Environmental Opinion | In line with the national law, this legal act is published in the Official Journal and entered into force on 5 June 2023. It entered into application on 1 January 2024. It amends the following acts that are affected by the Single Environmental Opinion (see also evidence 4): <ul style="list-style-type: none">- Act No 62/1988 Coll. on geological works- Act No 114/1992 Coll. on the Nature and Landscape Protection- Act No 334/1992 Coll. on the Protection of Agriculture land Fund- Act No 289/1995 Coll. on the Forest Act |

| | | |
|---|---|---|
| | | <ul style="list-style-type: none"> - Act No 100/2011 Coll. on Environmental Impact Assessment - Act No 254/2001 on the Water Act - Act No 256/2001 on funeral activities - Act No 201/2012 on air protection - Act No224/2015 on the prevention of major accidents caused by selected hazardous chemical substances or chemical mixtures - Act No 541/2020 on Waste |
| 4 | List of administrative acts included in the Single Environmental Opinion | List of the 26 administrative acts that will be replaced by the Single Environmental Opinion |
| 5 | Summary of the permitting process and an example of the permitting process under previous legislation compared to the procedure under the Act of the Single Environmental Opinion | Summary document of permitting process following the adoption of the Single Environmental Opinion with an illustrative example of the permitting process under previous legislation compared to the procedure under the Act of the Single Environmental Opinion |
| 6 | List of the reserved building defined by the Construction Act | List of the types of projects under the Construction Act that are affected by the Single Environmental Opinion. Renewable energy infrastructure is part of the list of infrastructure covered under the Construction Act |
| 7 | Single Environmental Opinion Portal | The online portal where the publication of the Single Environmental Opinions takes place is available in the following link: https://portal.cenia.cz/eiasea/view/eia100_cr?lang=cs . |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

Entry into force of legislation on the Single Environmental Opinion.

Act No. 148/2023 Coll., on the Single Environmental Opinion was adopted on 10 May 2023, published in the Official Journal on 5 June 2023 and entered into force on 1 January 2024 (Section 20 on Entry into application of Act No 148/2023).

In addition to the Act of the Single Environmental Opinion, several environmental laws have been amended (Act No. 149/2023 Coll., amending certain acts in connection with the adoption of the Single Environmental Opinion). Act No. 149/2023 Coll. was adopted on 10 May 2023, published in the Official Journal on 5 June 2023 and entered into force on 1 January 2024 (Part Fourteen, Entry into applications, Article XVI). Each of the amended laws contains a provision which explicitly mentions the Single Environmental Opinion as a binding single opinion replacing selected administrative acts.

The opinion shall merge environmental permits procedure into a binding single opinion for all projects authorised under the Construction Act and projects subject to an environmental impact assessment,

Furthermore, in line with the description of the measure, **the reform shall establish one single procedure covering different environmental statements issued under sectoral environmental legislation for the projects covered by the Construction Act (...) also for projects subject to an environmental impact assessment under the Environmental Impact Assessment Act (No. 100/2001 Coll.)**

Paragraph 2 (1) of Act No 148/2023 defines a Single Environmental Opinion (SEO) as a binding opinion on the effects on the environment of a project that is subject to a permit under the Construction Act or an environmental impact assessment under the Environmental Impact Assessment Act. Together with the Act of the Single Environmental Opinion, several environmental laws have been amended. This was due to the need to link existing administrative acts with the newly introduced single environmental opinion. Each of the amended laws contains a provision explicitly mentioning the SEO as a binding opinion replacing selected administrative acts. Instead of 26 administrative acts (evidence 4) stipulated by other legal regulations in the field of environmental protection, one single document/act is issued – the Single Environmental Opinion. The footnote of Paragraph 2 (1) of Act No 148/2023 indicates the nine different environmental laws in which a single binding opinion applies.

These acts are:

- Act No 62/1988 Coll., on Geological works and the Czech Geological Survey
- Act No 114/1992 Coll., on the Nature and Landscape Protection
- Act No 334/1992 Coll., on the Protection of Agriculture land Fund
- Act No 289/1995 Coll., on the Forests and on amendments and supplements to certain Acts (Forest Act)
- Act No 100/2011 Coll., on Environmental Impact Assessment and on amendments to certain related acts (Environmental Impact Assessment Act)
- Act No 254/2001 Coll., on the Water and on Amendment to certain Acts (Water Act)
- Act No 256/2001 Coll., on Funeral Activities
- Act No 201/2012 Coll., on Air Protection
- Act No 224/2015 Coll., on the Prevention of major accidents caused by selected hazardous chemical substances or chemical mixtures and on the amendment of Act No 634/2004 Coll., on administrative fees, as amended
- Act No 541/2020 Coll., on Water

if requested by the project applicant.

Furthermore, in line with the description of the measure, **if so requested by the project applicant,**

The applicant is entitled to preliminary discuss with authorities the application for the Single Environmental Opinion before submitting the actual application and starting the project authorization procedure under the Construction Act (Section 9 (1) and (2) of Act No 148/2023). Alternatively, the applicant is also entitled to apply to a building authority without the Single Environmental Opinion, in which case the responsibility to request the Single Environmental Opinion from the relevant environmental authority is incumbent on the building authority (Section 184(3) of the Construction Act).

A major positive aspect of the introduction of a single environmental opinion from the point of view of the applicant (usually the builder) is the concentration of the administrative tasks necessary for the environmental permitting of the project into one task. Instead of several administrative acts (for example decision on permission to cut down trees, land from the agricultural land fund, authorization of an exemption from the protection of specially protected species of plants or animals – see evidence 4), often issued by several environmental authorities (municipal authorities, municipal authorities of municipalities with extended competence, regional authorities – see example in evidence 5) only one

administrative act is issued. It is purely up to the applicant whether he applies for the single environmental opinion before the project permitting procedure under the Construction Act is conducted, or whether he applies to the building authority without the single environmental opinion, in which case the building authority requests it from the environmental authority (i.e. one of the authorities concerned within the meaning of the Construction Act). The advantage for the applicant is that he or she can submit a single application, the administrative processes are handled by the administrative authorities themselves, and the applicant receives the permit without having to communicate with several different authorities. For larger projects, the builder can be expected to sort out the SEO first and then contact the building authority. The communication between the builder, the building authority and the competent administrative authority for the issue of the single environmental opinion is primarily electronic, via the intended builder's. However, the applicant may also apply for a single environmental opinion in paper form or by other digital means (e.g. via data mailbox).

The law shall apply as of 1 January 2024 for the special structure defined by the Building Act and as of 1 July 2024 for other types of building.

According to Article 19 (6) of the Act No 148/2023, the Act applies from 1 January 2024 for special structures (or reserved buildings) defined by the Act No 283/2021 (the Construction Act). These are defined in paragraph 5(2)(c) of the Construction Act which are listed in Annex 3 to this Act, in particular Motorway construction, railway construction, aviation construction, electricity generation plants with a total installed capacity of 100 MW or more, nuclear construction and defined renewable energy sources (evidence 6). For all other types of construction, involving energy/electricity infrastructure and other construction not listed under Annex 3 to Act No.0283/2021 Coll. (the Construction Act the law applies as of 1 July 2024 according to Paragraph 20 of the Act No 148/2023.

The legislation shall provide for the designation of the single authorities in charge of issuing the opinion, according to the different cases (e.g. regional authorities, municipal authority with extended competence or the Ministry of Environment).

Sections 11 to 16 of Act No 148/2023 designate the competent authorities in relation to the exercise of state competence under Act 148/2023. Under Section 12, the Ministry of Environment is competent to issue the single environmental opinion (for example for nuclear power plants and other nuclear reactors, including the dismantling or final closure of such plants or reactors, for spent nuclear fuel reprocessing plant or airports and national railways). Under Sections 14 and 15, regional authorities and municipal authorities of municipalities with extended competence are competent to do so provided the conditions of the Act are met. Section 16 designates specialised authorities in relation to military territories.

For projects in the Environmental Impact Assessment (EIA) regime, a single environmental opinion is also issued, either in a joint process with the EIA process (in which case the single environmental opinion is also the EIA opinion) or after the EIA opinion has been issued (the choice is up to the applicant). In any case, the single environmental opinion replaces the administrative acts issued by the authorities concerned separately (Part Five, Article VI, point 2 of Act 149/2023 related to Amendment to the Act No 100/2001 on Environmental Impact Assessment).

It shall also provide that for projects subject to the EIA, Single environmental opinion shall be available electronically in the EIA/SEA national information system.

The communication between the builder, the building authority and the competent administrative authority for the issue of the single environmental opinion is primarily electronic, via the intended

builder's portal (Section 268 of the Act No 283/2021, Construction Act). However, the applicant may also apply for a single environmental opinion in paper form or by other digital means (e.g. via data mailbox).

Part Five, Article VI, point 51 and 52 of Act No 149/2023 related to Amendment to the Act on Environmental Impact Assessment introduces the amendments to Section 16(1) of the Environmental Impact Assessment Act to ensure that SEP are available electronically.

The portal where the publication of the Single Environmental Opinions takes place is available in the following link: https://portal.cenia.cz/eiasea/view/eia100_cr?lang=cs. The Commission services conducted an on-the-spot check on 8 October 2024 to verify that the access to the Single Environmental Opinions was available electronically. This check was completed successfully, confirming that for projects subject to the Environmental Impact Assessments, Single environmental opinion shall be available electronically in the EIA/SEA national information system.

Furthermore, in line with the description of the measure, **the reform is expected to result in shorter environmental assessment processes for renewable energy projects including those falling under a full mandatory assessment or screening process.**

Before the Act of the Single Environmental Opinion was enacted and under previous legislation, the environmental impact assessment of construction projects was a complex process involving up to 26 separate administrative acts, each with its own requirements and timelines for issuance and subsequent appeals. The process took significantly longer because the deadlines were set separately for each administrative act. Moreover, the procedures related to such administrative acts were not coordinated and often resulted in inconsistent conclusions that had to be reconciled before a building permit could be issued, leading to further significant delays. Each procedure also had its own appeals process conducive to longer time frames for project approval.

The implementation of the Single Environmental Opinion streamlined this fragmented approach into one single and consolidated process, thereby reducing administrative delays and making the process more efficient for builders. The deadline for issuing the single environmental opinion under Section 5 (1) and (2) of the Act No 148/2023 is without undue delay, but no later than 60 days from the date of submission of a complete application. The time limit may be extended by 30 days for statutory reasons such as the need for further documentation, for on-site examination or in case of particular complexity. These are deadlines for the issuance of all superseded administrative acts under the SEO.

In accordance with Section 10(1) of the Act No 148/2023, the competent authority shall publish all issued single environmental opinions in a way allowing remote access, without undue delay, for at least 15 days. Under Sections 12(d), 14 (1b), 15 (b), 16 of Act No 148/2023, each competent authority which issued the single environmental opinion is also responsible to enforce compliance with the conditions which were set out in the single environmental opinion and have been taken over in the decision issued in the subsequent procedure.

In accordance with Section 7(1), the validity of the Single Environmental Opinion is five years, and it can be extended for a maximum of five years, even repeatedly, at the request of the applicant.

To demonstrate how the process was simplified, the Czech authorities also submitted an example of the permitting process under previous legislation compared to the procedure under the Act of the Single Environmental Opinion for a specific construction project (listed under item 5).

4. Commission Preliminary Assessment: Satisfactory fulfilled

CZ-C[C7.7]-R[R1]-T[341]: Technical assistance to accelerate and improve the quality of environmental permitting procedures

Related Measure: C7.7.R1 Single Environmental Opinion

Quantitative Indicator: Number of staff

Baseline: 0

Target: 36

Time: Q4 2023

1. Context:

The objective of the measure is to introduce a single environmental opinion and support its implementation by the Czech administration. The reform on the Single Environmental opinion aims to simplify and streamline the environmental permitting process, including for renewable energy projects while taking into account the environmental interests of nature and landscape conservation and the requirements under EU law as well as other international legal on public participation and access to justice in environmental matters.

The support to the implementation shall consists of the recruitment of additional staff to draft and implement binding methodological guidelines to support administrative bodies affected by the introduction of the Single Environmental Opinion (e.g., regional authorities, municipalities).

In Target 341, 36 full-time staff shall be recruited for the implementation of the single environmental opinion reform.

Target 341 is the second target of the reform, and it is accompanied by milestone 340 in this payment request, related to the entry into force of the Single Environmental Opinion. It will be followed by milestone 342, related to the publication of methodologies and templates by the Ministry of Environment. The reform has a final expected date for implementation 31 December 2024.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|---|
| 1 | Summary document, dated 31 May 2024 (revised 3 October 2024) | A summary document which duly justifies how the target (including all constitutive elements) was satisfactorily fulfilled |
| 2 | Annex 1 – List of recruited staff | An MS Excel file containing a list of the 36 full-time staff recruited for the implementation of the single environmental opinion reform. The file includes the Staff ID number, the job description, position identifier, and the unit and department at the Ministry of Environment where the recruited staff work. |
| 3 | Annex 2 – Job characteristics fiches, dated between 1 July 2023 and 15 September 2024 | 36 job characteristic fiches which contain the department and unit at the Ministry of Environment where the position is, the position |

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| | | identifier number, the staff ID number, and a description of the job including the performed activities, and professional requirements. The job characteristics fiches are signed by the employee, the employee's manager and the Director of the Department of Human Resources and Civil Services of the Ministry of Environment. |
| 4 | Annex 3 – Overview of job positions, dated 3 October 2024 | A list of all 36 recruited staff, including the Staff ID number, the number of the job characteristic fiche, the full-time equivalent for each staff, and the start date of employment. The document has been signed by the Director of the Department of Human Resources and Civil Services of the Ministry of Environment |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the target.

Technical assistance to accelerate and improve the quality of environmental permitting procedures.

The Single Environmental Opinion (Act No. 148/2023 Coll.) aims to streamline the environmental permitting procedures. The documents submitted in Annexes 1-3 demonstrate that 36 staff recruited by the Ministry of Environment provide technical assistance related to the Single Environmental Opinion to accelerate and improve the quality of the environmental permitting procedures. This assistance covers the following administrative steps such as the verification of applications, preparation of documents for its issuance, coordination of the appeals, providing IT support necessary for processing the Single Environmental Opinion such as content management, records-keeping and helpdesk support.

36 full-time staff shall be recruited for the implementation of the single environmental opinion reform.

Annexes 1 and 3 demonstrate that 36 full-time staff were recruited by the Ministry of Environment to support the implementation of the single environmental opinion. The first member of staff was hired on 1 July 2023. All 36 positions were filled from 15 April 2024.

Annex 1 specifies the job description, department and unit of each position. The job characteristics fiches (Annex 2) confirm the staff ID number, the position identifier, the department and unit, and provide examples of the activities the recruited staff perform. The tasks and activities performed by the recruited staff span across the verification of applications for the Single Environmental Opinion, the record-keeping and the development of IT solutions for the implementation of the SEO to the coordination of court proceedings with respect to submitted appeals against the issued Single Environmental Opinion. Finally, Annex 3 confirms the start date of the positions and the full-time equivalence.

Furthermore, in line with the description of the measure, **the support to the implementation shall consist of the recruitment of additional staff to draft and implement binding methodological**

guidelines to support administrative bodies affected by the introduction of the Single Environmental Opinion (e.g., regional authorities, municipalities).

The job characteristics fiches (Annex 2) demonstrate that 36 recruited staff work on tasks including drafting and implementing binding methodological guidelines to support administrative bodies affected by the introduction of the Single Environmental Opinion. For example, the staff provides support that Single Environmental Opinion is introduced in the practice of different other administrative bodies, coordinates the application of the Single Environmental Opinion at the Ministry of Environment as well as the review and subsequent appeal procedures, keep records on the court proceedings related to the cases, and help develop IT solutions for the implementation of the Single Environmental Opinion at the IT department of the Ministry of Environment.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C7.7]-R[R1]-T[343]: Methodology for designating renewables acceleration areas

Related Measure: C7.7.R2 Renewable acceleration areas

Qualitative Indicator: Publication of the methodology

Time: Q4 2023

1. Context:

To promote the rapid expansion of wind and solar energy in Czechia, the reform shall create the possibility for regions and municipalities to designate renewables acceleration areas for these technologies. The reform outlines a unified methodology for designating such areas, which must consider criteria like wind and solar density, wind speed, solar irradiance and low environmental impact. The reform shall establish specific permitting procedures applying to renewable energy projects within the acceleration areas. Within these designated areas, permitting processes will be streamlined and accelerated and individual environmental assessments will not be necessary, unless for projects with potential environmental risks. The reform will also seek to enhance public support through community engagement strategies, including local referenda, shared economic benefits, and engagement measures.

Milestone 343 relates to the methodology for designating renewables acceleration areas. Milestone 343 is the first step of the implementation of the reform. It will be followed by milestone 344 on the entry into force of a framework supporting the renewable acceleration areas, target 345 related to number of staff recruited for the implementation of renewable acceleration areas, and target 346 related to designation of renewable acceleration areas for wind and solar energy development. The reform has a final expected date for implementation of 31 December 2023.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---|--|
| 1 | Summary Document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled |
| 2 | Methodology for the selection of renewable acceleration areas, adopted on 30.06.2024 and published on the website of the Ministry of Environment. | Methodological guidance for the selection of renewable acceleration areas. It addresses two types of RES (i.e., wind and solar energy) in line with the other milestones of the plan. |
| 3 | Annex 2.1 of the Methodological guidance on "Red Limits maps" | As a result of the applied methodology, annex 2.1 shows, for each of the criteria established in the methodology, the areas in Czechia which are not eligible for the definition of renewable acceleration areas. They are coloured in red on the map. |
| 4 | Annex 2.2 of the Methodological guidance on "Yellow Limits" | As a result of the applied methodology, annex 2.2 shows, for each of the criteria established in the methodology, the areas in Czechia which have to be further assessed according to local |

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| | | conditions. They are coloured in yellow on the map. |
| 5 | Annex 2.3 of the Methodological guidance on “Table of Limits Layers” | Annex demonstrating the different types of layers at which the methodology looks and by which after categorises into three groups in terms of their suitability for the definition of renewables acceleration areas (red, yellow and green colours). Four types “Limits layers” were defined: technically unsuitable terrain, artificial barriers, nature and landscape conservation and other public interests. |
| 6 | Annex 2.4 of the Methodological guidance on the Selection of Bird and Bat Species considered in Terms of Sensitivity to Wind and Photovoltaic Power Plants | Annex providing the list of bird and bat species analysed indicating the weight given by experts in terms of sensitivity to wind and photovoltaic solar plants |
| 7 | Annex 2.5 of the Methodological guidance on the “Natural Habitats – Buffer zones” | Annex showing the list of Natural Habitats, with the respective code, the types of habitats with the respective code and with the definition of conservation buffers. Priority Nature Habitats are also identified. |
| 8 | Annex 2.6 of the Methodological guidance on the list of mitigation measures | Annex showing the list of mitigation measures by component (biodiversity, soil, water, etc), reason for the mitigation measure, list of measure, description of the measure, phase of the project in which it should be implemented, location of the measure, category of the project (PV, Wind) and effects on the investor |
| 9 | Annex 3 A list of attendances and minutes of meetings | Annex demonstrating that the methodology was established in cooperation with the public and via a transparent dialogue, through minutes of meetings |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

Publication of the methodology

Methodology for the selection of renewable acceleration areas (hereinafter referred to as “the Methodology”) was adopted on 30 June 2024. The Commission services accessed the website of the Ministry of Environment in the link (https://www.mzp.cz/cz/obnovitelne_zdroje_energie_metodika_navrh) provided by the authorities on 22 October to verify that the Methodology is available and published. This check was completed successfully, confirming that Czechia published the methodology. The methodology is the guidance for the identification of areas suitable for accelerated development of renewable energy sources in Czechia.

The methodology shall determine unified criteria for the selection and assessment of suitable areas for wind and solar energy development.

The methodology (evidence 2) aims to provide guidance on the selection of areas suitable for the definition of renewable acceleration areas wind and solar energy development, based on so-called “necessary areas” and “renewables acceleration areas”. “Necessary areas” are defined as areas necessary for Czechia’s national contributions to the overall EU renewable target for 2030 (within the meaning of Article 15b of the RED III Directive)³. “Renewable acceleration areas” are defined as zones within the necessary areas where RES will be built in an accelerated mode (within the meaning of Article 15c of the RED III Directive)⁴.

Chapter 3 includes a description of the selection for the assessment of the so-called “necessary areas”. Necessary areas are defined in footnote 2 of the methodology and they are described as areas necessary for the Czech Republic’s national contributions to the overall EU renewable target for 2030 (within the meaning of Article 15b of the RED III Directive). As explained in chapter 3, the designation of the necessary areas follows up on the requirements set out in Resolution No 272 of the Government of the Czech Republic of 24 April 2024 with the link https://www.ur.cz/media/bisfongt/usneseni_2024_272.pdf establishing the basic procedure for the designation of the areas necessary for the Czech Republic’s contribution to the overall 2030 renewable energy target of the European Union and renewables acceleration areas. On this basis, the necessary areas for wind and solar development will be designated. The definition of the necessary areas for the installation of these RES-generating installations will be based primarily on:

- i) simple conditions of technical feasibility or economic viability.
- ii) NATURA 2000 sites, i.e. European Significant Sites and Birds Areas, were also excluded from the mapping of the necessary areas, as well as the areas of national parks and the 1st and 2nd zones of protected landscape areas.

Chapter 4 sets up the procedure and technical criteria for identifying renewable acceleration areas, being renewable acceleration areas defined as zones within the necessary areas where RES will be built in an accelerated mode (within the meaning of Article 15c of the RED III Directive).

The definition of the individual criteria such as homogenous land and exclusion of Natura 2000 sites and areas is described in Chapter 4.1 of the methodology. The methodology classifies areas, separately for wind and solar, for delineating acceleration zones into three categories:

- i) Red Areas: areas unsuitable for acceleration zones;
- ii) Yellow Areas: areas which require further assessment based on local conditions;
- iii) Green Areas: areas suitable for acceleration zones.

Red areas will be first mapped separately for photovoltaic and wind power. If an area is in conflict with any red area, it is not possible to designate an acceleration zone there. Red areas are included in Annex 2.1 (evidence 3).

Yellow areas are areas that present factors that need individual assessment. Those factors (also presented in chapter 4.1) are proximity to human settlements, landscape studies, biological assessment and newly planned corridors in spatial plans, in accordance with Article 15c (1)(a)(iii) of

³ Without prejudice to the formal assessment of the compliance of transposition measures with the requirements of the RED III Directive.

⁴ Without prejudice to the formal assessment of the compliance of transposition measures with the requirements of the RED III Directive.

RED III Directive, which requires using appropriate tools to determine areas where renewable energy installations should not have a significant environmental impact. Yellow areas are included in annex 2.2 (evidence 4).

According to chapter 2.2.2, the delimitation of the necessary areas is currently being prepared for solar and wind power plants only and it is envisaged that, in the period until 21 February 2026, acceleration zones will be sought only for solar and wind power plants, or for solar or wind power plants. The definition of acceleration zones for other types of renewable energy sources (e.g. for biogas or geothermal energy production) would have to be preceded by the identification of the relevant necessary areas.

Chapter 5 indicates that acceleration zones will be defined at three levels with the help of spatial planning tools to ensure the coordination of all public interests in the territory for their delimitation by:

- a) Spatial plans (areas of local importance, i.e., municipalities)
- b) Territorial development principles (areas of higher importance, i.e., regions)
- c) The Spatial Development Plan (areas of national importance)

This shall include the areas with the lesser environmental impact, none or low conflict with other interests,

The colour coding of limits/areas is the basis for the preparation for the subsequent definition of the renewable acceleration areas. Annex 2.3 shows in green the areas with low environmental impact, none or minimal conflict with other significant public interests. Following the methodology applied, green zones are areas where conflicts between the decarbonisation public interest (DPI) and other public interests, such as conservation, cultural heritage protection, or national defense and security, are minimised.

Legislative reasons to exclude certain areas from acceleration zones designation should also be understood in the context of the RED III directive transposition (modifying existing legislation to simplify the approval process for renewable energy sources).

This shall include the (...) areas with sufficient potential of wind energy density, wind speed, solar irradiance and accessibility of transmission system.

The method of defining the so-called 'necessary areas,' which includes all required criteria and their depiction, is described in the Chapter 3 of the methodology titled 'Definition of necessary Areas'. Necessary areas (NA) create a broader framework for the subsequent designation of renewable acceleration areas (RAA), which must be a subset of NA. Necessary areas indicate regions with potential for renewable energy production and existing connectivity options. Essential areas will be defined within the update of the Spatial Development Policy of the Czech Republic in 2024.

The technical feasibility was ensured by a minimum distance of 20 km from existing energy networks. The current spare distribution capacity has not been included into the consideration because there is no real information on it. Limits related to production potential and viability were also set. For wind power plants, a minimum average wind speed of 4.5 km/h at 100 m above the ground was established according to the Institute of Atmospheric Physics of the Academy of Sciences of the Czech Republic model. For photovoltaic power plants, the limit value was set at an average direct solar radiation of 850 kWh/m²/year.

All these limits have been discussed with RES professional organisations to ensure they are sufficient for the efficient RES energy production (evidence 9, pages 30-37 show that this issue was discussed in meetings with stakeholders).

The financial incentives (...) shall be part of the documents attached to the methodology.

The incentives are addressed in the Chapter 7 of the methodology. Incentives can be provided by the state, and by other actors (private developers, public associations, etc.) to encourage communities and regions to promote the intensive development of renewables.

As explained in chapter 7.1, incentives should be directed not only at the local authorities of the municipalities or regions concerned, but also at the local public. The aim of the incentives is to encourage local public in acceleration zones or in the immediate vicinity of renewable energy constructions to see RES development as an opportunity to strengthen the region's prosperity, energy autonomy and security, as well as a way to strengthen local communities.

Chapter 7.1 stresses that the incentives do not in any way constitute financial compensation for the damage to the quality of the environment of the population, since, in other chapters of the methodology, the process described for the definition of acceleration zones and the subsequent authorisation of buildings must ensure that the conditions of authorisation and operation of the resource are such that the legal limits are not infringed.

Chapter 7.2 sets out the criteria to be taken into account for the design of specific initiatives and support instruments:

- The proposed measures must aim at achieving the basic purpose (described in more detail in Chapter. 7.1)
- The measures must be transparent
- The measures must be easy to implement (e.g. implementing a simple instrument or rule, easy to control and enforceable, without the need to put in place complex administrative procedures)
- The measures must leave a reasonable degree of freedom for municipalities and regions to continue to engage directly with investors.
- The measures must encourage all actors to agree to build and operate a resource.

Chapter 7.3 presents incentives (both financial and non-financial) at:

- i) the concept level (key measures for the acceleration zones preparation): e.g. grants for preparation of landscape planning documentation, higher proportion of financial subsidies of projects to be located in acceleration zones, interest-free loans, etc. and
- ii) the project level (complementary, but important measures for RES development: e.g. direct payment to municipality by the developer, lower or no fees for general RES support, campaign financing, etc...)

Chapters 7.5 presents the different forms of incentives and support instruments:

- i) Financial incentives such as direct one-off payment or direct periodic payment, a share of the economic returns of a resource, or some form of supply or sharing of cheaper electricity from a built source.
- ii) Non-financial incentives such as data provision, consultancy materials, technical assistance, etc.

Chapter 7.6 provides examples of possible incentives.

mitigation measures (...) shall be part of the documents attached to the methodology.

Measures to mitigate potential negative impacts of RES installation and production, including preparation, planning, construction, operation, and end-of-life considerations, are described in the Chapter 6 and the Annex 2.6 – Mitigation Measures (evidence 8).

These outlines both legislative and technical measures aimed at reducing adverse effects of the renewable energy installation and production to serve primarily at the phase of the acceleration zones designation but being usable during particular projects of RES finalisation (a form of catalogue).

Taking an example from annex 2.6, page 5: if solar energy facility would affect the migration permeability for non-flying wildlife species, it is essential to ensure the continuity of the migration corridor in the project area without creating migration barriers. Additionally, permeability between the impassable, fenced parts of the acceleration zone must be ensured (including solutions for corridor maintenance, vegetation planting, and Upkeep). Impacts for the investor may include reducing the project area or changing the project location. Another example from annex 2.6, page 7: The impact of wind power plants (WTE) on the risk of bird and bat mortality. This involves structural solutions to increase visibility for birds, or the installation of supplementary elements. Especially in areas with target bird species, the blades of the WTE should be equipped with coatings or supplementary elements to enhance visibility for birds, in accordance with other regulations, particularly aviation rules. Impacts for the investor may include increased costs for visibility enhancers.

and win-win solutions to improve ecosystem services in landscape shall be part of the documents attached to the methodology.

Win-win solutions to improve ecosystem services in landscape are included in the Chapter 6 (Mitigation Measures) on the page 32 and 33. Chapter 6 describes the mitigation hierarchy procedure, including the restoration of damage parts of the environment. Annex 2.6 of the methodology includes a number of action that contribute to the general improvement of ecosystem functions.

The methodology shall be established in cooperation with relevant stakeholders, including through communication with public and transparent dialogue.

Chapter 8 of the methodology demonstrates that the methodology has been developed in collaboration with relevant stakeholders, such as representatives of all regions and different regional authorities of the Czech Republic, Associations of Municipalities, professional associations and RES investors. Annex 3 (evidence 9) of the methodology shows the attendance sheets and minutes of meetings held on 4 and 16 January 2024, 8, 13, 22 and 28 February 2024, 5 and 27 March 2024 to discuss the methodology. This annex demonstrate that the issue of the methodology was discussed with representatives of local governments, including heads of regional authorities, as well as well as associations of municipalities, non-governmental organisations and other entities. Policy consultations with stakeholders are documented as well. Minutes on the above as well as the ones with the Extended Interdepartmental Working Group representatives are included (Annex 3). As explained in chapter 8, several working groups were created covering a wide range of stakeholders (representatives of regions, association of regions and municipalities, NGOs, professional organisation, etc.).

Assistance and communication outreach actions on acceleration areas shall be provided by the Ministry of Environment to the regions and municipalities.

Assistance and communication actions on acceleration areas having been provided by the Ministry of Environment to the regions and municipalities using different tools as described in chapter 8 and

demonstrated by annex 3 (evidence 9). The Ministry established the Extended Interdepartmental Working Group of which Association of the Regions of the Czech Republic and Association of Municipalities of the Czech Republic are members of. Secondly, the Ministry set up meetings with the representatives of the regions of Czechia, including meetings with Heads of the Regions as demonstrated by the minutes of the “Discussion of the methodology for preparing RES acceleration zones with the Association of Regions” (annex 3). Moreover, as submitted in the Recovery and Resilience Plan (component fiche 7.10), the definition of acceleration areas requires cooperation between Ministries and their sectorial organisations, and for “activities at regional level, communication strategies and early communication of the reform towards decision-makers”. In this regard, the methodology also presents other indirect tools to support information on the RAA, such as presentations of ministry representatives on conferences, workshops and meetings and press conferences and releases, as well as articles in different types of newspapers, technical magazines, electronic media and social networks. Other two concerned departments – Ministry for Regional Development and Ministry of Industry and Trade having communicated with their target groups, especially with regions, notably RES professional organisations. The methodology stresses that assistance, involvement with stakeholders and communication outreach action should continue. The methodological guidance also mentions the development of a comprehensive communication strategy ensure the active involvement of the public in the preparation of the acceleration zones.

4. Commission Preliminary Assessment: Satisfactory fulfilled

Loan support

CZ-C[C1.2]-I[I5]-M[247]: Publication of the call related to the strengthening of information systems in accordance with Act No 181/2014 Coll. on cyber security

Related Measure: I5 Top-up of cyber security investment

Qualitative Indicator: Publication of a call for projects

Time: Q1 2024

1. Context:

The investment aims to further strengthen the cyber security investment under the non-repayable financial support by increasing the number information systems whose cyber security has been strengthened.

The milestone requires the publication of a call for projects aiming at strengthening the cyber security of information systems according to Act No. 181/2014 Coll. on cyber security.

Milestone 247 is the first step of the implementation of the investment. It will be followed by target 248, related to the completion of strengthening the cyber security of selected information systems. The investment has a final expected date for implementation on 31 December 2025.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|--|---|
| 1 | Summary document | Summary document duly justifying how the milestone was satisfactorily fulfilled |
| 2 | Annex I – Publication of calls No 40, 41, 42, 43, 45 | Copy of the published calls for projects aiming at strengthening the cybersecurity of information systems, originally published on the website of Ministry of Interior Call No. 40: Cybersecurity - Regions – published on 13 November 2023 Call No. 41: Cybersecurity - Municipalities – published on 15 November 2023 Call No. 42: Cybersecurity – OSS+SPO – published on 14 November 2023 Call No. 43: Cybersecurity – Healthcare entities – published on 14 November 2023 Call No. 45: Cybersecurity - MV – published on 4 December 2023 |
| 3 | Annex II – link to the website | Link to the website where the calls were published (https://www.mvcr.cz/npo/clanek/ukoncene-vyzvy.aspx), accessed on 8 October 2024 |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

Publication of a call for projects supporting the strengthening of information systems according to Act No. 181/2014 Coll. on cyber security.

It is demonstrated that five relevant calls No 40, 41, 42, 43, 45, submitted under Annex I, have been published on the website of the Ministry of Interior of Czechia in order to differentiate between the different target groups. These calls stipulate in their section four the subject of the calls, which is to strengthen the cybersecurity of information systems. The same section introduces the requirement to complete the fulfilled projects in line with Act No. 82/2018 Coll. that is implementing Act No. 181/2014 Coll. as stipulated in the milestone description. Furthermore, section five of these calls requires the applicants to conclude the projects with a certificate, acceptance protocol or similar document which would testify the increase in the cybersecurity of an information system in accordance with the requirements of Act No 181/2014 on cybersecurity.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C1.5]-I[I4]-M[254]: Signature of grant agreements

Related Measure: C1.5.I4 IPCEI Microelectronics and Communication Technologies

Qualitative Indicator: Grant agreements signed

Time: Q2 2024

1. Context:

The investment aims to provide support in the form of direct grant financing to selected companies participating in four projects, which are part of IPCEI Microelectronics and Communication Technologies. The objective of the measure is to contribute to the cross-border initiative supporting the research and development of and thereby boosting the strategic autonomy and the capacities of the EU in designing and deploying the next generation of microprocessors, semi-conductors, and communication technologies. The investment shall be implemented by 30 June 2026.

Milestone 254 is the first step of the implementation of the investment. It will be followed by target 255, related to development of pilot solutions. The investment has a final expected date for implementation of 30 June 2024.

2. Evidence provided:

| | Name of the evidence | Short description |
|---|---------------------------------------|---|
| 1 | Summary document | Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled |
| 2 | Summary table with a list of projects | List of selected projects and contractual counterparts |
| 3 | Four grant agreements | Grant agreements signed on 25 July 2024, 1 and 5 August 2024 |
| 4 | Four state of project reports | Declarations from beneficiaries signed in 2024 |
| 5 | Four project roadmaps | Project roadmaps and positive assessments |

3. Analysis:

The justification and substantiating evidence provided by the Czech authorities cover all constitutive elements of the milestone.

Grant agreement shall be signed with selected companies participating in IPCEI ME/CT projects.

The grant agreements have been signed with four companies participating in IPCEI ME/CT projects: Cudasip, Mycroft Mind, PRAHA and NXP Semiconductors Czech Republic. The recipients were selected following the call for proposal named IPCEI Microelectronic and Communication Technology Support Call, launched in November 2023 and published on the website of the Ministry of Industry and Trade. The total amount of awarded support for the research and development phase of the projects is CZK 1 104 004 989, i.e. the equivalent of around 44 million EUR. The Czech authorities provided copies of the grant agreements signed and dated on 25 July 2024 for Cudasip, 5 August 2024 for Mycroft Mind, 5 August 2024 for PRAHA and 1 August 2024 for NXP Semiconductors Czech Republic.

All four projects are part of the Important Projects of Common European Interest (IPCEI) in the field of microelectronics and communication technologies. The selected projects should boost the strategic autonomy by developing modern communication technologies and tools:

- The project of Cudasip aims at designing new high or mid end processors with the support of the new generation tools.
- The project of Mycroft Mind aims to create a new generation of microcontrollers for smart sensors, which should be able to learn directly from environmental data. The created devices should be able for example to predict energy consumption which should contribute to energy efficiency measures.
- The project of NXP will develop a communication architecture which will support an open and reconfigurable network of vehicles.
- The project of UJP Praha focuses on research and development of new radiation detection systems, used for example in medical applications.

All projects have an estimated end date of April 2026.

4. Commission Preliminary Assessment: Satisfactorily fulfilled