



CZECH REPUBLIC

6th STRATEGIC REPORT

reporting period: 1.1.2016 – 31.12.2016

EEA Financial Mechanisms 2009-2014

National Focal Point

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LIST OF PROGRAMMES
(EEA Grants / Norway Grants)

PRG	Programme name	Programme Operator	Programme Partner
CZ01	Technical Assistance and Fund for Bilateral Relations at national level	NFP	---
CZ02	Biodiversity and Ecosystem services & Environmental Monitoring and Integrated Planning Control & Adaptation to Climate Changes	Ministry of Finance	Ministry of Environment
CZ03	Funds for Non-governmental Organizations	Civil Society Development Foundation	---
CZ04	Children and Youth at Risk	Ministry of Finance	Ministry of Labour and Social Affairs
CZ05	National, Regional, Local Initiatives to Reduce Inter-Group Inequalities and to Promote Social Inclusion	Ministry of Finance	---
CZ06	Cultural Heritage and Contemporary Art	Ministry of Finance	Ministry of Culture
CZ07	Scholarship Programme	Dům zahraniční spolupráce - Centre for International Cooperation in Education	Ministry of Education, Youth and Sport
CZ08	Pilot Studies and Surveys on CCS Technology	Ministry of Finance	Ministry of Environment
CZ09	Czech-Norwegian Research Programme	Ministry of Education, Youth and Sport	---
CZ10	Capacity Building and Institutional Cooperation between Beneficiary State and Norwegian Public Institutions, Local and Regional Authorities	Ministry of Finance	---
CZ11	Public Health Initiatives	Ministry of Finance	Ministry of Health
CZ12	Mainstreaming Gender Equality and Promoting Work-Life Balance & Domestic and Gender-based Violence; Let's give (wo)men a chance	Open Society Fund	---
CZ13	Domestic and Gender-based Violence & Mainstreaming Gender Equality and Promoting Work-Life Balance	Ministry of Finance	---
CZ14	Schengen Cooperation and Combatting Cross-border and Organised Crime, including Trafficking and Itinerant Criminal Groups	Ministry of Finance	Ministry of Interior
CZ15	Judicial Capacity-building Cooperation and Correctional Services, including Non-custodial Sanctions	Ministry of Finance	Ministry of Justice

1 EXECUTIVE SUMMARY

The National Focal Point (NFP) submits its Strategic Report for 2016 to the Financial Mechanism Committee, in accordance with Article 2.2 of the Regulation on the Implementation of the EEA Financial Mechanism 2009-2014.

The EEA and Norway Grants 2009-2014 in the Czech Republic were in the implementation phase in 2016, 86 % of supported projects (769 projects) have already finished their activities.

The monitoring reports for finished projects are still under preparation so it is not possible to analyse programme outputs and programme outcomes, but generally it is expected that most outputs and outcomes will be achieved or even overreached.

The NFP used the opportunity for extension of 394 projects till April 2017. In fact, within the year 2016 only 308 projects were extended (78 %) by Programme Operators, out of them major part, i.e. 212 projects (69 %) were extended till the end of 2016 and only 96 projects (31 %) were extended till 30 April 2017. Of these extended projects the Programme Operators indicate potential risks of total 3 projects (projects from programmes CZ10, CZ13 and CZ15) not to be completed till April 2017.

The NFP identified risks related mainly to cohesion outcomes: programme absorption capacity, the time risk and programme specific risks. Despite the possibility of extension of projects the time risks still remain especially within the programmes CZ10, CZ13 and CZ15. The programme absorption capacity is connected with savings in projects in programmes CZ04, CZ13, CZ10 and CZ15. On the other hand the risk factor related to bilateral relations significantly decreased as all funds allocated for Bilateral Fund at national level were committed. At the programme level, bilateral risk in the form of insufficient demand for bilateral initiatives within the Bilateral Fund at Programme Level occurred in the programmes CZ02, CZ04, CZ11, and CZ14. The risk was evoked by lack of time and personal capacity to find a suitable donor partner institution or by low interest in the given programme area.

The projects realization – especially within the projects with identified risks – is intensively monitored by POs and all steps (mainly delayed public procurement) are consulted between POs and Project Promoters.

Until the end of 2016 approx. 101,8 mil. EUR (ca 84,02 % of total allocation) was disbursed to the Programme Operators (advance payments or already incurred expenditure) of which 76,4 mil. EUR (61,53 % of the total allocation) was disbursed by Programme Operators (POs).

Evaluation of all programmes based on five evaluation criteria (relevance, efficiency, effectiveness, impact, sustainability) with respect to their outcomes and outputs is planned to be realised in 2017 and in first half of 2018. Each programme (except CZ01) will be individually reviewed and a summary report of the EEA and Norway Grants in the Czech Republic will be elaborated.

Irregularities are continuously gathered, investigated and reported to the FMO, approx. half of reported cases is already solved and closed. One irregularity in CZ11 programme case was reported immediately according to the Article 11.4 of the Regulation. The manner of irregularities related mainly to errors in payment claims.

In 2016, there were some important changes in policies that had an impact on the implementation of EEA/Norway Grants 2009-2014 in the Czech Republic, especially in the area of measures against terrorist financing, children protection, education, environment and research. The Czech government approved several important laws and Action plans connected with programme areas.

2 ASSESSMENT OF THE EFFECT OF THE GRANTS

2.1 Cohesion

2.1.1 Macroeconomic situation of the Czech Republic in 2016¹

According to an estimate of the Ministry of Finance of the Czech Republic, the real gross domestic product increased by 2.5 %, which potentially resulted in an increased positive output gap in 2016. The growth of economy was driven by foreign and mainly domestic demand. The main growth contributor to GDP was final consumption expenditure of both households and government sector. Private consumption was promoted by growing real household disposable income and a drop in the level of savings while a record-setting high trust of consumers was maintained. Conversely, dissipation of increased investment activities co-funded by EU Funds from the previous financial perspective translated into a negative impact of gross fixed capital formation to GDP growth. At the same time, a one-off inclusion of the financial lease of military aircraft towards the end of 2015 had a partial effect. In spite of the one-off effects above, the nationally financed private investment activity posted an increase based on the solid growth of operating surplus, relaxed monetary conditions and above-average utilisation of production capacities. The growth rate of exports and imports has decreased significantly; however, the balance of foreign trade in goods and services supported the growth dynamic of GDP.

Table: Macroeconomic indicators of Czech economy

(seasonally unadjusted)

		2010	2011	2012	2013	2014	2015	2016 Estimate
Gross domestic product	Billions CZK, current prices	3 954	4 034	4 060	4 098	4 314	4 555	4 719
Gross domestic product	Growth in %, constant prices	2.3	2.0	-0.8	-0.5	2.7	4.5	2.5
Household consumption	,Growth in %, constant prices	1.0	0.3	-1.2	0.5	1.8	3.0	2.7
Consumption of government sector	Growth in %, constant prices	0.4	-2.2	-2.0	2.5	1.1	2.0	2.0
Gross fixed capital formation	Growth in %, constant prices	1.3	0.9	-3.1	-2.5	3.9	9.0	-2.4
Contribution of foreign trade to GD growth	p.b., s.c.	0.5	1.8	1.3	0.1	-0.5	0.1	1.1
GDP deflator	Growth in %	-1.5	0.0	1.5	1.4	2.5	1.0	1.1
Average inflation rate	%	1.5	1.9	3.3	1.4	0.4	0.3	0.7*
Employment (Selective Workforce Survey)	Growth in %	-1.0	0.4	0.4	1.0	0.8	1.4	1.9*
Unemployment rate (Selective Workforce Survey)	Average in %	7.3	6.7	7.0	7.0	6.1	5.1	4.0*
Current account balance to GDP ratio	%	-3.6	-2.1	-1.6	-0.5	0.2	0.9	2.1

Source: Czech Statistical Office, Czech National Bank, results for 2016 are based on Macroeconomic prediction of MoF CR from January 2017.

Note: * Real data.

In 2016, the inflation rate shown using the consumer price index posted an average value of 0.7 % to continue to be very low for a third consecutive year. Like in 2015, the low inflation was mainly due to factors from the external environment, in particular a decrease in crude oil price and the associated decrease in producer price in the euro zone. However, these effects subsided towards the end of 2016,

¹ Based on data published as of 13 February 2017

which contributed to the acceleration of year-on-year inflation. Domestic economic development, which was characterised in 2016 by relaxed monetary conditions, growing demand, positive output gap, very low unemployment rate and renewed growth in unemployment, had a pro-inflationary effect. Administrative measures contributed to consumer prices growth only very slightly. The economic growth manifested strongly on the labour market where a prominent shortage of labour persisted despite a growing share of economically active persons. According to the selective workforce survey, the unemployment rate dropped to 4.0 % on average (being the lowest value of the EU countries), employment rate grew by 1.9 %.

An external balance shown by the ratio of current account balance of payments to GDP ratio posted a positive value in a third consecutive year. The improvement of the current account balance was due to year-on-year increase of balance of goods and service and a drop in primary income account deficit. Conversely, after a year in surplus in 2015, deterioration of secondary income balance had negative effects, recording a deficit due to a drop of in the utilisation of EU funds. Current account balance is in line with the state of development of the Czech economy and does not give rise to risks of macroeconomic imbalances.

2.1.2 Development of sectors in the CR

In 2016, there were some important changes in policies that had an impact on the implementation of the EEA/Norway Grants 2009-2014 in the Czech Republic. The Czech government approved several important laws and Action plans connected with programme areas.

The Czech Republic managed to successfully implement the EU Directive 2015/849 into the anti-money laundering Czech law (Programme CZ10) through the amendment of the *Act no. 253/2008 Coll. on selected measures against legitimisation of proceeds of crime and financing terrorism*. Besides that, the *Act no. 300/2016 Coll. on Central Registry of Bank Accounts* shall become effective from the beginning of 2017.

Legislative initiatives reflecting GRECO recommendations particularly in the field of funding political parties and election campaigns shall be pointed out as well. The *Office for supervision on funding of political parties and their election campaigns* was established as of 1 January 2017. The amendment of the *Act on conflict of interest* was also prepared and approved by the Government, however has not become effective until the beginning of 2017.

In August 2016, the Government of the Czech Republic discussed the Final Report on Implementation of the Action Plan for the National Strategy for Protection of Children's Rights for the Period 2012-2015 (Programme CZ04) , aimed to evaluate the current progress and success in accomplishing the objectives of the National Strategy implemented in the period 2012-2015. The report notes significant success in the shift of focus of activities of socio-legal protection towards supporting the biological family of the child so that they could grow up primarily in their natural environment, reducing institutional care and expanding foster care as preferable alternative care for those vulnerable children who cannot either temporarily or permanently grow up in their biological family. The most positive trend in the sector continues to be a gradual decline in the number of children placed in facilities for institutional care, in children's homes for children up to 3 years of age and homes for people with special needs that work in mode of social services and a gradual increase in the number of children placed in foster care, including foster care for a temporary period.

Regarding adaptation to climate change (Programme CZ02), the Czech Government adopted the Strategy on Adaptation to Climate Change in the Czech Republic in October 2015. This document represents a national adaptation strategy of the Czech Republic. It includes assessment of the climate change impacts and recommends appropriate adaptation measures including their mutual linkages and linkages to mitigation. Adaptation measures are proposed in the following areas: water regime in

landscape and water management, agriculture, forest management, biodiversity and ecosystem services, urbanized landscape, health and hygiene, crisis situations, protection of the population and the environment, tourism and recreation, transport, industry and energy sector. Adaptation strategy will be implemented by the National Action Plan on Adaptation to Climate Change which was prepared in 2016.

In the higher education area (Programme CZ07), there was a basic strategic document outlining the priorities and principal intended measures for the higher education area policy for 2016-2020 adopted. Priority areas of the Strategic Plan for the Scholarly, Scientific, Research, Development, Innovation, Artistic and Other Creative Activities of Higher Education Institutions (HEIs) (2016-2020) are as follows: 1/ Quality assurance – higher education institutions are to play a crucial role in assuring quality of their own fields of operation; 2/ Diversity and accessibility – HEIs should offer broad and diversified approach to quality education; 3/ Internationalisation – teaching and creative activities of HEIs are to have pronounced international character; 4/ Relevance – HEIs should reflect in their activities the developments in society, up-to-date scientific knowledge and needs of their social partners; 5/ Quality and relevant research, development and innovations – R&D outcomes and achievements of HEIs should be relevant internationally and effectively transferrable into practice; 6/ Data based decision-making – governing of higher education policy and HEIs as such should be transparent, strategic and evidence-based; 7/ Effective and efficient funding – HEIs' funding is to be transparent, effective and stable.

Development within the justice sector in 2016 confirmed the relevance of the CZ15 Programme and its objectives. The *Concept of the penitentiary till the year 2025* was approved by the Government in February 2016. Its main goals include change of treatment of prisoners towards modern methods and procedures contributing to effective reintegration of released prisoners and decrease of reoffending rate. The Ministry of Justice has initiated preparation of the system of open prisons and throughout this process the knowledge and experience of Norwegian partner was drawn. Introduction of electronic monitoring system is expected in 1Q/2017; in 2016 the procurement in the form of so called competitive dialogue with possible suppliers has been launched. One of the priorities of the current Minister of justice is also finalisation of Public Prosecutor law, acceleration and improvement of criminal proceedings and also e-justice, namely introduction of videoconferencing and electronic files.

The other areas are still facing the same problems like in the past years:

In the area of human rights and multiculturalism, 2016 topics were mainly with the focus on so called refugee crises. NGOs actively engaged in this issue, responding with their own demonstrations supporting refugees, though others joined the movement against the refugees. In accordance with March 2016 EU-Turkey migrant deal, the Czech Republic is obliged to accept 80 refugees from Turkish camps till the end of 2016. In August 2016, the Interior Minister (Milan Chovanec) stated *“that the Czech Republic will not accept refugees under the EU-Turkey migrant deal till the end of 2016 due to very thorough security control measures”*. The Czech government perceive is that the situation around refugees is perceived as a strong security threat not only for the Czech Republic and Europe, but also in global context.

According to the Project Promoter *“Association for Integration and Migration”* (Programme CZ03) throughout 2016, the Czech Republic continued witnessing the hate speech against migrants and foreigners on social networks and other digital communication platforms that began in 2015. The most common producer of hate speech on Facebook in the Czech Republic was a middle-aged male and the often-feared rise of racism among the young generation was not apparent on social networks. The poor and unemployed social classes were also represented only sparsely. The public Facebook profiles of various islamophobic and right wing-extremist subjects were playing a significant role. However, they were not important as direct producers of hateful content, but more as the agenda-setters influencing mainstream media and politics.

Targets of hate speech and intolerance were more diverse in 2015 and 2016. Migration was one of the main themes for analysis produced by the Czech national Council for TV and radio broadcasting. Hate Free Culture part of the pre-defined project of the Programme CZ05 has become the only representative for the fight against hate-speech through positive communication. Numbers of recorded hate-crime incidents in 2016 illustrate decline of anti-Roma extremist activities. However, prevalence of hate-speech in social media, negative discourse in web news portals and some mainstream media create unfriendly environment for various minorities.

The Ministry of Culture provides funding to support the development and preservation of cultural heritage through national grant programmes in the Czech Republic. Though cultural heritage is a very important activity of the Ministry of Culture (allocation at preservation and restoration of cultural heritage increased from 5 to 6 % of the Ministry of Culture budget in 2016), it grows much faster than its total budget in recent years. It is also essential to increase the funding of current grant programmes for the contemporary arts in order to ensure support is also provided to the full spectrum of arts genres, both in the professional arts sector, as a priority area, and in the area of nonprofessional artistic activities. Moreover, it is vital to optimise subsidies programmes annually while stressing continuity and support for innovative, experimental, and interdisciplinary projects. Despite the considerable potential of cultural sector, it remains undervalued in terms of financing and public budgets do not cover the volume of resources required. Making use of support within the framework of international funds, including the EEA and Norway Grants, thus represents needed complementary financial source of funding. The support of the EEA Grants within the cultural area is a highly valuable contribution as the grants have had a very positive impact on the condition and use of the cultural heritage and arts supported. The EEA Grants mechanism is fully in line with the strategies outlined in the national cultural policy and provides essential financial support.

The CCS technology (Programme CZ08) is still quite a new topic in the Czech Republic, so the development in the sector is not very dynamic and compared to the previous period, trends in the sector couldn't been set yet. Despite potential sources from the European NER 300 programme for renewable energy within the Climate and Energy Package approved by the European Council in late 2014, the Norway grants are almost the only financial resources for funding in the area of CCS technology. The Ministry of the Environment (MoE, the Programme Partner) is currently working on a document *Climate Protection Policy* with an emission reduction outlook until 2050. It contains a chapter on the possibilities of achieving the reduction target of 80 % compared to 1990 levels and describes three scenarios, among which one assumes development of CCS technology and its deployment on power sources of 5000 MWe by 2050. The CZ08 Programme provides significant contribution to research and pilot testing of possibilities in CCS. The MoE provides financial resources for Programme co-financing from the state budget and provides expertise and necessary advice during the assessments, reporting and/or evaluation.

In the Czech Republic there are many providers of support on research, development and innovation (Programme CZ09) but the Ministry of Education, Youth and Sports (MoEYS, the Programme Operator) is the most important player in the R&D&I including international co-operation based on its position anchored in the national law. MoEYS is the biggest provider of institutional and specific support from the state budget for R&D&I as well. However, research and development activities are financed not only from public but also from private sources. At the same time, these activities are carried out across the entire economy, i.e. both by private enterprises and public research institutions and universities, regardless of employment or economic activities of the entity. The Czech Republic is trying to invite enterprises to research projects through various tools, such as direct or indirect ones.

The Ministry of Health of the Czech Republic (partner of the Programme CZ11) created and approved the psychiatric care reform in 2014. In the year 2016, the pilot project of the Strategy was prepared and will be realized since the beginning of 2017. The first Centres of Mental Health Care were also opened.

The implementation of *National action plan on child injuries prevention for period 2007-2017* has continued. Field of rare diseases is gradually evolving and there is on-going work carried out on the implementation of the National strategy for rare diseases for the period 2010-2020.

The institutional structure of the agenda of gender equality (Programmes CZ12, CZ13) was rather stable in 2016 and offered basic support for the promotion of gender equality policy, it was probably the most stable year for promoting gender equality in the entire history of the Czech Republic. The Ministry of Labour and Social Affairs has introduced a new *Conception of the Family Policy* and has launched a new systemic project that aims at equal opportunities and which might help to set new regulations in this programme area. The Ombudsman has received 49 submissions from 51 children who turned to this office for help with their problems connected to family and relationships as a result of being from broken homes. There are no changes in the low labour participation rate of mothers with young children in the Czech Republic and also the representation of women at the higher level elected positions in politics or in the upper management in the world of business. Legislative amendments are still missing in areas such as substitute alimony payments for cases where the liable entity fails to meet their obligations (about 400,000 children live in single-parent families, representing 22% of all children in the Czech Republic). The proposal of a law about substitute alimony payments did not pass through the Chamber of Deputies in 2016 for the fourth time and the Czech Government is preparing its own version for 2017.

Domestic and gender-based violence (GBV) is still the most common form of violence against women in the Czech Republic. According to a research study called the *Economic Impact of Domestic Violence on Health and the Health Care System*, it was established that 27,7 % of women had experienced domestic violence during their lives and one third of them had to seek medical treatment as a consequence of violence from an intimate partner. The total amount of the economic impact of domestic violence on the health sector of the Czech Republic was estimated to be 1,85 billion CZK. Concerning laws and regulations that were adopted or revised, the most important achievement is that the Government of the Czech Republic responded to the systematic pressure from NGOs and other institutions and on 2 May 2016 it finally signed the Istanbul Convention. According to the Government decision, draft of suggested legislative measures to ensure the implementation of Convention should be submitted to the Government by the Ministry of Justice by June 2017. Despite all these positive developments and trends, victims of domestic and gender-based violence still face many challenges and barriers in having their rights respected and seeking justice. Prevention programmes, treatment and support services for victims of violence are still mainly provided by NGOs. Czech NGOs work on a project basis and that makes the continuation of their activities insecure and very unsustainable.

2.1.3 Main Programme Risks

Programme Operators updated risk analyses of their programmes at the end of December 2016. In comparison with the last Strategic Report for 2015, programmes received lower total scoring in risk analysis in 2016. General reduction of risk factors' importance can be mostly attributed to the fact that programmes entered into their closing phase.

Project monitoring was a crucial part of programmes' implementation in the reporting period. Programme Operators mainly focused on monitoring, controls, strengthening bilateral relations and programme and project results dissemination. In case of programmes CZ03, CZ07 and CZ12 Programme Operators succeeded in mitigating of lots of risks thanks to advanced programme implementation phase.

According to the results of the risk analysis, programmes CZ04, CZ13, CZ15, CZ09 and CZ10 rank among the most risky programmes. On the other hand, programmes CZ05, CZ03, CZ12, CZ08 and CZ07 were classified into the group of the least risky programmes.

Three major risk factors that have threatened implementation of programmes since 2015 and dominated also in 2016 are linked to cohesion outcomes. These concern the programme absorption capacity (especially within the programmes CZ04, CZ13, CZ10 and CZ15), the time risk (especially within the programmes CZ10, CZ13 and CZ15) and the specific programme risks (especially within the programmes CZ010, CZ04, CZ06, CZ09, CZ13 and CZ15).

Risk of non-timely projects' completion threatens the implementation of programmes CZ10, CZ13 and CZ15. This risk is connected with specific risk factor in all three programmes. Completion of one project in each programme is jeopardized due to delayed tender procedures or further protraction caused by appeals to the tender results. One of risk mitigation measures that will presumably have to be applied is extension of deadline for projects completion beyond the deadline for eligibility of expenditures, i.e. April 2017.

Another risk where importance has been increased is the programme absorption capacity. Savings occurred within several projects under the programmes CZ04, CZ13, CZ10 and CZ15 and their full utilization within given projects is limited mainly due to time constraints and lack of personal capacities. Moreover, the risk is also influenced by delays that might lead to finalisation and final payments within some projects beyond the final eligibility date. Programme Operators endeavoured to mitigate the above-mentioned risks by intensive project monitoring, i.e. close cooperation with Project Promoters, strengthened on-the-spot monitoring and day to day consultancy.

Two main specific programme risks in 2016 that influenced other risks such as time or programme absorption capacity were personal changes at Programme Operator/Programme Partner and delayed tender procedures (especially in CZ06 Programme).

The risk analysis at a programme level – results in individual programmes, traffic lights table and a comparative table – forms a part of **Annex 5**.

2.1.4 Risks at the National Level

The National Focal Point constantly monitors risks at the national level that may affect the implementation of programmes and the achievement of the overall objectives of the EEA/Norway Grants 2009-2014 in the Czech Republic. A risk analysis at the national level was updated in December 2016.

Significance of the majority of risk factors at the national level remains low. Both likelihood and importance of risk factor related to bilateral relations decreased thanks to the fact that all funds allocated for Bilateral Fund at National Level were committed. Based on huge demand for bilateral initiatives at the national level, the National Focal Point asked the FMO on 26 October 2016 for reallocation of EUR 280,000 from the programme CZ04 into two indicative allocations within the open call – one for NGOs in the amount of EUR 180,000 and the second one for municipalities and regions in the amount of EUR 100,000. Nevertheless, the request was refused by the donors on 22 November 2016.

The time risk was largely mitigated thanks to the possibility of projects' extension till April 2017. However, the likelihood of the risk was increased especially owing to the last development of programmes CZ10 (the second part of the pre-defined project), CZ13 (jeopardized pre-defined project

realization) and CZ15 (delay in realization of one pre-defined project). The NFP takes account of the possible mitigation action by the Programme Operator, i.e. prolongation of projects beyond April 2017 with financial funds ensured by Project Promoters.

The risk analysis at a national level forms a part of **Annex 5**.

2.1.5 Horizontal concerns

Most of the programmes contribute to horizontal concerns and cross-cutting issues. Horizontal concerns include hate speech, extremism and hate crime, racism and xenophobia, homophobia, anti-Semitism, tolerance and multicultural understanding, inclusion of Roma and other minorities. The cross-cutting issues are good governance, sustainable development and gender equality. Diversity at the level of cultures, nations and minorities, adherence to the principles of equal opportunities of men and women in terms of their social and professional development, non-discrimination and equal opportunities regardless of race, ethnicity and religion are supported. These affect all aspects of programmes and their operation and are integrated at every level.

Majority of supported projects within the programme CZ03 addressed the horizontal concerns related to fundamental values such as promoting tolerance, multicultural understanding, respect for the rights of minorities including the Roma, and combatting hate speech, extremism, racism, xenophobia, and violence against women. Total of 32 projects were supported under the Priority Area Social Inclusion. They were all solely aimed at Roma children and youth and their integration in the education mainstream. Total of 1884 Roma children benefited from the projects and 94 after-school activities were organized. Programme Operator has learned that not only education of the Roma children plays an essential role in the Social Inclusion, but the focus should be also on their parents. Project Promoters reported that lack of parental support has resulted in a low attendance of Roma children in project activities. The education still represents a key tool for solving the Roma issue in the Czech Republic.

The respect of children rights is the main focus of the programme CZ04. Cross-cutting issues were taken into account by external evaluators when assessing applications within both calls for additional activities and are taken into account by the PO and PP in the implementation phase. New methods of finding out their views in decision-making processes and helping them to express them are tested and implemented and general awareness of the rights of children is raised especially within sub-projects that are being implemented within the Small Grant Scheme. Activities of the sub-projects within SGS are aimed at target groups without depending on ethnicity but since Roma children create one of the major groups of vulnerable children, the sub-projects support Roma involvement in their activities leading to the streamlining the system of care for vulnerable children. Outcomes of the whole programme will benefit the Roma children individually and in all types of the institutional care.

Realization of the pre-defined project within the programme CZ05 contributes to horizontal concerns as well as to cross-cutting issues. The Hate Free Culture has become the strongest label in the Czech Republic in terms of promotion of multicultural values and respect to minorities. Combating hate-speech through new technologies and social media is a crucial issue for the design and impact of the project and it is an explicit rationale for the project implementation. The LGBT (lesbian, gay, bisexual and transgender) theme continued to be promoted in campaign also during 2016. The photo-campaign "*Just love*" was part of the Prague Pride event held in August 2016 and was further on adopted by several online media with nation-wide impact.

Horizontal concerns and cross-cutting issues have been addressed during open calls for applications, with projects, through the bilateral initiatives and complementary actions and also supported when selecting projects, monitoring and evaluating the Programme CZ06. Programme CZ06 is relevant from a

Roma inclusion perspective. Explicit but not exclusive targeting on Roma inclusion can be found in 12 projects within the Programme. On the top of that, in 3 projects in the PA17 (living art) it is a crucial topic for the justification of project implementation and its impact, namely the *International Roma Music Festival Romale*, project *Let's Sing!* and especially the *World Roma Festival KHAMORO*, an extensive project bringing a big emphasis on Roma inclusion, equal opportunities and combatting discrimination. Projects aimed at awareness raising campaigns to promote intercultural dialogue and to enhance mutual trust among the majority and minorities involve *3 faces of freedom - support of cultural diversity in Ústí nad Labem*, trying to tackle prejudices and Roma inclusion in the drama Kick.

The Programme CZ11 contributed towards integration of minority groups into the society by providing trainings focused on reintegration into the society and daily life. Destigmatization campaigns and seminars were also tools used in order to promote these horizontal concerns. Some projects contributed also towards the equality of men and women. The aim of the Programme is improved health care which is available to all patients regardless of race and culture.

The Programme CZ12 fulfils the horizontal concerns by its basic alignment of gender equality alongside of domestic and gender-based violence. The programme also addresses the horizontal concerns by means of the programme's expected outputs that imply fundamental values such as promoting tolerance, multicultural understanding and respect for the rights of minorities including the Roma (outputs aimed at different minorities, flexible working time, gender mainstreaming and education, information campaigns and research etc.), violence against women and trafficking (outputs aimed at services for victims of domestic violence, information campaigns and education etc.). Horizontal issues and related fundamental values are addressed in most projects, especially combating violence against women is present in every single project of the programme area 29, but some also tackle trafficking (La Strada), combat hate speech and cyber bullying (Gender Studies) or homophobia (Prague Pride). There are also projects taking into account the special needs of Roma minority and aiming at the social inclusion or Roma population. Some of the projects have introduced some new topics such as gender in the Roma community and Roma women's empowerment, tackling domestic violence in the Roma community or engagement of Roma men in child-care services.

The frame of the Programme CZ13 aimed at improving gender equality which is regarded as part of human rights agenda. The project includes some activities connected to social inclusion of minorities and multicultural dialogue. It can be said that measures adopted within the Programme CZ13 and its outputs contribute to elimination of discrimination. Some of these activities are also connected to elimination of hate speech (e.g. the analysis of gender-based cyber-violence). Within the programme there were used several tools and events for promotion of these topics among professionals as well as general public – e.g. two international conferences held in November and in December 2016 in Prague. Both of them were attended by a wide range of organizations (state bodies, universities, NGOs) and both attracted media attention.

The Programme CZ14 approaches the horizontal concerns and deals with them especially through the pre-defined project no. 6 (PDP6) which is dealing with the Roma issue and social inclusion, and discusses how the benefits of the project can be maximised so the Roma community is supported. The PDP6 is widely supported by the management of the Police Presidium as well as by the officers involved in the trainings and other activities of the implementation. The project is also highly appreciated by the professional public. Realization of PDP6 secured exactly what was stipulated by *the Strategy for a work with minorities 2015-2017 by the Czech Police* and *the Strategy of Roma Integration till 2020* by the Czech government, which is building trust through recruiting minority members into Police as well as by the improvement of the communication between the Police and Roma minority by the Policemen's education and also increasing the effective security against discrimination as well as support to the Roma culture and language. The PDP6 objectives are harmonised in relation to both documents and the project realisation contributed to fulfilment of the national strategies.

Even though the others programmes do not directly address horizontal concerns, the principles of horizontal concerns (such as tolerance, multicultural understanding, equal opportunities and the treatment of minorities, handicapped participants, etc.) were naturally incorporated into the programmes documents and provide the basic framework for a tolerant approach across all Programme activities and deliverables. Numerous projects are closely related to some of the concerns.

2.2 Bilateral relations

In the Czech Republic the EEA/Norway Grants promote strengthening of bilateral relations and cooperation between subjects from the Czech Republic and the Donor States.

The important part of these efforts represents CZ01 Programme that includes the **Fund for Bilateral Relations at national level (BFNL)**, whose allocation provides support for wider bilateral initiatives, relations and contacts between entities from the Czech Republic and the Donor States.

There are generally two parts of the BFNL allocation in accordance with the updated BFNL Work Plan: open calls for bilateral initiatives (see 2.2.1) and activities of the National Focal Point to support cooperation in areas that overlap programmes or are outside the frameworks of the EEA/Norway Grants in the Czech Republic (see 2.2.3).

The bilateral aspect is also reflected in the implementation of programmes financed from the EEA/Norway Grants in the Czech Republic. The most important programmes in the area of bilateral relations are programmes CZ07 and CZ09 that are fully bilateral on the programme level (Donor programme partners) and project level (donor project partnerships). In the year 2016 the most progress in the implementation of bilateral projects was made by programme CZ07, all 320 supported projects (out of them 77 projects focused on cooperation between schools) finished successfully their implementation till the end of September 2016. The programme CZ09 is running smoothly and the results of projects are shared between bilateral partners; all the projects will be finished in April 2017.

The bilateral cooperation is also strengthened by **Funds for Bilateral Relations at programmes level**. Within 2 programmes (CZ03, CZ10) the allocations for Bilateral funds are fully spent. Within all other programmes the calls are ongoing and also the allocations of calls were increased and the deadlines of call were prolonged in many programmes till July 2017. More details about the individual programmes are provided in **Annex 1 – Status of the programmes**.

Good example of the Fund for Bilateral Relations at programme level is CZ06 Programme. The call was fully spent and then increased. Totally 41 initiatives very supported (11 from BF Measure A and 30 from BF Measure B) by the end of 2016. In 2016, 15 measure “B” initiatives were approved in the Programme CZ06. The fund is very often used by project promoters in both programme areas (PA16 – culture heritage, PA17 – living art) to organize bilateral actions, meetings, events, exhibition, fests, performances and also to create shared results (analysis, studies, research activities).

2.2.1 Extent of cooperation

Within the Fund for Bilateral Relations at national level three open calls for initiatives were launched:

The allocation (150 000 EUR) of the 1st open call, announced on 21 January 2013, which was permanently open to applicants from the general public until 31 December 2014, was committed from 97,5 % (26 initiatives were supported) and the total amount disbursed for implemented initiatives

within the 1st open call represents 80,27 % (24 initiatives were realized and paid). The savings in the amount of 30 000 EUR were reallocated into the 3rd open call.

The 2nd open call dedicated for regions and municipalities (allocation 80 000 EUR) was launched on 20 October 2014. In total six initiatives were approved (out of which 5 in 2016) and the allocation was fully utilized. All initiatives' activities were finished in 2016, but not all disbursements were made until the end of 2016.

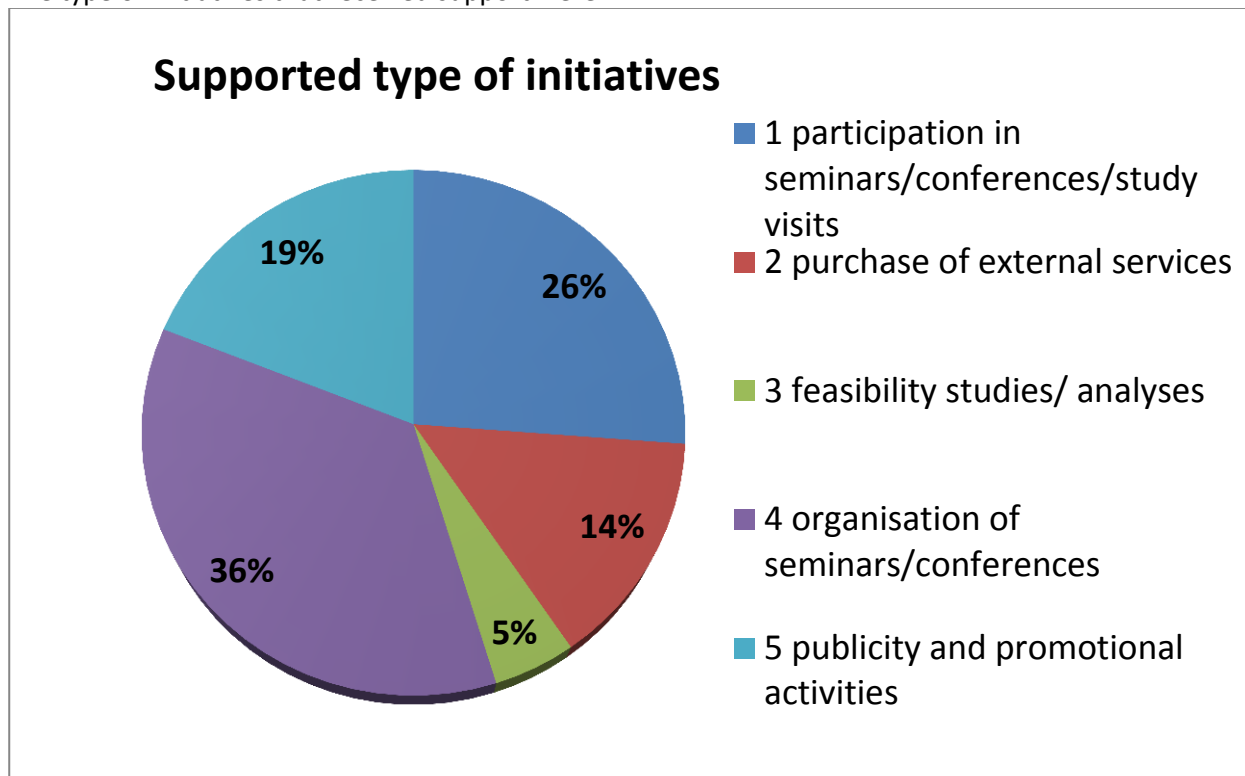
The 3rd open call, which was relevant for all entities competent in supported programme areas, was launched on 9 January 2015. The original allocation of 150 000 EUR was increased by 30 000 EUR from savings in the 1st open call, by 20 000 EUR from savings in anticorruption conference (to be used to anti-corruption initiatives) and by 78 981 EUR from savings in the Technical Assistance. The final total allocation for 3rd open call was 278 981 EUR.

In total 24 initiatives (19 of them in 2016) were supported and the allocation (incl. reallocations) was fully utilized on 8 September 2016. Disbursements by the end of 2016 represents 12,75 % of the allocation (4 initiatives were paid). The remaining initiatives are under implementation or their requests for payment are under control.

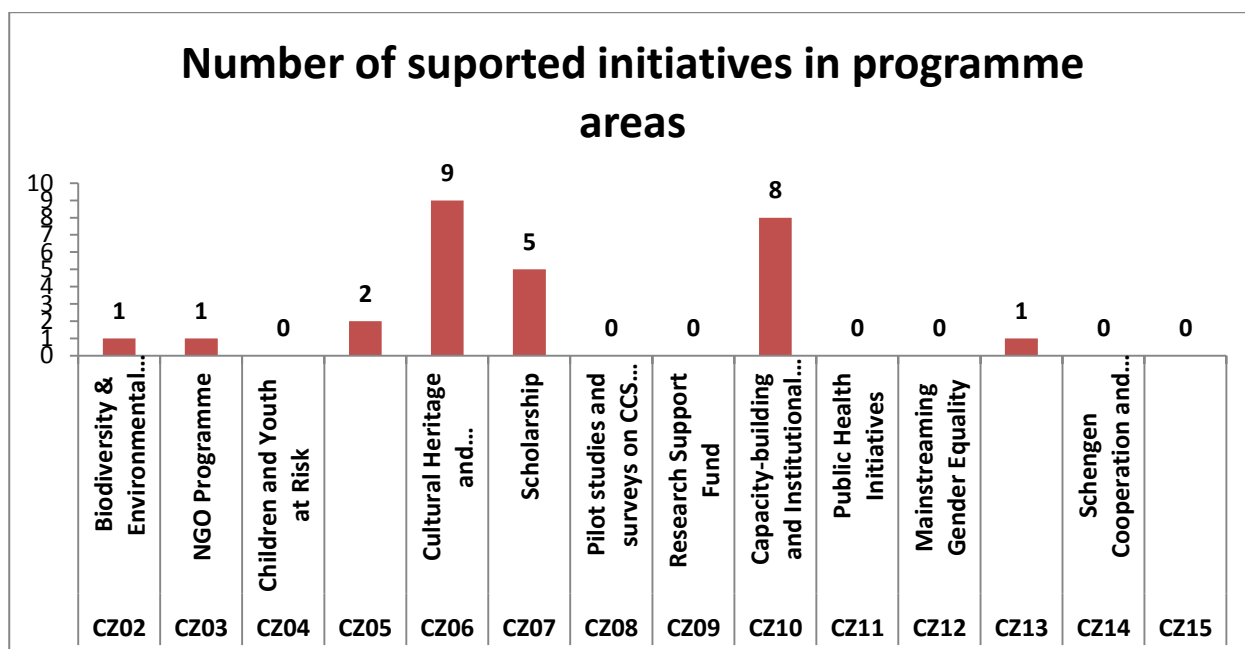
During 2016 the following initiatives were approved under the 2nd and 3rd open calls:

Number	Beneficiary	Program me area	Related PRG	Initiative	Number of participants	- of which from the Donor states
33	FAMU	17	CZ06	1,4	37	30
34	FAMU	17	CZ06	4	11	4
35	Studenstký Majáles (NGO)	17	CZ06	4	250	5
36	Union of Towns and Municipalities of the Czech Republic	25	CZ10	4	28	10
38	Skandinávský dům (NGO)	17	CZ06	1	4	
39	Hradec Králové University	19	CZ07	1,5	9	
40	ARCHIP	19	CZ07	4	104	4
41	High School Teplice	19	CZ07	1,4	12	4
42	ART (NGO)	19	CZ07	1,2	8	
43	Union of Municipalities Jilemnicko	25	CZ10	1,4,5	58	
44	VŠB-TUO	2	CZ02	1	4	2
45	DOC.DREAM	17	CZ06	2,4,5	4456	5
47	Oživení (NGO)	25	CZ10	2,3,4,5	33	
48	High School Teplice	19	CZ07	1,5	116	
Agreement	Trondheim municipality	25	CZ10	4	17	13
52	Farma v jeskyni (NGO)	17	CZ06	4	25	2
49	Frank Bold Society	25, 10	CZ10, CZ03	4	24	20
50	DOC.DREAM	17	CZ06	1,2,3,4,5	9	7
51	Geopark Ralsko (NGO)	25	CZ10	1,5	14	8
54	Elementary Art School BArt	17	CZ06	1,2,5	2	
53	Oživení (NGO)	25	CZ10	4	19	
55	ProFitArt (NGO)	17	CZ06	2,4	90	30

The type of initiatives that received support were:



Bilateral relations were mainly developed by grant applicants in the following programming areas: PA 17 (CZ06), PA 25 (CZ10), PA 19 (CZ07) and most of the initiatives related to project plans for CZ09 research programme and for CZ06 cultural programme.



Bilateral indicators achieved in 2016 / will be achieved – according to applications – in the supported initiatives are:

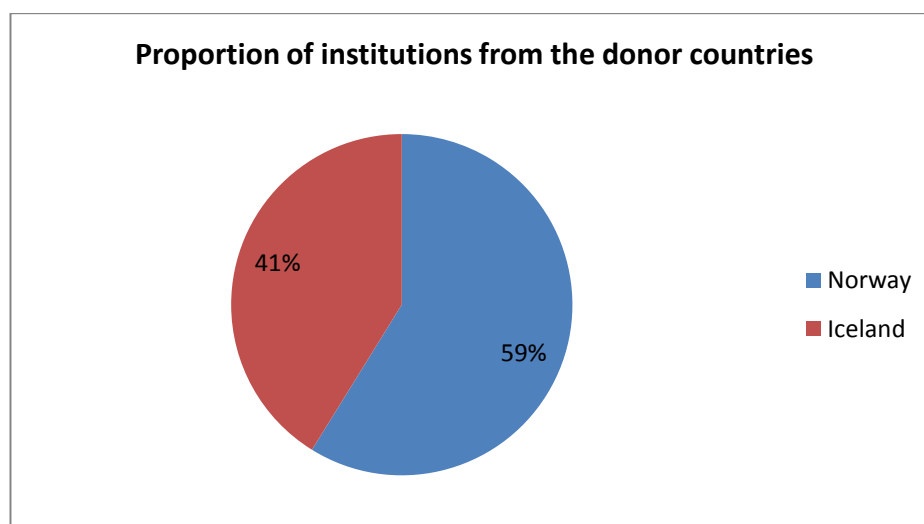
- Number of participants in bilateral relations - 874 (and more than 4000 visitors of the DOC.DREAM), of which 144 were from donor countries,
- Number of events organised - 15,

- Number of analyses/studies - 2,
- Number of external services purchased - 6 (promotional and information activities).

Representatives from the following institutions from the donor countries attended in the role of either visitors or receiving hosts:

- **Norway:** Norske filmskolen, Norwegian music bands (Thank You, Yes Please), Norwegian municipalities Rauma, Stranda, More og Romsdal, Lillehammer University College, Sor-Trondelag University College, Bergen School of Architecture, Bergen Kunstmuseum, Bergen Kulturskole, The Norwegian Association of Local authorities, Keilir Institute of Technology, Open Government Partnership Council, Numedal videregående skole, Trondheim municipality, Norwegian dance group Roosna & Flank, University of Oslo Faculty of Law, Norwegian National Ballet School, Open Government Partnership Council
- **Iceland:** Stockfish Film Festival, Reykjavik Film Academy, Icelandic Film Centre, Miðstöð íslenskra bókmennta, landsbokasafn haskolabokasafn, Nordic house in Island, Menntaskólinn í kópavogi, Icelandic artists, Icelandic Film Center, Icelandic National Film Archive, Reykjavik Art Gallery, Reykjanes Geopark, Katla Geopark, Saga Geopark

A total of 20 institutions from Norway and 14 from Iceland are going to participate/already participated in bilateral initiatives approved in 2016:



2.2.2 Shared results, improved knowledge and mutual understanding

The **analysis of bilateral relations** was delivered to the NFP by external company in February 2016 and was also published on NFP website. The analysis was focused on the bilateral relations on programme level (relations between Programme Operators and DPPs), project level (between project promoters and donor project partners) and bilateral initiatives level (between final beneficiaries and donor partners). The evaluation was focused on key areas of the project / programme cycle in conjunction with the principle of partnership: (i) partnership creation, (ii) partnership progress in the course of project / programme execution, and (iii) partnership development subsequent to completion of project / programme activities.

Individual evaluation questions were asked in the interview survey or direct questioning of selected respondents, thus enabling to obtain the information necessary to make its conclusions. The survey was sent to 167 end beneficiaries and 155 foreign partners. The survey response rate was 127 responses

from beneficiaries and 78 responses from foreign partners. Structured interviews were conducted with respondents representing NFP, Programme operators, Programme partners / Programme donor partners, the Norwegian Embassy in Prague and Final beneficiaries.

The conclusions of the report have been prepared in respect of each phase of the project/programme cycle.

The main obstacle of the establishment of partnership was the insufficient capacity on the part of the donor countries, both with regard to the programme and the projects. The greatest benefit of the partnership for the beneficiaries was sharing of know-how, experiences and contacts and the generation of outputs and ensuring sufficient capacity for the project requirements. Like in case of the establishment of the partnership, one of the key problems appears to be the capacity of the project partners. Another problematic area mentioned by the beneficiaries and their partners were the high administrative demands of the programme and different locations of the beneficiary and its partner.

Most of the beneficiaries and the partners from donor countries would like to make use of the established partnership beyond the scope of the joint project after its completion. The key reason for termination of the cooperation after the end of the project activities is the shortage of financial funds required for maintaining the active partnership or the non-recurrent of the project, which prevents further enhancement of the partnership cooperation.

On the other hand, the analysis stated as examples of good practice in the area of bilateral relations projects from programmes CZ06, CZ03, CZ12, CZ09 and the experience of the Ministry of Culture with the management of development of bilateral cooperation in CZ06 Programme.

On 1 March 2016 the presentation of the analysis results was organized for the interested parties – NFP, Project Promoters, sectoral ministries, DPPs, FMO and the Royal Norwegian Embassy in Prague (44 participants).

Cooperation Committees meetings within the programmes realized in cooperation with Donor programme partners (DPPs) were also held in 2016.

2.2.3 Wider effects

As part of the NFP activities under the Fund for Bilateral Relations at national level the following activities took place in 2016:

The remaining activities related to the international Anticorruption conference "*Developing trends in combating corruption, money laundering and recovering criminal assets in Europe*" were done: the article about the conference was published in the magazine Ekonom in February 2016 and the NFP in cooperation with the Council of Europe and the Norwegian Embassy in Prague also prepared the brochure composed of the summaries from particular conference sessions. The brochure was distributed among the experts and published.

The NFP also organized the international conference "*School for Everyone*" that was held on 16 and 17 March 2016 in Prague (partly financed also from CZ05 Programme). The main aim of the conference was to introduce successful concepts of inclusive (elementary) education and showcase inspirational examples of good practice from abroad. In total, 7 foreign experts (3 from Norway) presented their experience to the Czech audience – mostly pedagogical public, founders of schools and active parents, students. In addition to the lectures, 6 specific workshops were held where the participants discussed pressing issues in the context of the changing environment in the Czech Republic. The main day of the conference was attended by 135 participants, including the representatives of the Royal Norwegian Embassy in Prague. As part of the conference the excursions to selected schools (special focus on Roma children/ expats/ individual programmes) were held on 16 March 2016. Altogether with the additional programme, approximately 150 participants took part in the conference. Connected with the conference the analysis of the educational system in Scandinavian countries was elaborated and

distributed among relevant stakeholders. The conference received good feedback from both speakers and participants and was well covered by local media (newspaper, TV).

The NFP together with the Project Promoter of CZ10 organized the anti-corruption conference follow-up: the Financial Intelligence Units (FIU) workshop *“Facing new challenges in combating terrorist financing”* held from 19 to 20 September 2016 in Prague. The workshop was attended by representatives of FIU units from most of European countries and Council of Europe (60 participants). The overall objective of the workshop was to draw attention to the new existing challenges in combating terrorist financing, to enhance its effectiveness and to analyse the progress and challenges in implementing the European Commission Action Plan issued in February 2016 to strengthen the fight against terrorist financing during the first seven months of its implementation (March-September 2016) and assess how policies and practices can be reinforced to address terrorism financing risks in a rapidly evolving environment. Thanks to participation of European Commission and chairman of the MONEYVAL the workshop also outlined the direction of future trends in the field of combating terrorist financing. The subsidiary purpose of this workshop was to bring together the experts on combating terrorist financing to share their expertise and meet each other personally to strengthen personal contacts which can be effectively used within international cooperation.

The initiative *“Tundra here, tundra there”* (joint initiative of the NFP and the Krkonoše Mountains National Park Administration) was held from June to October 2016 consisting of two study trips of Czech specialist teams to Norway and one study trip of Czech specialist team to Iceland, study trip of Norwegian team to the Czech Republic, two-day international conference for 120 participants (19 – 20 October 2016) and issue of book, brochures, calendar and DVD related to tundra nature. This initiative followed up the project *“Krkonoše - man and nature”* that started the fruitful cooperation between Czech and Norwegian specialists from January 2015 to June 2016. Before these projects there was no cooperation between Czech and Norwegian national parks. These initiatives allowed Czech specialist to study best practice how Norwegian national parks are managed. Vice versa Norwegian rangers had a chance to visit Czech national parks and see how they manage tourism, ecological education, nature protection and sustainable development. Based on the first project *“Krkonoše - man and nature”* and continued by initiative *“Tundra here, tundra there”* the Czech partner prepares other projects that will deepen the Czech-Norway cooperation at nature protection and management of the national parks.

The NFP also organized three events related to the Public Health Initiatives (priority area for 2016): The international conference *“Beyond Stigma, Toward Equity”* related to the reform of the psychiatric care in the Czech Republic was held on 15 October 2016 and attended by 185 participants (incl. 4 foreign experts and 3 DPP representatives). The conference was open for public and was focused on how to overcome stigma related to mental illness in the society. Its aim was to present state of the art in stigma research worldwide and locally in the Czech Republic as a benchmark for future work toward decreasing stigma in Central and Eastern Europe. The conference has broad media cover as world-wide known psychiatrists and experts had their presentations.

The symposium *“Primary Prevention of Psychiatric Disorders”* related to the reform of the psychiatric care in the Czech Republic was held on 17 October 2016 for 50 experts (incl. 4 foreign presenters and 2 DPP representatives). The outcome of the symposium was to gain an understanding of the current state of the primary prevention of main psychiatric disorders in the areas of prenatal, perinatal and childhood period, substance abuse, impact of lifestyle and detection of suicidal activity. The presenters (foreign and Czech experts) together with the expert audience from health sector (ministries, hospitals and psychiatric clinics, insurance companies) also discussed the impact of prevention in comparison with the situation in selected European countries and proposed ways to improve the primary prevention of psychiatric disorders in the Czech Republic. During the symposium also the press conference was held.

The “*Czech e-Health Strategy Presentation and Appraisal Workshop*” was held on 8 December 2016 for 68 participants (incl. 4 foreign presenters and 2 DPP representatives). The purpose of the workshop was to present and assess the national eHealth strategy (approved by the Czech Government on 28 November 2016). The workshop reflected long-term preparatory activities of the Czech Ministry of Health including the series of joint activities on e-Health between the Czech Republic and WHO Regional Office for Europe. The document of the Czech e-Health National Strategy was translated into English and the international feedback of the strategy and implementation plans was added by renowned European experts as well as WHO specialists.

2.2.4 Risks of Bilateral relations

Unlike challenges in 2015, in 2016 all the funds allocated for open calls within the Fund for Bilateral Relations at National Level were successfully committed. Thus, the bilateral risk at the national level was largely diminished. On 26 October 2016 the National Focal Point therefore asked the FMO for reallocation of remaining funds from cancelled pre-defined project in CZ04 amounting to EUR 280,000 into the programme CZ01 – Fund for Bilateral Relations at National Level. Nevertheless, the request was refused by the donors on 22 November 2016.

At the programme level, bilateral risk in the form of insufficient demand for bilateral initiatives within the Bilateral Fund at Programme Level occurred in the programmes CZ02, CZ04, CZ11, and CZ14. The risk was evoked by lack of time and personal capacity to find a suitable donor partner institution or by low interest in the given programme area. In case of the programmes CZ04 and CZ11 the Programme Operator opened the open call for bilateral initiatives for all entities competent in the given programme area in line with the Regulation. Furthermore, the open calls were also prolonged – submission of applications until 31 July 2017, realization until 15 September 2017 – and revised in order to increase the attractiveness of the fund (increase of maximum grant, possibility of advance payment). The same mitigation measure will be applied for the programmes CZ02 and CZ14 at the beginning of 2017.

On the other hand, bilateral risk does not jeopardize implementation of the programmes CZ03, CZ06, CZ07 and CZ08. Reaching the allocation rate of 100,51% with EUR 171,404 being all awarded to 22 Measure “B” projects and 14 Measure “A” projects under the Fund for Bilateral Relations at Programme Level, programme CZ03 successfully diminished the bilateral risk. Transfer of unused funds from re-granting into bilateral fund occurred within the programmes CZ06, CZ07 and CZ08 thanks to great bilateral interest in the cultural, scholarship and CCS programme areas.

3 REPORTING ON PROGRAMMES

3.1 Overview of Programme status

Within the year 2016 all 15 approved programmes were in the implementation phase. In total **892 projects** (23 predefined projects, 679 projects from the open calls and 190 sub-projects from the small grant schemes) were supported and implemented (10 projects resigned from the realization of grant). Till August 2016, **769 projects (86 %)** finished their activities, out of it 4 predefined projects (including 1 cancelled predefined project in programme CZ04), 624 open call projects (the number also includes all projects from programmes CZ03, CZ07 and CZ09) and 141 small grant scheme projects.

In total 2 open calls were running in the Fund for Bilateral Relations at national level (both of them were closed in September 2016 due to the spent allocation) and 14 open calls in the Bilateral funds at

programme level (2 of them were closed due to the spent allocation and 4 calls were prolonged till July 2017 – CZ04, CZ06, CZ08 and CZ11). All calls for projects were finished already in 2015.

In line with the Regulation (Art 6.9), Programme Operators of programmes CZ04 and CZ09 realized the reallocation between projects in order to reach the higher absorption capacity in the programmes (Programme CZ09 – ensure the allocation of projects in social area, Programme CZ04 – use of remaining funds from the cancelled predefined project). POs launched 3 additional calls for additional activities within already approved projects in 2016 (1 call for projects in the programme CZ09, 1 call for projects in the programme CZ04, 1 call for SGS projects in the programme CZ04). All calls were successful and project promoters asked for additional activities in the projects.

In order to minimize the time risk the NFP asked for extension of 394 projects till April 2017. Within the year 2016 the Programme Operators of 12 programmes (except of CZ07 and CZ09) dealt with the individual requests for extension of the projects justified by Project Promoters. In total only 308 projects were prolonged (78 %) by Programme Operators, out of them major part, i.e. **212 projects** (69 %) were extended till the end of 2016 and only **96 projects** (31 %) were extended till 30 April 2017. Programme Operators closely monitor the extended projects (especially projects extended till 30 April 2017) to ensure that all project realization will be finished till April 2017. POs also indicate potential risks of total 3 projects (projects from programmes CZ10, CZ13 and CZ15) not to be completed till April 2017.

Financial overview of the programmes

Until 31 December 2016 the Programme Operators asked for the advance payments or reimbursements of actually incurred expenditure in the total amount of **101 841 464 EUR (ca 84,02 % of the total allocation, PRG co-fi excluded)**. The amount is based on reported and certified amounts in IFRs and is also in line with financial flows set in the Czech Republic. Within programmes CZ01, CZ07 and CZ09 where the pre-financing from the state budget is applied, the EEA/Norway Grants (actually incurred expenditure) are released in favour of the Programme Operators within 15 working days after the approval of the IFRs by the Certifying Authority (CA). However, most programmes receive funds (proposed expenditure) within 15 working days after the interim payments from the FMO reach the source account of the CA, as required in the Regulations. As a result, interim payments regarding IFRs certified in November 2016 were made by the CA to POs on 4 January 2017. In order to give precise information for the year 2016 these payments were also included in the table below.

Table: Payments disbursed by the CA to POs

PRG	Total eligible grant (without PRG co-fi)	Disbursed to POs		Disbursed to POs up to 31/12/2016 vs. Total eligible grant
		just in 2016	up to 31/12/2016	
CZ01	2 866 000 EUR	400 676 EUR	1 105 345 EUR	38,57%
CZ02	18 420 000 EUR	2 201 214 EUR	17 553 745 EUR	95,30%
CZ03	11 369 191 EUR	1 103 827 EUR	11 231 794 EUR	98,79%
CZ04	2 738 809 EUR	304 141 EUR	1 962 319 EUR	71,65%
CZ05	1 242 000 EUR	283 019 EUR	1 128 980 EUR	90,90%
CZ06	21 490 000 EUR	6 858 161 EUR	20 097 957 EUR	93,52%
CZ07	3 827 000 EUR	1 837 549 EUR	2 761 690 EUR	72,16%
CZ08	5 023 623 EUR	1 191 040 EUR	4 699 916 EUR	93,56%
CZ09	14 516 377 EUR	4 138 969 EUR	6 508 016 EUR	44,83%
CZ10	1 760 000 EUR	539 607 EUR	1 004 665 EUR	57,08%
CZ11	19 180 000 EUR	8 067 228 EUR	16 750 396 EUR	87,33%
CZ12	6 735 817 EUR	75 522 EUR	6 668 049 EUR	98,99%
CZ13	840 000 EUR	0 EUR	591 798 EUR	70,45%
CZ14	6 274 183 EUR	551 761 EUR	5 906 646 EUR	94,14%
CZ15	4 928 000 EUR	40 605 EUR	3 870 148 EUR	78,53%
Total	121 211 000 EUR	27 593 319 EUR	101 841 464 EUR	84,02%

Until 31 December 2016 the total amount of **76 431 516 EUR (ca 61,53 % of the total allocation including PRG co-fi)** was disbursed by Programme Operators. With the exception of the reporting period September-December 2016 (in case of CZ09 January-December 2016) – being currently verified by the CA – the expenditure has already been certified by the CA.

Table: Payments disbursed by POs

PRG	PRG allocation (PRG co-fi included)		Disbursed by POs just in 2016		Disbursed by POs up to 31/12/2016		Disbursed by POs up to 31/12/2016 vs. PRG allocation
	CZK	EUR	CZK	EUR	CZK	EUR	
CZ01	-	2 866 000	12 071 110	446 405	37 028 376	1 387 897	48,43%
CZ02	488 019 449	18 420 000	169 680 273	6 273 119	276 310 129	10 183 409	55,28%
CZ03	301 273 487	11 369 191	56 532 021	2 090 788	268 039 409	9 798 390	86,18%
CZ04	72 548 197	2 738 809	14 667 665	542 209	34 364 107	1 265 981	46,22%
CZ05	32 909 870	1 242 000	10 976 643	405 894	19 142 673	705 677	56,82%
CZ06	569 343 637	21 490 000	266 396 931	9 850 797	375 288 020	13 846 291	64,43%
CZ07	113 308 475	4 277 000	37 213 322	1 375 984	86 941 903	3 201 598	74,86%
CZ08	133 083 245	5 023 623	61 836 347	2 286 698	76 252 953	2 816 984	56,07%
CZ09	452 551 173	17 078 091	158 396 003	5 853 471	367 946 935	13 509 975	79,11%
CZ10	46 634 603	1 760 000	1 476 950	54 490	8 479 941	311 568	17,70%
CZ11	508 142 932	19 180 000	176 103 768	6 510 632	261 954 123	9 677 404	50,46%
CZ12	178 497 268	6 735 817	56 047 502	2 071 799	156 851 828	5 751 465	85,39%
CZ13	22 253 655	840 000	1 257 889	46 513	2 611 140	96 628	11,50%
CZ14	166 241 759	6 274 183	76 802 307	2 842 032	79 291 135	2 934 560	46,77%
CZ15	130 558 933	4 928 000	17 954 732	664 087	25 539 662	943 689	19,15%
Total	3 215 366 683	124 222 714	1 117 413 463	41 314 918	2 076 042 334	76 431 516	61,53%

Within the programmes programme management costs were disbursed (costs for project monitoring and verification of payments, publicity); also costs for bilateral activities were paid (Bilateral Funds at

programme level and Complementary Actions) and payments to Project Promoters were made (advance payments and payments based on the verification of incurred costs; in many cases final payments). The disbursement of Bilateral funds at programme level has considerably increased in some programmes in comparison to the year 2015 but still, a significant part of the allocated funds remains to be disbursed. The projects are financed ex-post after their approval by POs and this can cause a delay in reporting to the FMO.

The gap between disbursed funds to POs and actually incurred expenditure reported by POs has narrowed, but there are still programmes with substantial difference between these two quantities. More focus must be given on these programmes in the final phase of the EEA and Norway Grants implementation so that maximum of the allocated funds is used.

3.2 Individual Programme summaries

The status of the individual programmes is provided in detail in **Annex 1 – Status of the programmes**.

4 MANAGEMENT AND IMPLEMENTATION

4.1 Management and control systems

As the implementation phase of the EEA / Norway Grants 2009-2014 is under way now the capacity of the NFP as well as PO-Ministry of Finance is stable.

In relation to the cooperation with Programme partners (sectoral ministries), this cooperation is effective. The NFP is in intensive contact with the Programme partners and the cooperation goes on effective way. A good platform for communication is the Steering Committee meetings that are held twice a year and certainly the Cooperation Committee meetings.

In February 2016 the performance audit of EEA grants was carried out by the EFTA Board of auditors. The audit was focused on the national level (NFP, CA, AA) as well as programmes CZ04, CZ05, CZ06 and CZ07, incl. visits of selected projects. The NFP received final audit report.

In April 2016 the system audit of management and control systems for EEA/Norway Grants on the national level (NFP, CA, AA) was carried out by the auditors of Moore Stephens contracted by the FMO. There were findings identified and recommendations proposed at NFP, CA and AA responsibilities, no finding was significant one. The NFP, CA and AA are dealing with the follow up of the findings and recommendations in cooperation with the FMO.

Within the year 2016 the internal manuals of management and control system were updated: internal manual in programme CZ12 and internal manual updated by PO for programmes CZ02, CZ04, CZ05, CZ06, CZ08, CZ10, CZ11, CZ13, CZ14 and CZ15. In March and June 2016, the updates of the Guideline for applicants and final beneficiaries for the Fund for Bilateral Relations at national level were published on the website.

With effect from 1 July 2016 the CA issued an updated version of the *“Methodology of Financial Flows, Control and Certification of Programmes Financed from the EEA and Norwegian Financial Mechanisms in the 2009-2014 Programme Period”*. The most significant change was made in chapter 8 regarding irregularities as a consequence of the amendment of the Act No. 218/2000 Coll., on Budgetary Rules. As the issue of irregularities has become more significant during the year 2016 it was necessary to specify procedures for reporting and solving of various types of irregularities.

As concerns the complaints, the NFP received two complaints in 2016. Both complaints were related to the financial management of projects between the project promoter and donor project partner and were addressed to the FMO that requested the NFP to provide their opinion. In both cases the NFP examined the cases and answered to the FMO that no mismanagement was found.

As the main tool of the complaint mechanism the email box stiznosti-czp@mfcz.cz can be used. Received complaints and warnings are answered as soon as possible, and within 30 days at the latest.

Audits of management and control systems

In 2016 system audits at the Programme Operators of CZ03 and CZ07 were carried out. The audits were conducted in accordance with the Audit Authority Manual. The evaluated system shows shortcomings mainly in procedures for verifying double financing, procedures for treating irregularities and verifying public contracts during the implementation of FM 2 projects. Identified findings were only with low and medium significance without an impact on the MCS. The findings had no financial impact. The results of the system audits were published in the 2016 Annual Audit Report.

In relation to the requirements arising from the system audit of Moore Stephens the FMO developed the action plan for the findings of system audit. With respect to this plan AA updated the annual audit plan, which involved the system audits as required by the FMO action plan. The purpose of the system audits is to verify the management and control system at the extent of KR1-KR7.

In the subsequent audit period starting on 1st July 2016, the Audit Authority started the following system audits:

Audit No.	Audit name	Audited entity
FM2/2016/S/001	Verifying management and control system within FM EEA/Norway 2009-2014 at the Programme Operator CZ02, CZ04, CZ05, CZ06, CZ08, CZ10, CZ11, CZ13, CZ14 and CZ15	Ministry of Finance
FM2/2016/S/002	Verifying management and control system within FM EEA/Norway 2009-2014 at the Programme Operator CZ12	Open Society Fund Prague
FM2/2016/S/003	Verifying management and control system within FM EEA/Norway 2009-2014 at the Programme Operator CZ09	Ministry of Youth, Education and Sports

At present, auditing work is being carried out at the audited entities. The results of the system audits will be published in the 2017 Annual Audit Report.

4.2 Compliance with EU legislation, national legislation and the MoU

The new Act on Public Procurement No. 134/2016 Coll. came into force on 1 October 2016 implementing new EU Directives on public procurement. The act presents a different approach to the public procurement but brings some simplifications into the procedures. As only limited number of public procurements is planned in projects, the new act will have only limited influence on the implementation of EEA and Norway Grants.

The Civil Service Act No. 234/2014 Coll. came into force on 1 July 2015 and brought important changes into the personal policy at the Czech State institutions, i.e. the Ministry of Finance (NFP and PO for 10

programmes) as well as Ministries in the position of Programme partners. The employees were transferred to civil service positions at the end of 2015 or at the beginning of 2016. In case of leading employees (heads of units, directors of departments, deputy ministers), they passed through the selection procedure again during 2016 to be confirmed in their leading positions – this brings only minor personal changes into the implementation structures at partner ministries (within the Ministry of Culture the selection procedures will continue in 2017 and the potential personal changes are specific risk of the Programme).

Irregularities

Up to 31 December 2016 in total 53 cases of irregularities were discovered, of which 35 cases were discovered in 2016 and 37 irregularity cases have already been closed by the FMO. One irregularity case was reported immediately according to the Article 11.4 of the Regulation. It regarded the CZ11 programme (IR-0520).

The manner of irregularities related mainly to errors in payment claims as in the previous year, however, three cases of deviation from project contract were detected in contrast to the year 2015. Most cases of irregularities when the particular expenditure has already entered the IFRs are to be solved by reductions of eligible expenditure in next IFRs.

The table below shows 23 irregularity cases which represent new irregularity cases as well as cases which already occurred in the Up-date to the 2015 Strategic Report (cut-off date 31 August 2016), but have not been closed yet or were closed in the period September-December 2016.

The cases that were reported as closed in the Up-date to the 2015 Strategic Report are not included (in total 30 cases).

Irregularity No.	Nature of irregularity	Identified by	PRG	Status/Remedy
IR-0306	error in payment claim	PO	CZ06	On going. Non-eligible expenditure in the amount of 2 512 CZK was deducted in the 8 th CZ06 IFR and recovered to the PO. The amount of 14 851,20 CZK was recovered to the PO.
IR-0310	error in payment claim	AA	CZ09	On going. Costs of the state budget, non-eligible expenditure will be deducted in IFR.
IR-0370	error in payment claim	CA	CZ01	On going. The irregularity was not confirmed. The case can be closed.
IR-0371	error in payment claim	CA	CZ01	On going. Recovery of funds from the Project Promoter after confirmation of the amount by the Tax Office.
IR-0380	error in payment claim	PO	CZ02	On going. The case can be closed. Non-eligible expenditure in the amount of 295 004 CZK was deducted in the 9 th CZ02 IFR. The Programme Partner recovered the amount of 295 004 CZK to the PO. The amount of 551 CZK was deducted from the PP's payment claim.
IR-0395	error in payment claim	PO	CZ11	Closed. The amount of 4 672 CZK recovered by the Project Promoter to the PO. Non-eligible expenditure was deducted in the 9 th CZ11 IFR.
IR-0451	error in payment claim	CA	CZ11	Closed. The payment claim of the Programme Partner was lowered by 1 415,70 CZK.

Irregularity No.	Nature of irregularity	Identified by	PRG	Status/Remedy
IR-0493	error in payment claim	PO	CZ07	Closed. Non-eligible expenditure was deducted in the 9 th CZ07 IFR.
IR-0494	error in payment claim	CA	CZ15	On going. The case can be closed. The amount of 10 600 CZK was recovered by the Programme Partner to the PO.
IR-0495	error in payment claim	CA	CZ15	On going. The case can be closed. The amount of 3 648 CZK was recovered by the Programme Partner to the PO.
IR-0496	error in payment claim	CA	CZ08	Closed. The amount of 1 CZK was recovered by the Programme Partner to the PO.
IR-0497	error in payment claim	CA	CZ06	Closed. Non-eligible expenditure was deducted in the 9 th CZ06 IFR. The funds will be recovered by the Programme Partner to the PO.
IR-0498	error in payment claim	CA	CZ02	Closed. The amount of 49 801 CZK was recovered by the Programme Partner to the PO.
IR-0499	error in payment claim	CA	CZ02	Closed. The amount of 138 CZK was deducted in the 9 th CZ02 IFR.
IR-0520	deviation from project contract - immediate reporting	Program Partner	CZ11	On going. The case is under the Tax Office investigation with no existing conclusions so far.
IR-0525	error in payment claim	PO	CZ07	On going. Non-eligible expenditure will be deducted in IFR.
IR-0526	error in payment claim	PO	CZ11	On going. The Project Promoter will have to recover 100 % of the amount of irregularity.
IR-0527	error in payment claim	PO	CZ06	On going. The payment claim of the Project Promoter was cut down by 1 666 CZK. The non-eligible expenditure will be deducted in IFR.
IR-0528	error in payment claim	PO	CZ06	On going. The payment claim of the Project Promoter was cut down by 746 CZK. Non eligible expenditure will be deducted in IFR.
IR-0529	error in payment claim	AA	CZ06	On going. Non-eligible expenditure will be deducted in IFR. The Programme Partner will have to recover the amount of 3 600 CZK to the PO.
IR-0530	error in payment claim	PO	CZ06	On going. Non eligible expenditure will be deducted in IFR. The Project Promoter recovered the amount of 486 CZK to the PO.
IR-0531	deviation from project contract	PO	CZ02	On going. The amount of 674 820 CZK was reported in 9th CZ02 IFR as non-eligible. The Project Promoter recovered the amount to the Programme Partner.
IR-0549	deviation from project contract	PO	CZ03	On going. Non-eligible expenditure will be deducted from IFR. The PP will have to recover the amount of irregularity.

Detailed description of each irregularity case is included in **Annex 3**.

4.3 Audit, monitoring, review and evaluation

Audit Authority – audits of operations in 2016

In the reporting period, 30 audits of operations that were included in the Audit Plan for 2016 were carried out.

In the sampling, the AA selected expenditure at a total of CZK 96 967 492,00 for audit. Of that, as part of the audit, the AA checked on-the-spot the expenditure spent by beneficiaries at CZK 81 186 298,46. The percentage of audited declared expenditure out of the total eligible expenditure declared to FMO is 17.38%.

Based on audits of operations carried out in 2016, the AA auditors identified findings in total amount 361 759,66 CZK, which represents absolute error rate of 0,45 %. A system error and uncorrected anomalous error were not identified in the monitored period. Analysis and summaries of audit findings are included in the 2016 Annual Audit Report that was submitted to the FMO in December 2016.

Table: Summary of findings in audits of operations in 2016

Audit No.	PRG	Finding No.	Relevancy	Description of the finding	Total ineligible expenditure for the operation (in CZK)	Audited volume of support by sample (in CZK)
FM2/2016/O/003	CZ02	1	Low	Late payment of advance payments to beneficiaries of sub-projects	0.00	10,596,648.25
FM2/2016/O/004	CZ02	1	Medium	Inconsistency between the concluded contract for work and the tender specifications	92,617.00	3,983,836.00
		2	Medium	Wrong setting of the date for opening envelopes	102,038.00	
FM2/2016/O/015	CZ06	1	Medium	Uneconomical expenditure of the PP Ministry of Culture for translations into Czech	3,600.00	3,022,609.00
FM2/2016/O/016	CZ06	1	Medium	Ineligible expenditure	8,116.14	683,736.58
FM2/2016/O/017	CZ06	1	Low	Not publishing the Contract for Work	0.00	2,758,817.00
FM2/2016/O/021	CZ09	1	Low	Failing to meet the deadline for sending the payment to the project partner	0.00	1,134,336.00
FM2/2016/O/023	CZ09	1	Low	Failing to meet the deadline for sending the payments to the project partners	0.00	2,179,875.49
FM2/2016/O/028	CZ12	1	Medium	Non-transparent evaluation criteria	152,399.50	2,000,000.00
FM2/2016/O/030	CZ15	1	Medium	Wrong exclusion of the bid of the tenderer Andy s.r.o.	1,555.69	812,861.98

Audit Authority – Audit plan for 2017

AA will complete system audits which were launched in late 2016. This will complete the process of system audits of all programs. AA will carry out audits of operations in accordance with the 2017 Audit plan, see **Annex 4**. A detailed description of the 2017 Audit plan will be described in the Audit strategy for 2017.

Certifying Authority

The CA carries out each reporting period on-the-spot checks of PO's expenditure within programmes CZ03, CZ07, CZ09 (once a year) and CZ12. The expenditure of the PO = Ministry of Finance is checked by the CA each reporting period either within the Ministry of Finance or in the PO's information system CEDR. The primary aim is to check the PO's actually incurred expenditure relating to Management costs, Fund for bilateral relations, Complementary action and payments to Project promoters. These procedures proved effective and the CA will continue to apply them in 2017.

National Focal Point

NFP carried out the on-the-spot monitoring visits of 4 programmes (CZ03, CZ07, CZ09 and CZ12) in 2016. The monitoring visits were focused on the management of the programme and sample of projects (mainly 2 projects). NFP contracted the external company Deloitte to assist at the on-the-spot monitoring visits (providing the experts on the programme management and also experts on the programme area, e.g. NGO sector, education, research). The on-the-spot monitoring visits were carried out in the period from October till November 2016 and the reports will be finalised at the beginning of 2017.

The evaluation of all programmes is planned to be realised from the beginning of 2017 till June 2018. Each programme (except CZ01) will be individually reviewed and evaluated (evaluation report for each programme) and at the end the summary report of the EEA and Norway Grants in the Czech Republic will be elaborated. Programmes shall be evaluated based on the five evaluation criteria (relevance, efficiency, effectiveness, impact, sustainability) with respect to their outcomes and outputs as specified in the Programme Agreements. The recommendations for the next programming period will be a part of the evaluation reports. The tender for external company was launched on 2 September 2016 with the deadline for bids on 20 October 2016. The company Haskoning DHV was selected and the contract will be signed in January 2017.

4.4 Information and publicity

For providing information about the EEA and Norway Grants 2009-2014, the Ministry of Finance – as the National Focal Point and Programme Operator of 10 Programmes – uses websites www.eeagrants.cz and www.norwaygrants.cz where information (in Czech and English) on the EEA and Norway Grants 2009-2014, including the focus on individual programmes, in accordance with the Communication and Design Manual can be found.

Continuously the Programme Brochures are/will be prepared and published; they can be either download from the websites or read online. In 2016 the brochure about Programme CZ06 – Culture, PA 17 – Contemporary Art was prepared and published.

Based on the open tender procedure the Ministry of Finance signed on 19 July 2016 the framework contract for publication of articles in national-wide newspapers with the company Image CZ. Based on this contract and in cooperation with the Project promoters the articles informing the general public about EEA and Norway Grants and supported projects are prepared and published every month in the national-wide newspapers (Deník ČR, Právo) – in second half of 2016 in total 6 articles were published.

The NFP and the Royal Norwegian Embassy in Prague share the information about EEA and Norway Grants through the regular meetings and other channels – emails, newsletters, facebook. As a result of this communication the most important information are published also on their website and other channels.

Publicity and information are further spread and arranged by particular Programme partners who ensure everyday contact with grant applicants / project promoters, prepare and made presentations, establish webpages and ensure consultations of expert problems with foreign partners. They also publish reached results and common activities. Details on information and publicity activities are provided in **Annex 2**.

4.5 Work plan

National level

Action	Time period	Note
Meetings		
Monitoring Committee	15 March 2017	
Annual meeting	October 2017	
FMO regular meetings	Once in 2 months	
Regular meetings with POs	2.Q 2017 and 4.Q 2017	
Roma round table	Autumn 2017	
Publicity actions		
Web pages	continuously	
Publicity on Facebook, Twitter	continuously	
Promotional materials	continuously	

Programme level (EEA Grants / Norway Grants)

PRG	Action	Time period	Note
CZ02	Meetings		
	Steering Committee	2.Q and 4.Q 2017	
	Cooperation Committee	September 2017	
	Conferences		
	Closing conference of the programme	28 March 2017	
	Publicity actions		
	Brochure	March 2017	
	Web pages	continuously	
	Open calls		
Call for Project Promoters - Fund for bilateral relations at programme level – Measure B	Launch in January 2015, update in November 2015, open continuously (planned to be prolonged till July 2017)		
CZ03	Meetings		
	Regular Meeting	2.Q 2017	
	Conferences		
	Closing conference of the programme	2.Q 2017	
	Publicity actions		
Web pages	continuously		
CZ04	Meetings		
	Steering Committee	2.Q and 4.Q 2017	
	Conferences		

PRG	Action	Time period	Note
	Closing conference of the programme	June 2017	
	Open calls		
	Call for Project Promoters - Fund for bilateral relations at programme level – Measure B	Launch in January 2015, update in November 2015 and November 2016, prolonged till July 2017	
	Publicity actions		
	Web pages	continuously	
CZ05	Conferences		
	Closing conference of the programme	25 April 2017	
	Publicity actions		
	Web pages	continuously	
CZ06	Meetings		
	Steering Committee	2.Q and 4.Q 2017	
	Cooperation Committee	June 2017 / autumn 2017	
	Conferences		
	Closing conference of the programme	June 2017	
	Publicity actions		
	Web pages	continuously	
	Brochure – PA16	May/June 2017	
CZ07	Meetings		
	Regular Meeting	2.Q 2017	
	Cooperation Committee	2.Q 2017	
	Publicity actions		
	Web pages, Facebook	continuously	
	Activities supported by the Fund for Bilateral Cooperation at Programme level (videospots, poster exhibitions, publication, articles in media)	continuously	
CZ08	Meetings		
	Steering Committee	2.Q and 4.Q 2017	
	Conferences		
	Closing conference of the programme	October 2017	
	Publicity actions		
	Web pages	continuously	
CZ09	Meetings		
	Regular Meeting	2.Q and 4.Q 2017	
	Programme Committee	2.Q and 4.Q 2017	
	Publicity actions		
	Web pages	continuously	
CZ10	Publicity actions		
	Web pages	continuously	
CZ11	Meetings		
	Steering Committee	2.Q a 4.Q 2017	
	Cooperation Committee	2.Q a 4.Q 2017	
	PO meeting	30-31 March 2017	

PRG	Action	Time period	Note
	Conferences		
	Closing conference of the programme	23 February 2017	
	Publicity actions		
	Web pages	continuously	
	Brochure	February 2017	
CZ12	Meetings		
	Regular meeting	2.Q and 3.Q 2017	
	Publicity actions		
	Closing conference of the programme incl. complementary action	September 2017	
	Web pages	continuously	
	Open calls		
	Call for Project Promoters - Fund for bilateral relations at programme level – Measure B	open continuously	
CZ13	Open calls		
	Call for Project Promoter - Fund for bilateral relations at programme level – Measure B	Launch in February 2015, updated in November 2015 and November 2016 open continuously	
	Conferences		
	Closing conference of the programme	2.Q 2017	
	Publicity actions		
	Web pages	continuously	
CZ14	Meetings		
	Steering Committee	2.Q and 4.Q 2017	
	Conferences		
	Closing conference of the programme	9 March 2017	
	Publicity actions		
	Web pages	continuously	
CZ15	Meetings		
	Steering Committee	2.Q and 4.Q 2017	
	Cooperation Committee	2.Q and 4.Q 2017	
	Conferences		
	Closing conference of the programme	September 2017	
	Publicity actions		
	Web pages	continuously	

5 SUMMARY LIST OF ISSUES AND RECOMMENDATIONS

The National Focal Point identified lessons learned and recommendations for the future programming period of EEA and Norway Grants:

- **Spend less time on preparation and approval of the programmes**, have more time for the implementation of the programmes (projects).
- **Clear role of Programme Partners and DPPs from the start** – to define the role of the Programme Partner and DPP and their responsibilities from the beginning of the preparation of the programme.
- **Competencies of members of selection committees should be clearly given** at the national level by the NFP.
- Programme Operators should ensure that **one project contributes just to one programme outcome** in order to avoid possible financial discrepancies and allow for easier administration.
- **Project level information (PLI) in DoRIS** – requested information for the PLIs should have been known in advance (so that the application form for our electronic system is in compliance with the PLIs and then it is much easier to fill in the PLIs into DoRIS).
- **Using the IT system at the level of PO** – easy communication between PO and project promoter, all the document are available at one place and useful for controls and audits.
- **Evaluation of programmes** – within the longer period for the implementation of programmes and projects it is useful to plan also the mid-term evaluation (to have enough time for further steps based on the evaluation recommendations), not only the final evaluation of programmes.

6 ATTACHMENTS TO THE STRATEGIC REPORT

1. Status of the programmes
2. Publicity activities in 2016
3. List of irregularities – Detail description of irregularities
4. Plan of audits 2017, Monitoring and evaluation plan 2017
5. Risk assessment at the national and programme levels
6. Technical Assistance Annual Report 2016

ANNEX 1 – STATUS OF THE PROGRAMMES

EEA Grants / Norway Grants

Programme CZ02	Biodiversity and Ecosystem Services / Environmental Monitoring and Integrated Planning and Control / Adaptation to the Climate Change
overall progress - Programme implementation (incl. projects implementation)	<i>Implementation of 35 open-call projects, 1 pre-defined project and 47 small-grant-scheme projects continues. These are regularly monitored via monitoring reports and on-site controls realised by the Programme Operator. Overall, implementation of 27 open-call projects and 32 SGS projects were completed by the end of December 2016. Guideline for bilateral fund – measure “b” was updated, once in July, second in November 2016.</i>
progress towards expected outcomes of programme	<i>There has been progress towards three programme outcomes focused on publicity on biodiversity. Other planned programme outcomes will be fulfilled accordingly after all projects are completed and their final reports approved by the Programme Operator.</i>
Programme outputs achieved	<i>The programme has already met its planned target values in several programme outputs. Their indicators reached higher target value than planned in the Programme Agreement. The biggest progress is marked in the “Implementation of environmental monitoring programmes enhanced” output. Three outputs will not reach the planned target value at all due to absence of any realised project within these outputs.</i>
potential risks that may threaten the achievement of the objectives set out in the Programmes	<i>The Programme Operator continues in regular updates of the programme risk analysis. The level of importance of the information system risk decreased to the lowest level; two risks slightly increased – bilateral relation risk and legislation changes risk. No risks with high importance are presented in the programme.</i>
major deviations from plan (programme proposal)	<i>Two modification requests of the Programme Agreement connected to bilateral relation and its Guideline updates were submitted. No other modifications in the programme were realized or planned for 2017.</i>
the need for adjustments of programme plans, including actions for risk mitigation	<i>As mentioned above, modification of the Programme Agreement was requested. If the second modification is approved, the bilateral open-call will be updated.</i>
the use of funds for bilateral relations at programme level	<i>The open call for Bilateral Fund at programme level – measure B has been running since January 2015. The final beneficiaries, in roles of eligible applicants, submitted a total of 24 initiatives with total final disbursement in amount of 61 % of total allocation of the Fund. Two updates of the Guideline were published by the PO; first - broadening possible bilateral activities, second – including all entities actively involved in programme areas into eligible applicants.</i>

Programme CZ03	NGO Programme
overall progress - Programme implementation (incl. projects implementation)	<p><i>Throughout the year, the Programme Operator's main focus was on providing assistance to the Project Promoters interested in the project duration extension, offering assistance to Promoters with drafting the Final Reports and reviewing all submitted reports.</i></p> <p><i>Total of 229 out of 231 (two projects ended in 2015) supported projects under the Czech NGO Programme came to the end in 2016 and Promoters have submitted Final Reports.</i></p>
progress towards expected outcomes of programme	<p><i>Supported project activities together with the reached Programme outputs are progressively contributing to the expected Programme outcomes. In most cases there is already 100% reaching the target values of original expected programme outcomes indicators and in some cases values were several times higher than defined in the programme proposal.</i></p>
Programme outputs achieved	<p><i>There was already 100% reaching the target values of original expected PRG output indicators. Most of the indicators seem to be achieved more than plan. All projects selected under Open Calls have contributed to each of the Programme outputs.</i></p>
potential risks that may threaten the achievement of the objectives set out in the Programmes	<p><i>The risk analysis was updated in September 2016 (from August nothing has changed). The identified risks relate mostly to the overall Programme, hence not influencing only the selected specific outcome or output. In lots of cases the PO have succeeded to mitigate the identified risks during the reporting period (many risks thus obtained lower scoring).</i></p>
major deviations from plan (programme proposal)	<p><i>The extension of the final date of eligibility of individually identified projects until 30 April 2017.</i></p>
the need for adjustments of programme plans, including actions for risk mitigation	<p><i>The Addendums to the Grant Contracts were issued by April 2016 for total of 47 Project Promoters with the projects being extended individually but the latest to the end of August 2016. Every Promoter interested in the Project Extension submitted a written request.</i></p> <p><i>In the second half of 2016, all necessary administrative steps concerning the Czech NGO Programme extension were carried out. The Programme Agreement was modified in July 2016.</i></p>
the use of funds for bilateral relations at programme level	<p><i>In the area of Bilateral Cooperation, total of 4 projects were supported throughout 2016 under the ongoing call of the measure B. Due to the exhaustion of available allocation, on February 1, 2016 the second continuous call was closed. During the programming period, we were able to reach the allocation rate of 100,51% with 171 404 EUR being all awarded to 22 Measure "b" projects and 14 Measure A projects under the Fund for Bilateral Relations at the programme level in 2016.</i></p>

Programme CZ04	Children and Youth at Risk
overall progress - Programme implementation (incl. projects implementation)	<i>All projects under the programme except for the pre-defined project (PDP), i.e. two open call projects and eleven small grant scheme (SGS) sub-projects were under implementation in 2016. In January 2016 the Project Promoter of the PDP withdrew from the project contract due to political reasons. Funds from the cancelled PDP were partially distributed to 11 approved additional activities and to Bilateral Fund at Programme Level. National Focal Point's request for reallocation of funds amounting to EUR 280,000 into programme CZ01 was rejected by the FMO on 22 November 2016. Projects are regularly monitored via monitoring reports and on-site controls realised by the Programme Operator and the Operator of the SGS.</i>
progress towards expected outcomes of programme	<i>A significant progress towards programme outcomes was made in 2016. Programme Operator expects that all set programme outcomes related to open call projects and small grant scheme sub-projects shall be reached and some indicators shall be even exceeded. On the contrary, indicators linked to the pre-defined project were just partially fulfilled and shall not be reached at all.</i>
Programme outputs achieved	<i>All programme outputs except for the outputs relating to PDP were fulfilled in 2016 and some were even overreached. Output indicators connected to SGS sub-projects shall be overreached also due to approved additional activities in line with art. 6.9 of the Regulation.</i>
potential risks that may threaten the achievement of the objectives set out in the Programmes	<i>The Programme Operator regularly updates risk analysis to eliminate possible risks. Programme absorption capacity and specific programme risk – political ill will for adoption of new law for protection of children – turned out as the major risk factors in 2015 and also in 2016. Two other risk factors – bilateral relations risk and programme management – influenced development of the programme in 2016. Mitigation measures such as detailed monitoring, transfer of funds, increased publicity of bilateral fund and daily communication with SGS Operator were put in place.</i>
major deviations from plan (programme proposal)	<i>Several modifications of the programme were needed in 2016 in relation to the cancelled pre-defined project. The Programme Agreement was amended reflecting changes in programme budget and in Funds for bilateral relations. Funds from the cancelled PDP were partially distributed to 11 approved additional activities and to Bilateral Fund at Programme Level. National Focal Point's request for reallocation of remaining funds into programme CZ01 was rejected by the FMO on 22 November 2016.</i>
the need for adjustments of programme plans, including actions for risk mitigation	<i>As mentioned above, changes in Programme budget and in Funds for bilateral relations led to the modification of the Programme Agreement in December 2016.</i>
the use of funds for bilateral relations at programme level	<i>The open call for Bilateral Fund – measure B was revised in July and Dec 2016. No initiative was approved in 2016.</i>

Programme CZ05	National, Regional and Local Initiatives to Reduce Inter-group Inequalities and to Promote Social Inclusion
overall progress - Programme implementation (incl. projects implementation)	<i>The pre-defined project “Campaign against Racism and Hate Violence” was under realization during the year 2016. All the project activities finally started to bring the results especially thanks to successful closure of all the public procurements. The most visible part – nationwide media campaign Hate Free Culture – continued with focus on social media and local events. Other project activities such as researches, police educational activities, courses for school mediators and evaluation were under way. Realization of the pre-defined project is regularly monitored by the Programme Operator.</i>
progress towards expected outcomes of programme	<i>Significant progress towards the programme outcomes has been achieved in 2016; both programme outcomes will be reached until April 2017.</i>
Programme outputs achieved	<i>Almost all programme outputs were achieved. Indicators “Number of video spots aimed at young people under 25, aired nationwide”, “Number of researches conducted in socially excluded localities”, “Number of school with deeper cooperation and supervision” and “Number of special webpages created” were fulfilled. Programme Operator expects that all other indicators shall be fulfilled till the end of the project realization and some of them even overreached.</i>
potential risks that may threaten the achievement of the objectives set out in the Programmes	<i>The Programme belongs to the least risky programmes in the Czech Republic. The time risk was markedly minimised in 2015 and further in 2016 thanks to prolongation of implementation period until April 2017 and successful closure of all remaining tender procedures. A current potential risk factor is connected with programme absorption capacity – non-utilisation of all funds allocated for the programme, especially for the pre-defined project and for bilateral relations. Programme Operator will strive for maximum efficient use of funds within both programme components.</i>
major deviations from plan (programme proposal)	<i>No adjustments of the programme were made in 2016.</i>
the need for adjustments of programme plans, including actions for risk mitigation	<i>No adjustments of the programme were made in 2016.</i>
the use of funds for bilateral relations at programme level	<i>The “open” call for submission of grant applications for initiatives financed from the Fund for Bilateral Relations at Programme Level – measure B was revised on 7 December 2016. Purpose of the update was prolongation of period for submitting applications till 31 July 2017 and the period of realization till 15 Sep 2017. The international conference called “School for everyone” was successfully realized on 16 – 17 March 2016. In total, more than 150 participants were involved at least in one part of the conference.</i>

Programme CZ06	Cultural Heritage and Contemporary Arts
overall progress - Programme implementation (incl. projects implementation)	<i>23 out of 58 projects have been finished (PA17: 17 projects, PA16: 5 projects, 1 PDP), having their desired results achieved, and accepted as completed by the PO in 2016. Significant complementary action - the Meeting of Programme Operators of the PA16 was held in November 2016.</i>
progress towards expected outcomes of programme	<i>Achievement of Programme outcomes is in progress. Completed and ongoing projects in both areas are rightfully considered to have high potential to help the defined Programme outcomes to be achieved by April 2017.</i>
Programme outputs achieved	<i>Achievement of Programme outputs is in progress. Completed projects in the PA 17 (17 out of 30) have delivered high quality outputs in a variety of artistic disciplines in the area of contemporary professional arts, initiated a dialogue among artists, cultural players, professional and wide public and helped supporting cultural diversity and community coherence with the aim to remove negative social aspects.</i>
potential risks that may threaten the achievement of the objectives set out in the Programmes	<i>Risk to the Programme in terms of personnel destabilization with the Programme Partner management structures has been identified, potentially threatening other Programme areas of interest within the implementation, particularly its absorption capacity, bilateral relations and time aspects. Mitigating actions to be carried out in 2017 in order to secure the risk will not impede the achievement of the crucial operations and the achievement of desired Programme results.</i>
major deviations from plan (programme proposal)	<i>In 2016, the PO suggested 2 Programme modifications to enhance the impact of the Programme, both of which have been approved and formalised through an amendment of the Programme agreement. Project savings of completed projects were reallocated to the Fund for bilateral relations.</i>
the need for adjustments of programme plans, including actions for risk mitigation	<i>Actions put in place to address time risk include the use and constant update of IT system in order to secure speeding up administrative procedures including disbursement of funds and more effective communication among different stakeholders. Skills and qualifications of the PP representative will be attested for the sake of transparency and objective assessment during the investigation that is being conducted by the Ministry of the Interior.</i>
the use of funds for bilateral relations at programme level	<i>Based on the Programme modification approved in December 2016, the initial Bilateral Fund allocation has been increased from 1.5 % to 2.8 % of the total Programme budget. Funds under measure B are available through a rolling open call, open till July 2017. In total, 30 initiatives have been approved since the Open Call was launched in January 2015. Bilateral initiatives may be implemented at the latest till 15 September 2017 with the expenditures eligible till 15 October 2017.</i>

Programme CZ07	Bilateral Scholarship Programme
overall progress - Programme implementation (incl. projects implementation)	<i>In 2016, the CZ07 entered into the closing phase. –There were no more calls launched within regranting, focus has been put on monitoring, controls, bilateral relations and results dissemination. The scope of activities supported within the Fund for bilateral relations (BF) was extended via amendment of the PA. The PO has closely cooperated with DPPs. Until December 2016, all projects final reports have been submitted to the PO and the Closing Conference was organised on 7 December, 2016.</i>
progress towards expected outcomes of programme	<i>Substantial progress was made in 2016. The indicators have been mostly reached and even overfilled, especially regarding Outcome 1, “Increased higher education student and staff mobility ...” (91 HE staff exchanges/target 49, 99 students received ECTS credits/target 92). As concerns the Outcome 2 – “Increased and strengthened institutional cooperation at all levels of the education sector ...”, 56 joint products were delivered (target 45) while evidence for future cooperation has been provided in 7 cases (target 14) and more evidence is expected after final check of reports.</i>
Programme outputs achieved	<i>Within Outcome 1, the indicator “Number of mobility project applications received by the PO” was 39 (target 44), the indicator “Number of promotional events ...” achieved the value of 93 (target 69) at PRG as well as project level. Within Outcome 2, the output “Mobility Programme for institutional ...” is illustrated by 60 project applications received (target 51) and 137 promo events (target 87) organized. As to joint projects, there were 23 bilateral partnership agreements concluded (target 12), but less projects implemented (14 /38 target).</i>
potential risks that may threaten the achievement of the objectives set out in the Programmes	<i>The anticipated risks went down in the advanced period of implementation. The risks of absorption capacity, commitment and disbursement were mitigated. Also the communication risk has been decreased and the regular meetings with the NFP /open communication with DPPs (webinars) proved to be beneficial. The PO successfully coped with the risk of administrative capacity, which comes to the fore in the closing phase.</i>
major deviations from plan (programme proposal)	<i>The Programme schedule had been well-adjusted to the shortened implementation period, no deviations reported. In 2016 the PA was slightly modified to address broader target group for participation at bilateral events / seminars financed from the BF.</i>
the need for adjustments of programme plans, including actions for risk mitigation	<i>Structure of calls and publicity had been adjusted previously to recuperate the start delay. The BF definition was modified to enable more applicants to participate. No further adjustments expected.</i>
the use of funds for bilateral relations at programme level	<i>The PO organized events to share experience and to encourage potential applicants to participate (evaluation seminar in Brno, 3 study visits to Norway and Iceland, closing conference Praha) and participated at the Outreach event in Brussels, POs meeting in Bergen and at NFP Mid-term Conference in Praha. The CoC met regularly (twice).</i>

Programme CZ08	Pilot studies and surveys on CCS technology
overall progress - Programme implementation (incl. projects implementation)	<i>The CZ08 PRG (PP- MoE) is by end of 2016 in the closing phase, 3 of 4 projects have successfully just finished. The very last remnant from re-granting (115 902 EUR) was transferred into the Fund for bilateral relations (BF) in mid-2016. The increased BF is still open (till 31/7/2017) and absorption of the funds is expected as the CCS community is highly motivated in bilateral networking and sharing experience on international basis, as proved by 10 realized BF initiatives up to now.</i>
progress towards expected outcomes of programme	<i>The indicators of the 2 outcomes – “Completed surveys ...on CCS” (3 projects) and “Increased knowledge of staff ...and awareness of public in CCS” (1 project) - can be reported and assessed after completion of the Programme in 2017.</i>
Programme outputs achieved	<i>The output indicators are in good progress although they cannot be reported as achieved yet as the evidence shall be provided in project completion reports (PCRs) in 2017. - The Output 1 should be reached by at least 3 analysis (10 contracted, 0 reported up to now), the Output 2 by at least 5 awareness events (8 contracted, 18 overfilled). The interim monitoring and on-spot checks of finishing projects allow confirming of overfilling the indicators values.</i>
potential risks that may threaten the achievement of the objectives set out in the Programmes	<i>The main PRG risk was the limited time for implementation of projects. Although 3 of 4 projects had been extended by additional activities covered by supplementary grants, thanks to prolongation the risk was mitigated, and 3 projects have been duly completed till the end of 2016. As to the absorption capacity risk, the last remaining re-granting amount was transferred to the BF and made available for the still running Call for bilateral initiatives.</i>
major deviations from plan (programme proposal)	<i>The Programme launch was delayed at the start by more than 1 year. In the Open Call 2014 only 2/3 of means were allocated, the 1/3 was reallocated to the CZ09 Programme. The still remaining re-granting means were allocated via an addressed Call (mid 2015) into 3 running projects, the projects were prolonged and the very last re-granting remnant 115 902 EUR transferred to the BF in mid-2016 (still available till 31/7/2017).</i>
the need for adjustments of programme plans, including actions for risk mitigation	<i>No further adjustments are expected except a minor final transfer in the planned budget (savings from the Complementary action may be transferred to the BF, if relevant, in early 2017).</i>
the use of funds for bilateral relations at programme level	<i>After the proportional decrease of the BF to 75 283 EUR (due to reallocation to CZ09) the BF was strengthened again by 115 902 EUR from the finally remaining regranting rest (in mid-2016). The funds are available till 31/7/2017, the initiatives shall be under implementation till 15 September 2017. Up to now, 10 initiatives were realized and further ones from the Call are planned for 2017.</i>

Programme CZ09	Czech-Norwegian Research Programme
overall progress - Programme implementation (incl. projects implementation)	In 2016 all 23 supported projects were duly under implementation towards reaching the outputs/indicators. The final remaining re-granting means were distributed among Social and Humanities (S&H) projects pursuant Art. 6.9 of the Regulation, however, complying with the PA condition of 20% of funds into S&H was not reached. The very rest was transferred into the BF (PA amendment in mid-2016). On 18/7/2016 the PO launched an Open Call for initiatives from the Bilateral fund (Measure B - BFB) which remains open till 20/1/2017, 34 applications submitted in 2016. - 4 audits (AA, NFP, Deloitte) repeatedly confirmed well-processed administration of CZ09 in 2016.
progress towards expected outcomes of programme	The Outcome indicator "Number of cooperating research institutions ...in supported projects" (target value 50) has reached its final value (43 institutions within 23 projects, 26–CR, 17–NO), however, some institutions are involved repeatedly but counted as one occurrence.
Programme outputs achieved	The Outcome is composed of 3 outputs. The targeted 40 supported projects cannot be reached with 23 finally supported ones but 12 bilateral initiatives (supported from the BF up to now) have increased the indicator to 35. The indicators aimed at young and female researchers shall be fulfilled. The number of internationally referred scientific publications (40) – will be known after completion of projects, the estimate based on the current 31 is very good.
potential risks that may threaten the achievement of the objectives set out in the Programmes	As the main risk the PO personnel capacity still persists – several fluctuations took place and since late 2016 the team is stable again. Smooth communication with the NFP proceeded duly (2 meetings). – Unexpected problems with the National Information System of RD&I occurred, the system malfunctioned 6 months (June-November 2016) and caused that the launch of the BF Call was delayed by 45 days, as well as additional payments etc.
major deviations from plan (programme proposal)	The remaining funds from the single Call 2013 have supported S&H additional activities via an addressed call to running projects (337 849 EUR in total). The very remainder from all headings has been transferred to the Bilateral fund and made available in the open call (till 20/1/2017).
the need for adjustments of programme plans, including actions for risk mitigation	The projects implementation went to completion under tense time schedules. Proper monitoring is the most effective tool for risk mitigation. The PO undertook 7 on-spot visits incl. consultations and 2 financial controls.
the use of funds for bilateral relations at programme level	The BF was increased by unspent rests of 449 913 EUR from other budget headings. On 18/7/2016 the PO launched the Open Call for initiatives from the Fund (Measure B – BFB). 34 applications submitted, 12 supported. The means shall be accessible till 20/1/2017. – In June 2016, the PO attended a workshop for POs organized by the RCN (DPP) and the annual conference at the European Association of Research Managers and Administrators in Lulea, Sweden.

Programme CZ10	Capacity Building and Institutional Cooperation with Norwegian public institutions, local and regional authorities
overall progress - Programme implementation (incl. projects implementation)	<i>Overall, Component 1 of the Programme, which was terminated in July 2016, may be rated as highly satisfactory in terms of achievement of its objectives and effectiveness. The Feasibility Study, critical pre-condition for the approval of Component 2 that should have been delivered within Component 1 was finally also procured and delivered. Component 2 was approved by the PO for financing in October 2016, however is in its critical path at this stage (see risks below).</i>
progress towards expected outcomes of programme	<i>Over 750 participants representing not only three originally planned institutions, but also other key stakeholders from the public, private and non-profit sector attended workshops, conferences, seminars and expert meetings. This enabled incorporation of key elements and involvement of relevant stakeholders for efficient practice and enforcement of newly proposed legislation or had positive leverage effect.</i>
Programme outputs achieved	<i>The indicator related to the number of staff trained within the Programme was exceeded by more than 100%. Three conferences wrapping-up key achievements in the area of the criminal liability of legal persons, the recovery of assets and funding of election campaigns took place. Two studies that were supposed to assist as background materials for legislative and non-legislative papers were finalised and published.</i>
potential risks that may threaten the achievement of the objectives set out in the Programmes	<i>The time schedule of Component 2 is in its critical path and provided that the tender for SW is not launched by mid-February 2017 and further pre-conditions as to requested SW are not met, it is highly probable that provision of Art. 7.14.6 of the Regulation shall be mobilised. In such case, the PO shall set realistic deadline for the finalisation of Component 2 so as to achieve its expected outputs even after the final eligibility deadline of the Programme on the costs of national budget.</i>
major deviations from plan (programme proposal)	<i>As described above the major deviation from plan relates to delayed procurement of HW and SW within Component 2.</i>
the need for adjustments of programme plans, including actions for risk mitigation	<i>In 2016, two programme modifications were proposed and approved. A) Reallocation of funds from Complementary Action to the Fund for bilateral relations. B) Modification of Annex II to the PA no. 2 enabled organisation of the two-day international workshop “Facing the challenges in combating terrorist financing”.</i>
the use of funds for bilateral relations at programme level	<i>International workshop attended by high-ranking officials of most of the European financial intelligence units, police or public prosecutor’s offices was organised on 20th – 21st September 2016. Whole allocation was spent.</i>

Programme CZ11	Public Health Initiatives
overall progress - Programme implementation (incl. projects implementation)	<i>In 2016, implementation of 54% projects was finished. They are regularly monitored via monitoring reports and on-site controls realised by Programme Operator (PO). An open call for Bilateral fund – measure B (BFB) was updated twice in 2016 and its allocation has been increased.</i>
progress towards expected outcomes of programme	<i>Outcomes' indicators have been already reached or overreached. There were reported 4 226 patients benefiting from the improved mental health services. There was also reported realization of 2 activities leading to the reduction of child injuries, 10 947 children benefiting from the improved preventive activities and 11 activities leading to both the improvement of diagnostics of rare diseases and the care for patients with rare diseases.</i>
Programme outputs achieved	<i>Outputs will be reached mostly at the end of projects implementation. However, within the output Comprehensive rehabilitation system in the mental hospitals implemented it was reported that indicator reached value 16. There were 34 programmes focused on the de-institutionalization and de-stigmatization created and implemented by NGOs. Indicator of the output Primary and secondary prevention focused on reduction of after effects of diseases, injuries and health problems in child age developed reached value 25. Thus, several outputs have reached higher target value than was planned in the PA. Output "NGO activities in the field of care for children and the area of care for patients with rare diseases developed" reached value 6.</i>
potential risks that may threaten the achievement of the objectives set out in the Programmes	<i>The PO regularly updates risk analysis to eliminate possible risks. No risks with high importance are presented in the programme. However, there was detected a risk of delays in the process of interim reports control of sub-projects under the Small Grant Scheme (SGS). As a mitigation measure, there were hired two external employees for reports control. Extension of projects' implementation was a suitable measure in order to mitigate the time risk.</i>
major deviations from plan (programme proposal)	<i>On 20 May 2016 National Focal Point has approved reallocation of 111 105,55 EUR among budget headings. Final budget for SGS psychiatric care has increased to 3 217 467, 84 EUR in lines with exception to Article 5.6 under the Regulation approved by the FMO. Furthermore, other changes such as transfer among budget headings and increase of the allocation for Bilateral fund were approved by the FMO by letter on 27 October 2016.</i>
the need for adjustments of programme plans, including actions for risk mitigation	<i>The call for bilateral funds was modified to enable more applicants to participate; its allocation has been also increased. No further adjustments are expected.</i>
the use of funds for bilateral relations at programme level	<i>In 2016, 7 initiatives were approved and implemented. Allocation of bilateral fund was increased to 407 317 EUR.</i>

Programme CZ12	Mainstreaming of Gender Equality and Promotion of Work-Life Balance / Domestic and Gender-based Violence
overall progress - Programme implementation (incl. projects implementation)	<i>There were 55 supported projects in total from the programme in the amount of € 5 740 824, out of which 28 projects targeted equal opportunities for women and men and 27 projects targeted domestic and gender-based violence. Throughout the year, the Programme Operator's main focus was on providing assistance to the Project Promoters interested in the project duration extension, offering assistance to Promoters with drafting the Final Reports and reviewing all submitted reports. Total of 55 supported projects under the Programme came to the end in 2016 and Promoters have submitted Final Reports.</i>
progress towards expected outcomes of programme	<i>Although the interest of the Applicants in the programme's outcomes have differed since the beginning of the programme, the outputs of the programme are more or less successful and all the selected projects contribute to the programme outputs, as well as being in line with the expected programme outcomes.</i>
Programme outputs achieved	<i>All the projects were in line with the expected programme outcomes and have regularly contributed to established programme outputs. The projects' prolongation was beneficial in many ways; mainly it helped to complete the activities over a longer time period and to focus on successful activities and their publicity. Moreover, project monitoring shows that some projects exceeded expectations and their defined outputs were expanded.</i>
potential risks that may threaten the achievement of the objectives set out in the Programmes	<i>The risk analysis was updated in December 2016. All the possible risks identified within the cohesion (programme) outcomes were diminished in 2016. The most significant risks are reaching outcomes at project/programme level. But due to the option of the extension of the projects this risk is eliminated.</i>
major deviations from plan (programme proposal)	<i>Several proposals for modification of the Programme Agreement were sent to the FMO. These changes had no major impact on the final programme proposal.</i>
the need for adjustments of programme plans, including actions for risk mitigation	<i>In the 2016, all necessary administrative steps concerning the Programme extension were carried out. The Programme Agreement was modified in September 2016.</i>
the use of funds for bilateral relations at programme level	<i>To date, there were 22 applications submitted for the Fund for Bilateral Relations (measure B) in total. Out of which 13 projects were accomplished, 6 are being implemented or being evaluated and 3 applications were refused. In addition, the PO organised a second study visit for Czech experts to Norway in cooperation with the Norwegian NGO Alternative Til Vold and the Equality and Anti-discrimination Ombud (LDO). This provided a platform for the exchange of knowledge and best practices in preventing and combating gender-based violence for more than 20 experts from the Czech Republic.</i>

Programme CZ13	Domestic and Gender-based Violence / Mainstreaming of Gender Equality and Promotion of Work-Life Balance
overall progress - Programme implementation (incl. projects implementation)	<i>Main activities were much delayed especially in the first half of the implementation year 2016, but Programme CZ13 has progressed very significantly during the second half of the year and it can be assessed that many activities have been gradually leading to reach the main Programme outcomes. In July 2016 the Action Plan for Balanced Representation of Women and Men in Decision-making Positions for the Years 2016 – 2018 was adopted by the Czech Government. On 25th November, the media campaign within the Norway grants 2009-2014 and Programme CZ13 was launched. The media campaign is focused on two issues in compliance with Programme Areas.</i>
progress towards expected outcomes of programme	<i>Programme CZ13 progressed and about 67 % of indicators are achieved in 2016. Both outcomes (Balance between work, private and family life improved and Domestic violence reduced) will be achieved with completion of pre-defined project in 2017.</i>
Programme outputs achieved	<i>In 2016 the following activities were realized: public speech hearing of the Czech delegation at the meeting of UN Committee on the Elimination of Discrimination against Women (CEDAW), approval of The Action Plan for Balanced Representation of Women and Men in Decision-making Positions for the Years 2016 – 2018, launching of the media campaign, participation of the Czech delegation at the 60th session of the Commission on the Status of Women, signing the Council of Europe Convention on Preventing and Combating Violence against Women and Domestic Violence and publishing some theoretical studies and surveys.</i>
potential risks that may threaten the achievement of the objectives set out in the Programmes	<i>Two main risk factors causing the significant delay in implementation were identified: complicated administration process of public procurements and personal changes at the Gender Equality Unit. Another new emerging risk factor is related to financial absorption of programme CZ13 and Fund for bilateral relations.</i>
major deviations from plan (programme proposal)	<i>The Programme is delayed by about 1.5 year regarding the original schedule in the FPP.</i>
the need for adjustments of programme plans, including actions for risk mitigation	<i>In 2016, the extension of programme and PDP was approved by FMO and PO. Bilateral Fund at the Programme level – Measure B (BFB): there was widen the scope of eligible applicants on all Czech entities and entities in the Donor States and international organizations, within the relevant programme areas.</i>
the use of funds for bilateral relations at programme level	<i>The Third Call for Proposals within Bilateral Fund at the Programme level – Measure B (BFB) was launched on 23 November 2016. The call is still ongoing. There has been submitted one application so far.</i>

Programme CZ14	Schengen Cooperation and Fight Against Cross-border and Organized Crime, including Illicit Trafficking and Itinerant Criminal Groups
overall progress - Programme implementation (incl. projects implementation)	<i>All pre-defined projects were in full implementation in 2016. Some of the projects (PDP5, PDP3) were technically finished by the end of the year. The original extent of the projects was fulfilled, all public procurements were completed. Additional activities (PDP1, PDP2, PDP4, and PDP6) are to be carried by 30 April 2017.</i>
progress towards expected outcomes of programme	<i>All Programme outcomes were fulfilled, 2 out of 3 outcomes were even exceeded – number of travellers controlled by eGates (target 340 000, currently 1 000 000), eGates in operation (target 10, currently 17).</i>
Programme outputs achieved	<i>Related to the Programme outputs, all of them were fulfilled in 2016, except for one – 40 out of 50 police officers took part in work visits, 10 police officers will take part in the first quarter of 2017.</i>
potential risks that may threaten the achievement of the objectives set out in the Programmes	<i>At the beginning of the Programme realization period, the procurements (tender procedures) were identified as the main risk. All major public procurements were completed, therefore the risk exists no longer. There are a few minor tenders related to the additional activities which will be completed by 30 April 2017. The objectives set out in the PA will be accomplished.</i>
major deviations from plan (programme proposal)	<i>A major (and the only one) deviation consists in the prolongation of the project implementation period of all projects within the Programme until 30 April 2017.</i>
the need for adjustments of programme plans, including actions for risk mitigation	<i>There is no major need for adjustments anymore. The PDPs are being implemented according to the plan after the prolongation of the implementation period. A very minor amendment to the Programme Agreement is expected – a transfer of EUR 18 000 from the Complementary Action to the Bilateral fund, measure B (BFB).</i>
the use of funds for bilateral relations at programme level	<i>The call for proposals for grants under the Fund for bilateral relations, measure B (BFB), was announced in February 2015. 3 BFB applications (and one draft of an application) were accepted by the Programme Operator during 2016. The applications (all of them submitted by the PDP4 Project Promoter) were approved and 4 activities in 3 initiatives were realized by the end of 2016. A new BFB open call with amended rules (extended range of potential applicants, the increased grant amount, transfer of funds from the Complementary Action,...) will be announced in March 2017 so the funds are fully spent.</i>

Programme CZ15	Capacity Building and Cooperation in Justice / Correctional Services including Non-custodial Sanctions
overall progress - Programme implementation (incl. projects implementation)	<i>All projects were extended till 04/2017 in order to remedy delays or to allow for use of savings. Soft and hard activities have been in progress except for PDP6 where complications with tendering of construction works occurred and it is more than likely that its objectives will be fully achieved only after 04/2017. Other PDPs shall be successfully finished in line with set time schedules.</i>
progress towards expected outcomes of programme	<i>Even though delayed implementation of PDPs slowed down fulfilling of Programme outcome indicators, development in 2016 proved that the potential of their successful achievement is high. The outcome “Number of prisoners participating in programme aimed at assisting vulnerable groups in prisons” has already been fulfilled and even exceeded. The outcome “% of prisons where the conditions of treating inmates were improved” will be achieved after finalisation of PDP6, approx. in 06/2017.</i>
Programme outputs achieved	<i>There has been significant progress in fulfilment of Programme outputs as compared to 2015, several outputs have been fulfilled or even exceeded within PDP1, PDP2 and PDP3. As for PDP4 - 7 the outputs can be fully achieved only after completion of construction works and deliveries.</i>
potential risks that may threaten the achievement of the objectives set out in the Programmes	<i>The risk analysis was updated in December 2016. The main risk has remained the time risk, mainly for PDP6. One of the risk mitigation measures that will presumably have to be applied is extension of deadline for project completion beyond 04/2017. Situation within the project negatively influenced also the specific Programme risk, unsuccessful public procurement showed to be a bottle neck in smooth implementation of projects.</i>
major deviations from plan (programme proposal)	<i>As regards the substantive content of the Programme, no deviations have been identified so far and projects implementation gradually leads to fulfilment of objectives set in the programme proposal.</i>
the need for adjustments of programme plans, including actions for risk mitigation	<i>The new version of Annex I and II to PA reflecting the extension of final eligibility date of all PDPs till 04/2017 entered into force in 01/2016. Further adjustments of Programme are envisaged in 2017 – reallocation of funds from unfinished projects to Bilateral fund and extension of PDP6 beyond deadline for eligibility of expenditures. Adjustments should mitigate the risk of low drawing of funds and failure to achieve Programme objectives.</i>
the use of funds for bilateral relations at programme level	<i>The Guideline for Bilateral Fund – Measure B (BFB) has been updated and the BFB was extended till 10/2017 (deadline for eligibility of expenditures). 3 initiatives were realised in 2016 and approx. 80% of allocation was drawn. Possibility to increase BFB allocation from project savings was discussed with FMO, DPP and project promoters.</i>

ANNEX 2 – PUBLICITY ACTIVITIES IN 2016

In 2016 several Projects Closing and Press conferences were held. The Ministry of Finance – the NFP and Programme Operator communicate with Programme Partners and Project partners and attend some of these conferences as an opportunity to monitor the supported projects. These events are opportunities to take photos and write articles which are published on the website (www.eegrants.cz and www.norwaygrants.cz) and through the social media, mainly through Facebook. These are important materials that gave an opportunity to compare the results of the implementation of the projects and have the big value for the publicity of EEA and Norway Grants.

Table: Attendance analysis of websites for period 1 January – 31 December 2016

Number of sessions	Number of users	User's Country	The busiest days	Avg. session duration
51 509	26 727	Czech Republic 90,60%	18 January 2016 – 762 sessions	2 min 32 s
Avg. number of pages visited per session	Returning visitors	Norway 2,05%	19 January 2016 – 335 sessions	
3,74	50,4%	Slovakia 1,55%		

As the example of the cooperation with Project Promoters the Ministry of Finance publish the articles about supported projects in two national-wide newspapers (Deník ČR and Právo). At least one article has been published every month. First article was published in August 2016 and in total 6 articles were published in 2016 (CZ14, CZ11, CZ04, CZ01, CZ06 – twice).

The Ministry of Finance, as the NFP and PO, also uses social media (Facebook) for promotional purposes where information is added continuously, including photos and video recordings. This mainly involves information relating to prepared/completed events, etc. The Facebook page has little over 1 thousand followers.

The email box czp@mfcz.cz, is also an important communication tool, and is used by many potential applicants (the general public, potential applicants etc.) to address their questions.

The NFP and PO – Ministry of Finance is supplied with the promotional materials with EEA and Norway Grants logos (notebooks, bags, paper folders and pens), which are used in seminars, conferences and workshops as part of the promotion of the EEA and Norway Grants.

Publicity activities within programmes (Programme Operator / Programme Partner) EEA Grants / Norway Grants

Programme CZ01 – Technical Assistance and Fund for Bilateral Relations at national level (Ministry of Finance / NFP)

There are no more funds available within the Fund for bilateral relations at national level. However, the 3rd Call may be re-opened again after a re-calculation of savings within the Programme CZ01. The

Ministry of Finance – National Focal Point shall inform all potential applicants about this re-allocation via its website.

Programme CZ02 – Environment (Ministry of Finance / Ministry of Environment)

Several Conferences about Environment and its protection were held during 2016. The Conferences mainly became the forum for the exchange of scientific knowledge and practical experience.

Lots of projects made an entertaining and instructive websites, which are announced on NFP Facebook/website.

Programme CZ03 - Non-Governmental Organizations (Civil Society Development Foundation)

More information about the Programme and Project outcomes has been publishing on website: <http://www.fondnno.cz/en/>. The same website has also the calendar, where information about projects cultural and media events as exhibitions, concerts or press conferences and interviews have been regularly updated.

Most of the projects within this Programme have been finished already. Programme and Project information were published in many online and printed media.

Programme CZ04 - Children and Youth at Risk (Ministry of Finance / Ministry of Labour and Social Affairs)

General information are published through the programme partner's national campaign "*The Right to Childhood*" administered by the Ministry of Labour and Social Affairs.

An article about project "*Children and Youth at Risk in the Zlin region*" was repeatedly published in national-newspaper "Deník ČR" in December 2016 and had a great media response.

Also the 2nd Call for applications from the Fund for Bilateral Cooperation at programme level was open in July 2016. That means, all entities competent in the programme area Children and Youth at Risk can apply for a bilateral initiative financed from the Fund.

Programme CZ05 - National, Regional, Local Initiatives to Reduce Inter-Group Inequalities and to Promote Social Inclusion (Ministry of Finance)

International conference *School for Everyone*, was held in Prague on 16-17th March 2016 and had a great media success.

Programme CZ06 – Culture (Ministry of Finance / Ministry of Culture)

The cultural programme, supported by EEA and Norway grants, is very rich – involves performances, exhibitions, concerts, visits of cultural heritage etc. The invitations on these actions have been posted through Facebook. NFP always try to make clear the connection between the EEA grants and each of the cultural activities.

First meeting of the Programme operators within the area of „*Conservation and Revitalization of Cultural and Natural Heritage*“ was held in the Czech Republic in November 2016. One of the projects, an illustration of the long-term results of the funding, was visited during the meeting. This project received support from the EEA Grants 2009-2014 to revitalize the Column Hall of the Český Krumlov Castle and change it to a Study Centre for education and research.

The article about the Programme operators meeting and reconstruction of the Column Hall was published in "Deník ČR" in November 2016.

Culture Programme attracts a lot of public and media attention. Many Project promoters organized press conferences to inform the media and general public about their project activities – e.g. the official opening of the reconstructed Svijany castle in late June 2016 and many others.

The Brochure under the Programme Area 17 was created and is available online on www.eegrants.cz

Programme CZ07 - Scholarship Programme (Dům zahraniční spolupráce - Centre for International Cooperation in Education / Ministry of Education, Youth and Sports)

The workshop "*Challenges in teaching mathematics to future engineers*" took place at Brno University of Technology during February 2016.

The seminar on the topic "*Environmental Issues in Bilateral Cooperation in Education*" took place on 28th April 2016 in Brno. The target group of the seminar were the beneficiaries within the Scholarship Programme in the Czech Republic (CZ07) and other representatives of institution in the Czech Republic and the Donor States.

Three study trips for beneficiaries and other representatives of institutions within CZ07 (EEA and Norway Grants) were realised in 2016 in order to both deepen the existing institutional cooperation and start new forms of cooperation between educational institutions of Norway and the Czech Republic. Two visits headed to Norwegian universities (Bergen, Trondheim), one to schools in Island.

There were several seminars or information meetings focused solely on EEA and Norway Grants.

Several poster exhibitions of successful projects took place in various Czech regions (Liberec, Pardubice, Prague).

The Closing Conference CZ07, including cultural side-events, was held on 7 December 2016, with the participation of Norwegian and Icelandic project partners and the participation of the DPP. The invitation for the conference was spread through a videospot, among other ways. Participants received calendars for 2017 with the description of one successful project for each month.

There were 11 articles published in the media, both online and printed, promoting the Norway/EEA Financial Mechanism.

Programme CZ08 - Carbon Capture and Storage (Ministry of Finance/ Ministry of the Environment)

Information about the projects is published on the websites and through the social media.

Programme CZ09 - Czech-Norwegian Research Programme (Ministry of Education, Youth and Sports)

On 26th May 2016 the Ministry of Education, Youth and Sports announces the results of the *Reallocation of unused institutional support to additional research activities within the Social Sciences and Humanities thematic area* in the Czech-Norwegian Research Programme CZ09.

The PO will support additional research activities of four currently implemented projects. The total amount of additional institutional support from the Programme for selected proposals is 8,953,000 CZK. The amount of support was approved by the Programme Operator on 24th May 2016.

Programme CZ10 - Capacity Building and Institutional Cooperation (Ministry of Finance)

Several activities were successfully organized within this period. The Government approved the proposal of the Ministry of Finance and the Czech National Bank on establishment of the Central Evidence of Accounts.

Wide scope of professionals from state service, NGOs and academics concentrated within the Project on improvement of criminal law related to fight against corruption and money laundering, on transparency of funding of election campaigns or on protection of whistleblowers in Czech Republic. Many workshops and 8 studies have been prepared within these topics. As an example: Workshop *Methods of implementing regimes for criminal liability of legal entities for the Czech Republic* in January 2016, international conference *Challenges in the area of Assets Recovery* in March 2016 and two-day international conference on *Corruption risks in the financing of political parties and election campaigns* in April 2016.

Thanks to the financial support of EEA and Norway Grants 2009-2014 the Financial Analytical Unit of the Ministry of Finance organized a workshop focused on new challenges in combating terrorist financing. Workshop was held in September 2016 and the purpose of this workshop was discussion on upcoming new measures as well as practical experiences and good practises in the combating terrorist financing area.

Programme CZ11 - Public Health (Ministry of Finance / Ministry of Health)

Most of the projects are finished. The projects promoters sent the NFP photos and articles as an example of a good practice. NFP sent these materials also to FMO and Donors for their use.

As the Call for applications from the Fund for Bilateral Cooperation at programme level was open, the PO organized the seminar for potential applicants in December 2016.

The article about the progress of the project of Vesna Children's Rehabilitation Centre Janské Lázně was published in the national daily "Deník ČR" in October 2016.

Programme CZ12 - Let's give (wo)men a chance (Open Society Fund)

Several conferences focused on gender based violence and project closing conferences were held.

Programme CZ13 - Domestic and Gender-based Violence (Ministry of Finance)

Updates and several campaign features were promoted mostly through the social media. The website of the Programme <http://www.tojrovnost.cz/> are in progress.

Programme CZ14 - Schengen Cooperation (Ministry of Finance / Ministry of Interior)

The workshop, within the EEA and Norway Grants 2009-2014 for 5 Programme areas focused on Justice and Home Affairs, was held in March 2016 in Bucharest. The aim of the workshop was to exchange the experiences and good practices of the Programme Operators and Project Promoters and learn practical publicity tools and rules of good communication to ensure proper publicity and the second day of the workshop was focused mainly on publicity.

Václav Havel Prague Airport has opened another ten eGates thanks to Programme CZ14. Article about this project was published in daily newspaper "Právo" in September 2016.

Programme CZ15 - Cooperation in Justice (Ministry of Finance / Ministry of Justice)

The workshop, within the EEA and Norway Grants 2009-2014 for 5 Programme areas focused on Justice and Home Affairs, was held in March 2016 in Bucharest.

Programme and Project information have been published in online and printed media.

Plans in publicity and information

The National Focal Point will continue with the campaign focusing on supported projects in daily printed media Deník ČR and Právo.

Currently the Ministry of Finance is preparing new brochures for each Programme area. The brochures will summarise the number of approved projects, bilateral relations and main activities.

The Brochures will be used also for the Closing conferences.

Planned events:

23rd February 2017 – Closing conference **Programme CZ11 "Public Health Initiatives"**

9th March 2017 – Closing conference **Programme CZ14 "Schengen Cooperation"**

15th March 2017 – meeting of the **Monitoring Committee** to discuss the Strategic Reports

28th March 2017 – Closing conference **Programme CZ02 "Environment"**

ANNEX 3 – LIST OF IRREGULARITIES

Detail description of irregularities

The suspected case of irregularity (**case IR-0306**) in the CZ06 programme was reported in October 2015 by the Programme Operator. The PO detected two suspected cases of irregularities within the project No. EHP-CZ06-PDP-1-001-2014. First, during the on-the-spot monitoring check a duplicate reporting of working hours of the Project Promoter's employee was detected in the total amount of 3 139,57 CZK/the grant part 2 511,66 CZK which was claimed for reimbursement in the Monitoring report No. 1 (approx. 116 EUR/the grant part 93 EUR using the January 2016 monthly exchange rate 27,029 CZK/EUR). Second, based on the Project Promoter's information it was detected that an invoice for technical assistance paid by the Project Promoter in the total amount of 18 564 CZK/the grant part 14 851,20 CZK (approx. 687 EUR/the grant part 550 EUR using the January 2016 monthly exchange rate 27,029 CZK/EUR) was requested for reimbursement in two Monitoring reports. As a consequence, the amount of 2 511,66 CZK was returned to the PO's bank account on 13th April 2016 and the amount of 2 512 CZK was corrected in the IFR#8 and reported as non-eligible (93 EUR). Second, the amount of 14 851,20 CZK was returned to the PO's bank account on 13th April, 2016. This amount was not included in any IFR and so no deduction in the IFR is needed.

The irregularity (**case IR-0310**) in the CZ09 programme was reported in November 2015 by the Audit Authority. Based on the AA's report there was a wrong calculation of salaries of PO employees. The PO reported to the FMO a forecast of the December 2013 salaries and not the actually spent expenditures. These expenditures were reported to the FMO within the PO's Management costs in the Reporting of actual incurred expenditure No.1. The total amount of 7 283 CZK/the grant part 6 190,55 CZK (269,45 EUR/the grant part 229,03 EUR using the January 2016 monthly exchange rate 27,029 CZK/EUR) will be corrected in the Reporting of actual incurred expenditure #4 and reported as non-eligible in January 2016.

The irregularity (**case IR-0370**) in the CZ01 programme was reported in February 2016. Based on the check of expenditure related to the initiative of the Project Promoter Czech Globe of the Academy of Science during 11th CZ01 certification the CA raised questions regarding publicity and per diems. The CA received clarifications in November 2016 and the irregularity was not confirmed. The case can be closed.

The irregularity (**case IR-0371**) in the CZ01 programme was reported in February 2016 by an internal letter of the Certifying Authority to the CZ01 PO. The suspicion was discovered by the CA during certification of expenditure related to the 11th CZ01 IFR. The project promoter included in their Request for payment full amount of the food allowance related to their expert's study trip even though full pension was provided within the accommodation – the requested amount should have been shortened by 75 % in that case. The suspected case of irregularity amounts to 19 294,89 CZK / approx. 713 EUR (using May 2016 monthly exchange rate 27,045 CZK/EUR). The amount of irregularity is dependent on the decision of the Tax Office. Up to now, there has been no development in this case.

The irregularity (**case IR-0380**) in the CZ02 programme was firstly reported in May 2016 by the Programme Operator. This irregularity case consists of 4 irregularities: 1. Within the travel expenses of foreign partner's study trip the expenditure for an air ticket of a person who didn't take part in it was included. This to the PP already reimbursed expenditure is non-eligible. 2. Within the first monitoring report a Project Promoter claimed for reimbursement of 36 computers of special equipment for measuring. In the tender documentation there were 33 computers requested. The expenditures for the differences (3 computers) are non-eligible. 3. Public procurement of evaluation on the bids of a small-scale tender was non-transparent. 4. It was detected that expenditure for financial transaction was requested for reimbursement. The expenditures for travel insurance are non-eligible. The non-eligible

expenditure regarding first three cases in the amount of 295 004 CZK (10 908 EUR) was corrected in the 9th CZ02 IFR and were recovered by the Programme Partner to the PO. As for the fourth case, the amount of 551 CZK (20,79 EUR) was deducted from the Project Promoter's payment claim. The case can be closed.

The irregularity (**case IR-0395**) in the CZ11 programme was firstly reported in February 2016 by the Programme Operator. During the on-the-spot monitoring check there was detected that the Project promoter claimed indirect costs (training fees in the amount of 5 839,50 CZK / the grant part 4 671,60 CZK (215,94 EUR / the grant part 172,73 EUR using May 2016 monthly exchange rate 27,045 CZK/EUR) despite the fact that this kind of expenditure is not considered as indirect cost. The amount of 4 672 CZK was recovered by the Project Promoter to the PO as well as the non-eligible expenditure were deducted in the 9th CZ11 IFR. The case was closed.

The irregularity (**case IR-0451**) in the CZ11 programme was firstly reported in May 2016 by the Certifying Authority. During the 8th certification there was detected that the expenditure regarding legal services was not incurred in compliance with the signed contract between the Programme Partner and the contractor. The amount of irregularity 1 415,70 CZK = 52,29 EUR (using April 2016 exchange rate 27,075 CZK/EUR) did not enter the IFR. As a consequence, the payment claim of the Programme Partner was lowered by 1 415,70 CZK. The case was closed.

The irregularity (**case IR-0493**) in the CZ07 programme was reported in June 2016 by the Programme Operator. The irregularity was detected by the PO during preparation of the CZ07 Programme closure. The expenditure reported in the 1st IFR exceeded the expenditure registered in the accounting system. The difference relates to salaries paid out over the period July – November 2012. The amount of irregularity amounts to 1 747 CZK / approx. 65 EUR using the May 2016 monthly exchange rate 27,045 CZK/EUR). 1 563 CZK / approx. 58 EUR is covered by the EEA/Norway Grants. The incorrectly reported amount was deducted in the 9th CZ07 IFR. The case was closed.

The irregularity (**case IR-0494**) in the CZ15 programme was firstly reported in May 2016 by the Certifying Authority. During the certification process it was detected that the expenditures related to the business trip (the air ticket) incurred by the Programme partner were non-eligible. Within the expenditure checked an air ticket amounting to 10 600 CZK (392,29 EUR using February 2016 monthly exchange rate 27,021 CZK/EUR) for a person who didn't take part in the relevant business trip – Contact seminar in Norway was identified. The Programme Partner recovered the amount of irregularity to the PO. The expenditure did not enter the IFR. The case can be closed.

The irregularity (**case IR-0495**) in the CZ15 programme was firstly reported in May 2016 by the Certifying Authority. During the certification process it was detected that the expenditures related to the accommodation incurred by the Programme partner were non-eligible. It regards the expenditure of accommodation in the total amount of 3 648 CZK (134,74 EUR using April 2016 monthly exchange rate 27,075 CZK/EUR) for the person, who didn't take part in the relevant study visit to Norway. The Programme Partner recovered the amount of irregularity to the PO. The expenditure did not enter the IFR. The case can be closed.

The irregularity (**case IR-0496**) in the CZ08 programme was firstly reported in June 2016 by the Certifying Authority. During the certification there was detected that the reported amount related to salary of the Programme Partner's employee is not in compliance with the supporting documentation. This amount of irregularity equals to 1 CZK (approx. 0 EUR). The Programme Partner recovered the amount of irregularity to the PO. The expenditure did not enter the IFR. The case was closed.

The irregularity (**case IR-0497**) in the CZ06 programme was firstly reported in August 2016 by the Certifying Authority. Based on the article 5.6.6 and 7.2.3 of the Regulation the expenditure incurred by

the small grant scheme operator is required to be reported by the operator (Programme Partner) on the monthly basis. Because the internal reporting system (CEDR) was not fully prepared for this monthly reporting till the end of the year 2014 all the expenditure reported by the Programme Partner was declared just on a basis of their declaration. However, during the subsequent internal control it was detected that the total expenditure amounting to 14 CZK (1 EUR using May 2016 monthly exchange rate 27,045 CZK/EUR) did not enter in the Programme Partner's accounting system as the EEA/Norwegian grants. The Programme Partner shall recover the amount of irregularity to the PO. The incorrectly reported amount was deducted in the 9th CZ06 IFR. The case was closed.

The irregularity (**case IR-0498**) in the CZ02 programme was firstly reported in June 2016 by the Certifying Authority. During the certification it was detected that the total expenditure amounting to 49 801 CZK (1 843,05 EUR using February 2016 monthly exchange rate 27,021 CZK/EUR) did not enter in the Programme Partner's accounting system as the EEA/Norwegian grants. The Programme Partner recovered the amount of irregularity to the PO. The expenditure did not enter the IFR. The case was closed.

The irregularity (**case IR-0499**) in the CZ02 programme consists of two irregularities which were firstly reported in June and August 2016 by the Certifying Authority. During the certification two cases of actual irregularities were detected: 1. Duplicate reporting of the expenditures related to the business trips incurred by the Programme Partner in the total amount of 380 CZK. 2. The reported amount related to salary of the Programme Partner's employee was not in compliance with the supporting documentation by 4 CZK. Furthermore, based on the article 5.6.6 and 7.2.3 of the Regulation the expenditure incurred by the small grant scheme operator is required to be reported by the operator (Programme Partner) on the monthly basis. Because the internal reporting system (CEDR) was not fully prepared for this monthly reporting till the end of the year 2014 all the expenditure reported by the Programme Partner was declared just on a basis of their declaration. However, it was detected during the subsequent internal control that the total expenditures related to the social insurance and amounting to 138 CZK did not enter in the Programme Partner's accounting system as the EEA/Norwegian grants. The expenditure in the amount of 138 CZK (5 EUR using May 2016 monthly exchange rate 27,045 CZK/EUR) was deducted in the 9th CZ02 IFR. The expenditure of 384 CZK (14,21 EUR using February 2016 monthly exchange rate 27,021 EUR) did not enter the IFR. The case was closed.

The irregularity (**case IR-0520**) in the CZ11 programme was firstly reported in October 2016 by the Programme Partner and reported as immediate irregularity to the FMO in November 2016. The Programme Partner received information about insolvency of the Project Promoter that implements the project CZ11-0084 (MGS/046). Based on this fact the Programme Partner intended to conduct an on-the-spot monitoring visit (on 21st March 2016) to check the situation but the Project Promoter was not present at the address given. This finding led to a suspicion of breach of budgetary discipline set in the Decision to grant a subsidy so the case was handed over to the Tax Office to be investigated and solved. The amount that was already disbursed to the Project Promoter is 823 122 CZK which is an equivalent of 30 445 EUR. The case is under the Tax Office investigation with no existing conclusions so far.

The irregularity (**case IR-0525**) in the CZ07 programme was firstly reported in October 2016 by the PO. The expenditure reported in the 6th IFR within the management costs of the PO included exchange losses which are non-eligible according to the article 7.6.2(d) of the Regulation. The irregularity was detected during the 9th certification of the CZ07 programme. The amount of irregularity was confirmed and it amounts to 3 268,56 CZK (approximately 121 EUR using the September 2016 monthly exchange rate of the European Commission). 89,4786 % of the amount (2 925 CZK/approx. 108 EUR) is covered by the EEA/Norwegian FM and 10,5214 % (344 CZK/approx. 13 EUR) is covered by the programme co-financing. The amount of irregularity will be deducted in the 10th CZ07 IFR.

The irregularity (case **IR-0526**) in the CZ11 programme was firstly reported in November 2016 by the PO. During the on-the-spot monitoring check an incorrect calculation of overhead expenditure was detected. The Project Promoter did not fulfil the obligation set in Guidelines of the NFP on Eligible Expenditures to choose one from two possible methods of calculating overhead expenditures and infringed the provisions set in the Guidelines of the NFP on Eligible Expenditures – EEA and Norway Grants 2009-2014, Article 2.2. The amount that was wrongly calculated was 4 672 CZK (grant part) which equals to 173 EUR (using September monthly exchange rate 27,025 CZK/EUR). The amount of irregularity was reported as incurred expenditure in IFR#8 in March 2016. The Project Promoter will have to recover 100 % of the amount of irregularity. As long as the irregularity turns out to be an actual case of irregularity the expenditure will be reported in the IFR as non-eligible.

The irregularity (case **IR-0527**) in the CZ06 programme was firstly reported in June 2016 by the PO. During an on-the-spot monitoring check duplicate reporting of the expenditures regarding a business trip in the total amount of 1 851,21 CZK (the grant part 1 666 CZK is 90% of the total amount) was detected. This irregularity is considered to be actual. The expenditure in the amount of 1 666 CZK was reimbursed to the Project Promoter and was reported to the FMO within the IFR#8. The total amount that will be corrected in the IFR#10 and reported as non-eligible in September 2016 is 1 666 CZK. The Euro equivalent amounts to 62 EUR (using the September monthly exchange rate 27,025 CZK/EUR). The 5th payment claim of the Project Promoter was cut down by the amount of the irregularity.

The irregularity (case **IR-0528**) in the CZ06 programme was firstly reported in September 2016 by the PO. During the on-the-spot monitoring check it was detected that an expenditure amounting to 745,60 CZK did not enter in the Programme Promoter's accounting system. This irregularity is considered actual. The expenditure in the amount of 745,60 CZK was reimbursed to the Programme Partner within the first four payment claims and was reported to the FMO within the relevant IFR's. The total amount that will be corrected in the IFR#10 and reported as non-eligible in September 2016 is 746 CZK (grant part). The Euro equivalent amounts to 28 EUR (using the September monthly exchange rate 27,025 CZK/EUR). The payment claim of the Project Promoter was cut down by the amount of the irregularity.

The irregularity (case **IR-0529**) in the CZ06 programme was firstly reported in August 2016 by the Audit Authority. A disproportionate price of translation was detected by the Audit Authority. The expenditure regarding the irregularity and relating to the Programme Management costs was reported to the FMO within the IFR#6. The total amount that will be corrected in the IFR#10 and reported as non-eligible in September 2016 is 3 600 CZK. The Euro equivalent amounts to 133 EUR (using the September monthly exchange rate 27,025 CZK/EUR). The Programme Partner will have to recover the amount of 3 600 CZK to the PO.

The irregularity (case **IR-0530**) in the CZ06 programme was firstly reported in July 2016 by the PO. During the on-the-spot monitoring check it was detected that within their payment claim the Project Promoter requested non-eligible expenditure related to staff costs in the amount of 540 CZK (the grant part which is 90% amounts to 486 CZK). This irregularity is considered to be actual. The expenditure in the amount of 486 CZK was reimbursed to the Programme Partner and was reported to the FMO within the IFR#8. The total amount that will be corrected in the IFR#10 and reported as non-eligible in September 2016 is 486 CZK. The Euro equivalent amounts to 18 EUR (using the September monthly exchange rate 27,025 CZK/EUR). The Project Promoter recovered the amount of 486 CZK to the PO.

The irregularity (case **IR-0531**) in the CZ02 programme was firstly reported in August 2016 by the PO. Project Promoter withdrew from the SGS project. The SGS project was cancelled based on the Project Promoter's request. This case is the actual irregularity. The amount of 674 820 CZK (grant part) / 24 952 EUR (using May 2016 monthly exchange rate of the European Commission) as an advance payment was disbursed to the Project Promoter in September 2015. This payment was reported to the FMO within

the IFR#7. The amount of 674 820 CZK was recovered by the Project Promoter to the Programme Partner. Within the IFR#9 the amount of 674 820 CZK/ 24 952 EUR was reported as non-eligible.

The irregularity (case **IR-0549**) in the CZ03 programme was firstly reported in November 2016 by the PO. The Project Promoter went bankrupt and was not able to present valid Final Project Report. The Programme Operator proceeded in accordance with the Grant Contract and conducted final reconciliation of the Project financing based on documentation available, particularly Interim Project Report. This case is the actual irregularity in the amount of 161 483 CZK (5 975 EUR using September 2016 monthly exchange rate of the European Commission - 27,025 CZK/EUR) representing the amount of EEA FM funding, requested by the Programme Operator, not returned by the Project Promoter. The Project Promoter was unable, to the extent of this amount, to supply documents supporting the use of provided funds. The irregularity was confirmed once the sum requested from the Project Promoter was not collected until the stated deadline. So far the Programme Operator has registered the respective claim into the insolvency proceeding conducted towards the Project Promoter. The amount of 161 483 CZK will be reported as non-eligible within the IFR#10.

ANNEX 4 – PLAN OF AUDITS 2017

(not public document)

ANNEX 4 – MONITORING AND EVALUATION PLAN 2017

(not public document)

No.	Programme No.	Monitoring tool	Description	Monitored entity	Timeframe

No.	Programme No.	Monitoring tool	Description	Monitored entity	Timeframe

No.	Programme No.	Monitoring tool	Description	Monitored entity	Timeframe

ANNEX 5 – RISK ASSESSMENT AT THE NATIONAL LEVEL

Type of objective ²	Description of risk	Likelihood ³	Impact ⁴	Importance ⁵	Mitigation planned/done
Cohesion objective:	Time risk - delay in commitment and disbursement of funds	middle	high	middle	-possibility of prolongation of individual projects till April 2017, possibility of prolongation beyond April 2017 (financial resources ensured by Project Promoters) within programmes CZ10, CZ13 and CZ15 -flexible approval of project modifications -intensive project monitoring including on-the-spot visits, on-the-spot controls -regular meetings with POs
Bilateral objective:	Bilateral relations	low	middle	low	-open calls within the Bilateral Fund at National Level were fully spent -events organized by the NFP (conferences, round tables, etc.) in 2016 -close cooperation with Norwegian Embassy in Prague, creation of special webpage: www.norskefondy.info for promotion of bilateral relations
Operational issues:	Pre-financing from the state budget	low	middle	low	-regular pre-financing in state budget -NFP's regular check of pre-financing of programmes realized by public institutions
	Co-financing from the state budget	low	middle	low	-regular budgeting of co-financing in state budget -NFP's regular check of co-financing in CZ07 and CZ09
	Management and control system, in accordance with the Regulation	low	high	middle	-regular check and update of Management and Control System by the NFP - audit was carried out by external company hired by the FMO in 2016 - audit was started by the Audit Authority in August 2016
	Establishing an implementation system for EEA/Norway Grants 2009-2014 at national level	low	middle	low	-regular updates to all important manuals and guidelines at national level
	Communication between institutions at national level and Programme Operators	low	middle	low	-establishing a system of mutual information via e-mails, meetings, etc. -regular communication among the NFP, CA, AA and PO
	Risk of exchange rate differences	low	middle	low	-creating reserves on the part of the CA to cover exchange rate risks during the period of EEA/Norway Grants 2009-2014 implementation
	Corruption risks	low	middle	low	-establishing a transparent system and regular monitoring
	Experience of the Programme Operators	low	middle	low	-advisory services for organizations that do not have experience with EEA/Norway Grants

² The risks should be categorised in one of 3 ways, depending on whether it poses a risk to the cohesion objective, the bilateral objective, or is more of an operational issue.

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

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

⁵ Importance is counted as Likelihood multiplied by Impact and described as Low, Middle or High according to its scoring gained in the risk analysis (Low: 1-8, Middle: 9-15, High: 16-25)

Risk		Significance
1	Pre-financing from the state budget	4
2	Co-financing from the state budget	6
3	Management and control system, in accordance with the Regulation	10
4	Establishing an implementation system for EEA/Norway Grants 2009-2014 at national level	4
5	Communication between institutions at national level and Programme Operators	6
6	Time risk - delay in commitment and disbursement of funds	15
7	Risk of exchange rate differences	3
8	Corruption risks	4
9	Experience of the Programme Operators	3
10	Bilateral relations	3

Classification of Risks	Points	Colour
Low	1-8	Green
Middle	9-15	Yellow
High	16-25	Red

ANNEX 5 – RISK ASSESSMENT AT THE PROGRAMME LEVEL

EEA Grants / Norway Grants

Programme CZ02

Type of objective ⁶	Risk	Description of risk in the reporting period	Likelihood ⁷	Impact ⁸	Importance ⁹	Mitigation planned/done
Cohesion (Programme) outcomes:	Programme absorption capacity	Absorption capacity of the programme was exceeded. Applications submitted within the programme exceeded the planned allocation by approx. 220 mill. CZK. Similarly, the allocation within the SGS was exceeded by approx. 50 mill. CZK. Request for re-allocation between programme outcomes was sent. The Bilateral fund capacity seems to be sufficient.	Low	High	Low	<ul style="list-style-type: none"> - effective implementation of projects within all defined outcomes for the programme - selection of relevant BFB initiatives
	Legislation changes	Programme is not directly connected to implementation of legislation changes, nevertheless during the programme implementation phase, the civil service law came into force This may affect the potential shortage of workers involved in the program implementation procedures.	Low	Middle	Low	<ul style="list-style-type: none"> - preparation of necessary legislative procedures and information about changes in staff recruitment procedures
	Time risk - delay in commitment and disbursement of funds	The programme is in its implementation phase. Since January 2015 till June 2015, all selected projects within the open call and SGS were receiving the grant award decision. Time risk has been significantly eliminated by possibility of extension of the project implementation period.	Low	High	Middle	<ul style="list-style-type: none"> - effective communication and reporting mechanism with project promoters
	Specific programme risk (seasonal works within project activities)	Highly amount of project activities are focused on seasonal works which are difficult to proceed during an unpleasant outside	Middle	Middle	Middle	<ul style="list-style-type: none"> - efficient planning of project activities

⁶ The risks should be categorised in one of 3 ways, depending on whether it poses a risk to the cohesion objective, the bilateral objective, or is more of an operational issue.

⁷ Likelihood is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle: 3-4, High: 5)

⁸ Impact is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle: 3-4, High: 5)

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

Type of objective ⁶	Risk	Description of risk in the reporting period	Likelihood ⁷	Impact ⁸	Importance ⁹	Mitigation planned/done
		condition.				
Bilateral outcome(s):	Bilateral relations	The PO supports bilateral cooperation via bilateral initiatives financed from the Bilateral Fund at the national and programme level (measure B) and via Complementary Actions if relevant. At the level of Bilateral Fund, the BF open call was temporarily stopped due to modification request submitted to the FMO for approval.	Middle	Middle	Middle	<ul style="list-style-type: none"> - approval of the modification request and continuously providing information to the project promoters about possible bilateral partnerships and giving clear instructions for submission of applications for bilateral initiatives
Operational issues:	Management and control structures, programme management	<p>Implementing System of the PO is based on systems of manuals and guidelines. The most complex manual "The Programme Operator intern manual" was completed in March 2014 and is updated when necessary.</p> <p>Management structure requires deep coordination between Units of the PO.</p>	Low	High	Middle	<ul style="list-style-type: none"> - regular updates (if necessary) of the guidelines and manuals - well-functioning system of control structures - effective communication and cooperation between Units - setting up system of regular controls of management and control structures
	Programme implementation set-up	System of implementation of the programme was successfully set up. Internal PO's manual and Guidelines for project promoters were completed as well as guidelines of the PP for the SGS. Programme is implemented in deep cooperation within Departments of the PO, PP and DPP if necessary.	Low	Middle	Low	<ul style="list-style-type: none"> - systematic updates of guidelines and manuals - regular controls from the Audit Department - actualisation of the control system by the PO - regular meetings within Steering and Cooperation Committees
	Reports and irregularities within programme	No reports and irregularities were noticed within the programme.	Low	Middle	Low	<ul style="list-style-type: none"> - regular programme monitoring
	Programme audits/controls	No audits or controls were planned for 2016.	Middle	Middle	Middle	<ul style="list-style-type: none"> - setting up plan of audits and controls
	Information system	Programme is realised within the IT system CEDR developed by the PO. All selected and implemented projects (modification requests, Bilateral applications, etc.) are being realised within this system. The system is functional; however some difficulties while proceeding monitoring reports, project changes, etc. might occur.	Low	Middle	Low	<ul style="list-style-type: none"> - training project managers in the system - functioning hot line - fast responses to problems within the system from the system provider

Type of objective ⁶	Risk	Description of risk in the reporting period	Likelihood ⁷	Impact ⁸	Importance ⁹	Mitigation planned/done
	Corruption risk	Implementation system is set up transparently. Programme is realised in line with guidelines and manuals published by the NFP where responsibilities of the Programme Managers are defined.	Low	Middle	Low	<ul style="list-style-type: none"> - setting up transparent implementation system and regular controls - actualization of manuals and guidelines - control of interim and financial reports by the Head of Unit

Programme CZ03

Type of objective ¹⁰	Risk	Description of risk in the reporting period	Likelihood ¹¹	Impact ¹²	Importance ¹³	Mitigation planned/done
Cohesion (Programme) outcomes:	Programme absorption capacity	According to the assumptions, demand for funding considerably exceeded the available allocation within both CfPs. The risk has been mitigated successfully.	Low	High	Low	The PO was able to select 231 high quality proposals within both Call, thus distributed all available funding. Additionally, the Programme received allocation from CZ04 and all reallocated funding was used.
	Legislation changes	New Civil Code was applied since January 2014, causing changes in the forms of legal entities, including eligible applicants. PO has adopted the changes into the documents issued within the CfPs as well as within template of the Project Contract.	Low	Middle	Low	Continuous monitoring of legislative changes relevant to the implementation of the Programme.
	Time risk - delay in commitment and disbursement of funds	The period available for implementation of the Programme was significantly shorter, than foreseen initially, due to delay in approving the Programme.	Middle	High	Middle	Sticking rigorously to very tight Programme time-schedule for the remaining period.
	Specific programme risk (risk identified in PP relating to PRG outcomes)	Irregularities perpetrated at the project level. Rules of the Programme with consequent demands for management of individual Projects could constitute problems, in some cases, for Project promoters. This could potentially lead to their underperformance or misconduct.	Middle	Middle	Middle	Adequate project supervision, functional management and control system, timely monitoring, selection of suitable projects, assistance to the PPs during the project implementation, submission of monitoring reports according to a set system, the use of tool of the retention money / final payment after the approval of the Final Report.
Bilateral outcome(s):	Bilateral relations	The capacity of entities in donor countries to establish partnerships with Project Promoters within the Programme seems to be quite saturated. We suspect that it might be difficult to meet the desired objectives in terms of bilateral relations enhancement.	Low	Middle	Middle	Extending the eligibility of Donor Partners including the public entities (not only NGOs, but also schools, universities, etc.) within the second Call. Organizing of conference on the development of bilateral cooperation between the Czech NGOs and entities from the Donor countries. Raising awareness about the available support among the PPs.
Operational issues:	Management and control structures, programme management	Management and control system is defined within the PO Manual of Procedures, which has been developed in accordance with the	Low	High	Middle	Ongoing test of efficiency and effectiveness and pertinent optimization of the system.

¹⁰ The risks should be categorised in one of 3 ways, depending on whether it poses a risk to the cohesion objective, the bilateral objective, or is more of an operational issue.

¹¹ Likelihood is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

¹² Impact is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

¹³ Importance is counted as Likelihood multiplied by Impact and described as Low, Middle or High according to its scoring gained in the risk analysis (Low: 1-8, Middle: 9-15, High: 16-25).

Type of objective ¹⁰	Risk	Description of risk in the reporting period	Likelihood ¹¹	Impact ¹²	Importance ¹³	Mitigation planned/done
		Regulation and other binding guidelines. The Manual has been endorsed by NFP and audited by AO.				
	Programme implementation set up	The necessary Programme documents (Manual of Procedures, Guidelines for Applicants, Project Contract) have been developed. The documentation has been approved by relevant authorities.	Low	Middle	Low	Ongoing test of efficiency and effectiveness and pertinent optimization of the system.
	Reports and irregularities within programme	PO duly exercises all its reporting duties. In case of need, uncertainties are consulted, mainly with Certification Authority.	Low	Middle	Low	Adherence to the existing system and guidelines.
	Programme audits/controls	The inception system audit took place, conducted by AO. No findings were reported.	Middle	Middle	Middle	Compliance and ongoing optimization of system settings.
	Information system	Within implementation of the Programme the PO adopts specific information system Grantys. Grantys is a verified information system that has already been successfully used within implementation of the 1 st CFP and 2 nd CFP.	Low	Middle	Low	The functionality of the application forms within the system Grantys was again tested before the 2 nd Call. Ongoing maintenance and monitoring of the system is being carried out.
	Corruption risk	All the operations of the PO are set-up and conducted in transparent and documented manner. Procedures adopted by PO for evaluation and assessment of the grant applications meet the highest standards. Strict rules and information in respect of secondary contracting is provided to Project promoters.	Low	Middle	Low	The PO will consistently apply the principles of impartiality with regard to the external assessors and the SC. The PPS will be informed on the selection rules within the projects.

Programme CZ04

Type of objective ¹⁴	Risk	Description of risk in the reporting period	Likelihood ¹⁵	Impact ¹⁶	Importance ¹⁷	Mitigation planned/done
Cohesion (Programme) outcomes:	Programme absorption capacity	Programme absorption capacity is threatened due to the fact that the pre-defined project with the total eligible costs amounting to approx. 34 mil CZK (1,2 mil. EUR) was cancelled. Two open calls for additional activities were realized and 11 applications were approved in the amount of EUR 765,220. A part of the remaining funds was re-allocated to the Bilateral Fund after the FMO approval. The rest shall remain unused.	High	High	High	PO realized two open calls for additional activities – EUR 765,220 was granted for additional activities. The National Focal Point asked for reallocation of the remaining EUR 280,000 from CZ04 to CZ01. The request was rejected in November 2016. Programme Operator asked therefore for the full reallocation of the funds to BF at programme level. Just a partial reallocation was approved by the FMO. The rest of funds will remain unused.
	Legislation changes	The result of non-implementation of the pre-defined project is that the new law for protection of children will not be submitted to the government in the near future. However, it does not have any effect on the OC projects and SGS sub-projects which are under realization.	High	Middle	Middle	Search for a political agreement in the case of the law for protection of children.
	Time risk - delay in commitment and disbursement of funds	Thanks to approved additional activities two open call projects and nine SGS sub-projects were prolonged until April 2017. Time risk is perceived as middle due to possibility of projects prolongation until April 2017. Two sub-projects were successfully finished in 2016. Open call within Bilateral Fund at Programme Level was prolonged.	Middle	High	Middle	Possibility of prolongation of projects/sub-projects till April 2017. Bilateral Fund at Programme Level – open call was prolonged until 31 July 2017 (submission of applications), realization of initiatives until 15 September 2017 and eligibility of expenditures for promoters until 15 October 2017.
	Specific programme risk – political ill will for adoption of new law for protection of children	The risk was fulfilled in January 2016 – the Ministry of Labour and Social Affairs (Project Promoter of the PDP) withdrew from the project contract owing to political reasons (political ill will for adoption of the new law and cases of children taken away from their families in Norway).	High	High	High	PO strived for project modification. Nevertheless, politically it could not be accepted.

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¹⁶ Impact is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

¹⁷ Importance is counted as Likelihood multiplied by Impact and described as Low, Middle or High according to its scoring gained in the risk analysis (Low: 1-8, Middle: 9-15, High: 16-25).

Type of objective ¹⁴	Risk	Description of risk in the reporting period	Likelihood ¹⁵	Impact ¹⁶	Importance ¹⁷	Mitigation planned/done
Bilateral outcome(s):	Bilateral relations	Two bilateral partnerships were established within the PRG – one within PDP and one within SGS sub-project. However, due to non-realization of the PDP, the partnership was finished. Within the permanent open call under the Bilateral Fund at Programme Level just one application was submitted and approved in cooperation with donor project partner. Other initiatives are planned in 2017.	High	Middle	Middle	Promotion of the permanent call for Bilateral Fund at Programme Level (BFB) – PO webpages, FB profile, webpages of CZ03 and CZ12 programmes, webpages of Norwegian Embassy, prolongation of time period for submitting applications and realization of initiatives within BFB
Operational issues:	Management and control structures, programme management	The Steering Committee of the Programme composed of representatives of Programme Operator and of Programme Partner met three times during the year 2016 and twice per rollam. Communication between the PO and PP runs smoothly. However, there were personal changes at the PP in 2 half 2016 (head of unit, financial manager of SGS).	Middle	High	Middle	Flexible and efficient communication between the PO and PP, ensuring stable staff at the PP
	Programme implementation set up	Manuals and guidelines for the Project Promoters are in use. PO updated guidelines for project promoters with regard to advanced stage of projects implementation period in May 2016 and internal manual in November 2016. SGS Operator also updated its guidelines. A guideline for Bilateral Fund at Programme Level was updated in November 2016.	Low	Middle	Low	Observance of manuals and guidelines, regular checks and updates of manuals and guidelines.
	Reports and irregularities within programme	Just minor irregularities were identified within management of PO and were reported to the FMO in 1Q 2016. One minor irregularity was found at the on-the-spot control of Pardubice region, which was further remedied.	Low	Middle	Low	Consistent verification of monitoring reports, performance of on-the-spot controls.
	Programme audits/controls	On-the-spot controls of Pardubice region and of administration of the whole SGS (+ two sub-projects) were carried out in 2016. The control of the whole SGS administration is under way. Audit Authority performed an audit of SGS implementation in 2016 which was not closed yet.	Middle	Middle	Middle	Regular monitoring, on-the-spot controls.
	Information system	The IS CEDR used by the PO runs and is being updated/adjusted.	Low	Middle	Low	Intensive cooperation with contractor of the IS.
	Corruption risk	The PO and PP management control system is set.	Low	High	Low	Thorough verification of procedures, evaluation, etc.

Programme CZ05

Type of objective ¹⁸	Risk	Description of risk in the reporting period	Likelihood ¹⁹	Impact ²⁰	Importance ²¹	Mitigation planned/done
Cohesion (Programme) outcomes:	Programme absorption capacity	All the programme funds will not be fully utilized. PO expects that bilateral fund as well as funds for the pre-defined project will be efficiently used as much as possible. It is anticipated that savings within the pre-defined project will be utilized in national media campaign.	Low	High	Low	Constant monitoring, meetings with Project Promoter, prolongation of bilateral fund at programme level, prolongation of project implementation
	Legislation changes	The PDP is not directly linked to legislation. However, e.g. realization of tenders within the project is related to legislation changes.	Middle	Low	Low	All legislative proposals are monitored in advance and evaluated with regard to their impact on the PDP realization. In case of need, changes will be implemented to reflect the actual legislation.
	Time risk - delay in commitment and disbursement of funds	The time risk was lessened thanks to the prolongation of the pre-defined project implementation till 30 April 2017. Although some delays in tender procedures occurred and some tenders had to be repeated several times, all the tender procedures were successfully finished in 2016. Therefore the PO as well as the Project Promoter expects fulfilling of all the project and programme outcomes and outputs till April 2017. Some indicators shall be even overreached.	Low	High	Middle	Realization period of pre-defined project was prolonged till April 2017. All tender procedures were closely monitored by the Programme Operator and the time schedule is closely monitored in the monitoring reports of the PDP.
	Specific programme risk (risk identified in PP relating to PRG outcomes)	Failing cooperation with other ministries, lack of trust of regions, NGOs, etc., in the planned activities.	Middle	Middle	Middle	Representatives of ministries, NGOs and regions are members of the PDP Steering committee. Memorandum of cooperation was signed with the Police Presidium and the Ministry of Interior. Communication with all the relevant stakeholders will continue during the whole project implementation.

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¹⁹ Likelihood is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

²⁰ Impact is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

²¹ Importance is counted as Likelihood multiplied by Impact and described as Low, Middle or High according to its scoring gained in the risk analysis (Low: 1-8, Middle: 9-15, High: 16-25).

Type of objective ¹⁸	Risk	Description of risk in the reporting period	Likelihood ¹⁹	Impact ²⁰	Importance ²¹	Mitigation planned/done
Bilateral outcome(s):	Bilateral relations	The international conference on pro-inclusive education was successfully held on 16 and 17 March 2016. Project Promoter also prepares an initiative financed from the Bilateral Fund at Programme Level – measure B to be realized in the second quarter 2017 (preparation of partnership with Icelandic organization is under way).	Low	Middle	Low	The international conference was successfully realized in March 2016. The “open” call within the Bilateral Fund at Programme Level was prolonged – submission of applications until 31 July 2017, realization of initiatives until 15 September 2017.
Operational issues:	Management and control structures, programme management	Communication at the PO level as well as between the PO and the Promoter proceeded well. There were some personal changes at the administrative level of the project.	Low	High	Middle	Procedure according to the PO’s Manual, regular check and update of PO’s Manual. Meetings with the Project Promoter.
	Programme implementation set up	All manuals and guidelines are elaborated and regularly checked and updated. Guidelines for the Project Promoters were revised in May 2016. Guidelines for the applicants and promoters within Bilateral Fund at Programme Level – measure B were revised in November 2016.	Low	High	Low	Check and update of manuals and guidelines.
	Reports and irregularities within programme	One minor irregularity concerning small scale tender (management level) was identified by the Audit Authority and was reported to the FMO.	Low	High	Low	Consistent verification of monitoring reports and on-the-spot controls.
	Programme audits/controls	Audit of the pre-defined project was performed by the Audit Authority in April 2016. No finding was identified.	Middle	Middle	Middle	Regular monitoring, on-the-spot visits and audits.
	Information system	The information and monitoring system CEDR is in service. Adjustments are ongoing.	Low	Middle	Low	Adjustments of the system are solved with the contractor. Breakdowns and failures will be minimized by intensive cooperation with the contractor.
	Corruption risk	All the manuals and guidelines are elaborated and regularly checked and updated.	Low	High	Low	Set-up of a transparent system and regular check.

Programme CZ06

Type of objective ²²	Risk	Description of risk in the reporting period	Likelihood ²³	Impact ²⁴	Importance ²⁵	Mitigation planned/done
Cohesion (Programme) outcomes:	Programme absorption capacity	The number of submitted applications far exceeded the available allocation both within the PA16 and PA17. Immense interest in funding from Bilateral Fund.	low	high	low	The allocation on the PA16 and the PA will be covered. Many projects of high quality and significant importance could not be supported, necessity to seek out possibilities of creating outside-budget resources. Reallocations to the Fund for Bilateral relations.
	Legislation changes	Programme not directly related to any planned legislation change implementation. No legislative changes with the impact on the Programme occurred during the reporting period.	low	middle	low	All legislative proposals will be monitored in advance and evaluated with regard to their impact on the Programme and project realization. In case of need, changes will be implemented to reflect the actual legislation.
	Time risk - delay in commitment and disbursement of funds	Time risk - delay in the commitment and disbursement of funds, being the factor of the highest risk in the previous period, has decreased. The decision of the FMO and other representatives of the Donor States – to allow an extension of the timescale for completing projects – reduced the time risk, however it still belongs to the most significant risk factors. The late approval of projects and the long timescales required for physical investments represent a risk, that the desired objectives, outcomes and outputs expected might not be achieved, especially in the PA16. New significant risk has been identified in the area of management and control structures - personnel destabilization with the Programme Partner management structures, potentially threatening disbursement of funds and other Programme areas.	low	high	middle	Mitigating actions, put in place to address time risk, included speeding up all administrative procedures connected with the selection of projects including their verification and adopting more flexible approach within the project implementation, especially in case of problems occurred during the realization and changes within the projects. The use and constant update of new modern IT system, supporting selection, monitoring and payment to the projects and realization of other components within the Programme, has been running. The PO closely monitors all tender procedures and project time schedule especially in the monitoring reports. Mitigating actions related to PP: appeal to relevant authorities, investigation of suspected unlawful conduct.
	Specific programme risk (risk identified in PP relating to PRG outcomes) – personal change at the Ministry of Culture (Programme Partner)	New significant risk has been identified in the area of management and control structures - personnel destabilization with the Programme Partner management structures, potentially threatening institutional support, coordination, responsibilities, deadlines, communication means etc. Withdrawal of key personnel in the final period of the Programme implementation may impair successful cooperation and impede the Programme achievements if quality performance of PP'S roles	middle	high	high	Mitigating actions related to PP: appeal to relevant authorities, investigation of suspected unlawful conduct.

²² The risks should be categorised in one of 3 ways, depending on whether it poses a risk to the cohesion objective, the bilateral objective, or is more of an operational issue.

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²⁴ Impact is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

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

Type of objective ²²	Risk	Description of risk in the reporting period	Likelihood ²³	Impact ²⁴	Importance ²⁵	Mitigation planned/done
		and tasks will not be assured by skilled personnel.				
Bilateral outcome(s):	Bilateral relations	Difficulties to find project partners from the Donor States were prevented by the active help of the DPP, motivating in obtaining a partner from the Donor States. Both the majority of approved projects within the PA17 and the PA16 are implemented in the cooperation with the entities from the Donor States. The BFB Open Call is open. The DPP has been actively involved in project selection (2nd Open Call in the PA17) and information provision to entities from the Donors States acting as project partners. Personnel destabilization with the Programme Partner management structures may threaten successful bilateral cooperation.	low	middle	low	Support of bilateral relations through the websites of the PO, the PP, the DPP and the Norwegian Embassy provided. Communication between the PO, the PP and the DPP is ongoing on regular basis, Cooperation Committee meetings organized. Mitigating actions related to PP: appeal to relevant authorities, investigation of suspected unlawful conduct.
Operational issues:	Management and control structures, management	In order to prevent inconsistency in the implementation process including failures in keeping deadlines and rules stipulated by the EEA Grants, the Manual of the Programme Operator and other related documents. New significant risk has been identified in the area of management and control structures - personnel destabilization with the Programme Partner management structures, potentially threatening institutional support, coordination, responsibilities, deadlines, communication means etc. Withdrawal of key personnel in the final period of the Programme implementation may impair successful cooperation and impede the Programme achievements if quality performance of PP'S roles and tasks will not be assured by skilled personnel.	middle	high	middle	Ongoing communication between the PO, the PP and the DPP, procedures performed according to the PO Manual, regular checks and update of PO Manual. Mitigating actions related to PP: appeal to relevant authorities, investigation of suspected unlawful conduct.
	Programme implementation set up	All the manuals and guidelines are elaborated and regularly checked and updated. Guidelines for the Project Promoters and Manual for applicants and project promoters of BFB were updated in 2016. Leaving of key PP personnel in the final Programme period may impede the Programme achievements.	low	middle	low	Check and update of manuals and guidelines. Mitigating actions related to PP: appeal to relevant authorities, investigation of suspected unlawful conduct.
	Reports and irregularities within programme	6 irregularities have been reported, none of which was fraud-related.	low	middle	low	Regular programme and project monitoring to be performed.
	Programme audits/controls	Audit of Programme Partner management and selected project operations were carried out by the Audit Organ in 2016.	middle	middle	middle	Regular monitoring, on-site controls and audits to be carried out.
	Information system	The information and monitoring system CEDR is in service. Adjustments and updates of the system ongoing.	low	middle	low	IT system supporting the selection, monitoring, payment to the projects and realization of other components of the Programme has been running, in order to secure

Type of objective ²²	Risk	Description of risk in the reporting period	Likelihood ²³	Impact ²⁴	Importance ²⁵	Mitigation planned/done
	Corruption risk	The NFP system of control and tender procedures are well set up.	low	middle	low	more effective process including communication among different stakeholders. Adjustments of the system solved with the contractor. Breakdowns and failures will be minimized by intensive cooperation with the contractor. Project selection performed transparently according to the rules and legislation. Regular monitoring of the Programme and projects carried out.

Programme CZ07

Type of objective ²⁶	Risk	Description of risk in the reporting period	Likelihood ²⁷	Impact ²⁸	Importance ²⁹	Mitigation planned/done
Cohesion (Programme) outcomes:	Programme absorption capacity	The absorption capacity is to be seen as a risk (especially the absorption capacity of the Donor project partners) in view of the delays related to the launch of CZ07 in comparison to the scholarship programmes within EEA and Norway grants.	low	high	low	The previously suggested measures have been considered. The experience with absorption capacity should be reflected while setting up a programme in the new programme period.
	Legislation changes	The implementation of the programme is not to be seen as immediately impacted by legislation changes.	low	middle	low	The establishment of the cooperation within relevant stakeholders via agreements and memoranda.
	Time risk - delay in commitment and disbursement of funds	The time risk – delay related to CZ07 is of immense importance, as the financial allocation is to be distributed within more calls and years of implementation. The risk lies in corresponding absorption of funds within projects selected.	low	high	low	Reallocation of funds, making the administration process as smooth as possible (relevant IT-tools, personal conditions – staff), more focus on consultation services for beneficiaries (e.g. financial conditions of the project implementation). The experience with this risk should be reflected while setting up a programme in the new programme period.
	Specific programme risk (risk identified in PP relating to PRG outcomes)	Communication risk is to be seen as important with regard to the communication and cooperation with other stakeholders, especially NFP, as CZ07 is one of the very few programmes, where the Programme Operator is not represented by Ministry of Finance of the Czech Republic. The long-distance communication between the PO and DPPs is not always flexible enough via current communication tools	middle	middle	middle	There were regular meetings between the PO and the NFP conducted; Programme Operator is to be informed on all relevant issues related to CZ07 without delay. There were new IT tools introduced in order to support more flexible ways of communication between PO and the DPPs (webinars, e-conference). This practice is to be maintained.

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²⁷ Likelihood is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

²⁸ Impact is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

²⁹ Importance is counted as Likelihood multiplied by Impact and described as Low, Middle or High according to its scoring gained in the risk analysis (Low: 1-8, Middle: 9-15, High: 16-25).

Type of objective ²⁶	Risk	Description of risk in the reporting period	Likelihood ²⁷	Impact ²⁸	Importance ²⁹	Mitigation planned/done
Bilateral outcome(s):	Bilateral relations	There are three Donor Programme Partners, however it is to be presumed that their capacity is rather limited.	middle	middle	middle	Regular attendance of the Programme Operator on joint meetings, conferences and activities, DPPs were enable to participate on-line at the meetings (e.g. Cooperation Committee meetings, Selection Committee meetings)
Operational issues:	Management and control structures, programme management	Management and control structures, programme management was proposed in accordance with regulation and is to be approved by the FMO. The administrative capacity of the Programme Operator could be a source of risk.	middle	high	middle	The Programme Operator team was supported by enough staff. This practice should be maintained together with proper planning. The experience of sufficient human resources being crucial to the proper programme implementation should be reflected while setting up the programme in the new programme period.
	Programme implementation set up	The programme implementation set up is in accordance with Regulation, good governance principles and the functionality of the Programme.	low	middle	low	Publication of guidelines, rules and procedures and their maintenance. Audits and monitoring visits both on the programme and project level. More focus on monitoring and controls of projects planned.
	Reports and irregularities within programme	No irregularities have been detected yet.	low	middle	low	The irregularities detected should be reported regularly. There are relevant measures to be chosen so that there is no impact on the final balance at the end of the programme period..
	Programme audits/controls	There were 4 audits by the Audit Authority conducted (Ministry of Finance), two of them focused on management and control system conducted. There were 2 monitoring visits conducted by the PP and FMO.	low	middle	low	Consideration of the observations from audits. Implementation of proper control and audit plan, keeping monitoring visits.
	Information system	Relevant IT tool is to be used	low	middle	low	The database was adapted to the needs of CZ07, there were amendments done, so that the database is in accordance with

Type of objective ²⁶	Risk	Description of risk in the reporting period	Likelihood ²⁷	Impact ²⁸	Importance ²⁹	Mitigation planned/done
						current situation/information requested.
	Corruption risk	PO disposes of internal control system in accordance to the law, which is being controlled both internally and externally. The employees of the PO and their behavior are bounded by ethical code.	low	middle	low	Implementation of internal control system, obeying of ethical code.

Programme CZ08

Type of objective ³⁰	Risk	Description of risk in the reporting period	Likelihood ³¹	Impact ³²	Importance ³³	Mitigation planned/done
Cohesion (Programme) outcomes:	Programme absorption capacity	Low interest at applicants, the applications may not cover both the programme Outcomes	low	high	low	<p>The risk is no more relevant as clear description of both Outputs in the Open Call, promotion and networking were properly done and the risk was eliminated. The 4 supported projects cover proportionally both the Outcomes</p> <p>The absorption capacity proved to be lower than estimated in 2014, the funds were reallocated from CZ08 to CZ09 and all rests from regranting utilized within the CZ08 (for additional grants and in the BFB).</p>
	Legislation changes	The programme is not directly related to any current legislative measure, no one is in process, however, in the future some measures regarding the CCS are to be expected.	low	middle	low	Proper tracking changes in legislation on CCS, evaluation of their impact on CZ08.
	Time risk - delay in commitment and disbursement of funds	<p>The delay of the programme launch led to delay at the start of projects. The research nature of the projects provides risk of ability to reach all outputs /indicators in time.</p> <p>Moreover, additional grants from regranting rests led to extension of projects by more activities and need more time for implementation..</p>	low	high	middle	All stakeholders involved are speeding the administrative processes as possible , the additional grants had been distributed via a simpler procedure (Art. 6.9, Reg.). The deadline for projects implementation was prolonged up to Apr 2017 according to particular requests so the projects had sufficient time space for proper completion. Three of the four projects have finished duly (in June, November and December 2016), thus the risk remains in the limited form, relevant for the last running project.
	Specific programme risk (risk identified in PP relating to PRG outcomes)	The content of projects in combination with the time pressure – the projects should contribute to two Outputs (CCS research and public awareness) .	low	high	middle	No more relevant – the selected projects cover both Outcomes. / Well designed time schedule in the projects. Proper

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³² Impact is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

³³ Importance is counted as Likelihood multiplied by Impact and described as Low, Middle or High according to its scoring gained in the risk analysis (Low: 1-8, Middle: 9-15, High: 16-25).

Type of objective ³⁰	Risk	Description of risk in the reporting period	Likelihood ³¹	Impact ³²	Importance ³³	Mitigation planned/done
		The research projects require longer implementation period which is not available.				planning of additional activities.
Bilateral outcome(s):	Bilateral relations	The research activities will require mutual expert cooperation between Czech and donor states institutions. – Three of four supported projects will be implemented in partnership with Norwegian partners.	middle	low	low	The set measures – i.e support to international cooperation, availability of additional funds dedicated to bilateral relation via the fund for bilateral relations (BFB) and for complementary actions proved to be effective The BF allocation was increased and the Fund remains available till 31/7/2017 (realization till 9/2017)..
Operational issues:	Management and control structures, programme management	The Control system to be duly incorporated into the PO Manual. Particular processes shall be designed in relation to implementation needs.	low	high	low	The control system and management system are well designed and incorporated into the PO Manual. The Manual of the Programme Operator was issued on 13 March 2014./Observing the rules and control at on-spot monitoring visits.
	Programme implementation set up	All the manuals and guidelines are elaborated and regularly checked and updated.	low	middle	low	Check and update of manuals and guidelines. The updated versions were announced to project promoters / partners also in the CEDR system.
	Reports and irregularities within programme	No irregularities have been reported.	low	high	low	Consistent verification of monitoring reports and on-the-spot controls. – Three of four projects have been on-spot controlled in 2015, 2016, no findings identified, so the risk is felt as decreasing.
	Programme audits/controls	The CZ08 underwent the AO audit in August 2014 – no findings identified, and in August 2015 the management costs were audited	middle	middle	middle	Regular monitoring, on-the-spot visits and audits.
	Information system	The information and monitoring system CEDR is in service. Adjustments are ongoing.	low	middle	low	Adjustments of the system are solved with the contractor. Breakdowns and failures will be minimized by intensive cooperation with the contractor.
	Corruption risk	The Control system to be duly incorporated into the PO Manual. Particular processes shall be	low	middle	low	The control system and management system are well designed and

Type of objective ³⁰	Risk	Description of risk in the reporting period	Likelihood ³¹	Impact ³²	Importance ³³	Mitigation planned/done
		designed in relation to implementation needs.				incorporated into the PO Manual.

Programme CZ09

Type of objective ³⁴	Risk	Description of risk in the reporting period	Likelihood ³⁵	Impact ³⁶	Importance ³⁷	Mitigation planned/done
Cohesion (Programme) outcomes:	Programme absorption capacity	Due to the limited regranting allocation, the rate of successful selection was 6% (supported projects) in the Call 2013 only. Further, 4 projects from reserve list were supported in 2015. – The risk consists in unutilized leftovers in Regranting item and in the Fund for bilateral relations (BF or Fund) due to limited time for implementation.	low	high	low	The absorption capacity and potential of bilateral research cooperation is high. The risk is being fully eliminated with preparing a Call and allocation to Social Sciences projects in 2016.
	Legislation changes	In 2016 there was a legislative change regarding management of the list of research organizations related to calls within public support of research (namely the Act No. 130/2002 Coll.) in the Czech Republic. The responsible authority and administrator is newly MoEYS.	low	middle	low	Potential legislation changes are mentioned in relevant manuals, guides and project contracts. In case of any needs relevant adjustments can be done and with no serious impact on implementation.
	Time risk - delay in commitment and disbursement of funds	The period for eligibility of costs within the Programme is laid down in the Regulation. The projects eligibility ends on 30 April 2017. However, the Programme expires on 31 Dec 2017.	low	middle	middle	The risk has decreased. Terms for disbursement of eligible costs at projects level are specified in the individual Projects Contracts. The Promoters are repeatedly informed in advance at seminars, on web page and in messages.
	Specific programme risk (risk identified in PP relating to PRG outcomes)	The work load of PRG management proved to be a risk in the implementation such as bilingual administrative, procedure of the international evaluation of the Call was very demanding due to reallocation from CZ08, solving specific projects issues, certification check and regular audits. The varying administrative load as well as personal changes cannot be totally eliminated, but it is possible to minimise the impact	middle	high	high	The PO has reconsidered the risk as lower than previously. A documented Programme management system and processes are included in the Programme Operator's Manual. Obligations for reporting of such changes are incorporated in Project contracts. The Programme Operator ensures mutual replacement of individual Programme administrators, whenever necessary. The most demanding and time limited

³⁴ The risks should be categorised in one of 3 ways, depending on whether it poses a risk to the cohesion objective, the bilateral objective, or is more of an operational issue.

³⁵ Likelihood is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

³⁶ Impact is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

³⁷ Importance is counted as Likelihood multiplied by Impact and described as Low, Middle or High according to its scoring gained in the risk analysis (Low: 1-8, Middle: 9-15, High: 16-25).

Type of objective ³⁴	Risk	Description of risk in the reporting period	Likelihood ³⁵	Impact ³⁶	Importance ³⁷	Mitigation planned/done
						administrative procedures (Calls, evaluation, commitment) is done (except the BF)..
Bilateral outcome(s):	Bilateral relations	Some bilateral relations have been already established and launched, the cooperation mainly follows up the contacts established in the previous programming period. Reimbursement from the Fund has been low so far. Newly – despite the launched Call for bilateral initiatives not reaching the objectives of the BF for bilateral relations	low	middle	low	PO supports the cooperation (news on progress in CZ09 on website), participation in Programme Operator's seminars; consultations are provided. A few bilateral relations have been already established and launched, the cooperation follows up the contacts. Within the Call for applications in the BF, the PO organized info seminar on the procedure.
Operational issues:	Management and control structures, programme management	Management and control structure has been established, the management is duly running	low	high	middle	Management and control systems structure has been established and is duly running. The risk is perceived as lower than previously. Detailed procedures are described in the Programme Operator's Manual. The system has been audited and no negative findings identified
	Programme implementation set up	Programme Operator's Manual approved and applied. It was firstly revised in 2015.	low	middle	low	Manual and Guides fully reflect requirements of Regulation and its Annex 12. There are clear links between each other. The guidelines were completed, approved and are being duly applied or updated, when necessary. PO tries to reflect changes of internal and national/European rules. – With relation to the Call for bilateral initiatives, the PO stipulated rules and procedures of the bilateral grants. – The risk is lower.
	Reports and irregularities within programme	PO submits reports on irregularities regularly as required. No irregularities so far but they may occur due to financial settlements of the projects.	low	middle	low	Procedures on identification, reporting and solving of irregularities are implied in the Programme Operator's Manual. Project Promoters must report on irregularities according to the contract. The risk is perceived as slightly increased because of the closing phase

Type of objective ³⁴	Risk	Description of risk in the reporting period	Likelihood ³⁵	Impact ³⁶	Importance ³⁷	Mitigation planned/done
						of the Programme.
	Programme audits/controls	Programme was approved on 25 February 2013. Since this date the Programme has been checked six times. It is audited every year at least once. Internal audit is operated by other department at PO once a year. Auditing Authority examines the M&C systems every year.	low	middle	low	In 2016 audits of systems and costs by AA, NFP and PO were set. All audits confirmed functioning setting of management and control systems. Audit and control system is described in detail in Programme Operator's Manual. – The risk is low.
	Information system	Inaccessibility of the national information system on research and development (R&D&I IS) on the basis of Act No. 130/2002 Coll. And the on-line submission system (Data storage OpenKM) at the Programme Operator caused by contract expiration, changes in administrators.	middle	middle	middle	The obligation for storing of relevant data into R&D&I IS is incorporated in the project contracts. No support is paid if no project data in the Central Evidence of Projects. All relevant data are stored in accordance with Regulation and national legislation.
	Corruption risk	Frauds - The Programme Operator does all steps in transparent manner and in accordance with accepted rules and principals.	low	middle	low	Individual procedures are specified in detail in relevant guides and manuals. All relevant data are published on Programme Operators's website and accessible to the participants and stakeholders. PO tries to avoid conflicts of interest, uses information and accounting systems to register data. The audit trail is maintained.

Programme CZ10

Type of objective ³⁸	Risk	Description of risk in the reporting period	Likelihood ³⁹	Impact ⁴⁰	Importance ⁴¹	Mitigation planned/done
Cohesion (Programme) outcome:	Programme absorption capacity	Programme absorption capacity risk is irrelevant as the Programme CZ10 consists of only 1 PDP divided into two Components..	Low	High	Middle	N/A
	Legislation changes.	Due to intensified efforts to meet international standards in the area, CZ10 and the PDP are permanently facing the risk of changed legislative and regulatory framework.	Low	Middle	Low	CZ10 activities were designed in compliance with the Government strategy, concept and action plan for combating corruption in year 2013 – 2017, which provides a road map in the area (one of the documents directly refers to CZ10). Programme/project activities are scheduled so as to fit to the plan of legislative and non-legislative initiatives for fight against corruption These are annually updated and confirmed within the Action plan against corruption issued by the Government. Additional project activity (i.e. workshop for obliged entities within the Act no. 253/2008 Coll. financed from the savings was scheduled to the period when the amendment was adopted however has not become effective yet. Likelihood was scored as 1 as all relevant activities facing the risk of legislative changes within Component 1 were finished in mid-2016.
	Time risk – achievement of CZ10 output.	Time risk – achievement of CZ10 output. Timely finalisation of the tender for HW and contract signature – the bids submitted within the tender for HW were under evaluation process in the end of 2016. Procurement process as such is also time-risky, possible appeals against the tender results may cause further protraction and ultimately lead to non-achievement of CZ10 outputs related to the creation of SW for automated data-mining. Timely launch of the tender for SW, its finalisation,	High	High	High	The evaluation process of HW bids shall be finalised in shortest time possible, however rigorously and strictly in line with the procurement rules and legislation so as to avoid any mistakes that may lead to appeals against the tender results. The current time plan for the launch of

³⁸ The risks should be categorised in one of 3 ways, depending on whether it poses a risk to the cohesion objective, the bilateral objective, or is more of an operational issue.

³⁹ Likelihood is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

⁴⁰ Impact is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

⁴¹ Importance is counted as Likelihood multiplied by Impact and described as Low, Middle or High according to its scoring gained in the risk analysis (Low: 1-8, Middle: 9-15, High: 16-25).

Type of objective ³⁸	Risk	Description of risk in the reporting period	Likelihood ³⁹	Impact ⁴⁰	Importance ⁴¹	Mitigation planned/done
		contract signature and delivery of SW by the end of April 2017.				<p>the tender and delivery of SW is still realistic, however, conditional upon two risk mitigation factor as described in the risk mitigation plan.</p> <p>The tender shall be launched in mid-February 2017 at the latest. The analytic SW tool must be requested in ready-made version, available on the market so it does not require any customization. At the same time, it must be open for potential upgrades after the end of Component 2 so as to ensure its flexibility and sustainability.</p> <p>Provided that it would not be possible to finalise some of the tenders in timely manner and ensure the delivery of HW or SW by the end of April 2017, Art. 7.14.6 of the Regulation shall be utilised. The costs incurred after the eligibility deadline will be covered by the Project Promoter. In such case, the PO shall set realistic deadline for the finalisation of Component 2 so as to achieve its expected outputs and ask the promoter to guarantee necessary funding from its own resources.</p>
	Specific programme risk (risk identified in PP relating to PRG outcomes) – tender procedures	Delay in tender procedures – tender for HW was announced in autumn 2016 and its evaluation is under way; tender for SW was not yet announced.	High	High	High	Strengthened monitoring, meetings and communication with Project Promoter.
Bilateral outcome(s):	Bilateral relations	The programme CZ 10 faces the risk of relatively low number of institutions and organizations from donor state suitable for cooperation on programme activities and goals. The risk is partly lowered by intensive and fruitful cooperation on project level between the PP and the CoE.	Low	Middle	Low	<p>Given the specific character of the programme (see description of the risk) and initial delay in programme start-up phase, a single activity beyond the scope of Component 1 - soft part had to be carried out so as to maintain the relevance of the Bilateral fund</p> <p>Thus, modification of Annex II to the PA no. 2 was approved on 1 July 2016 and enabled organisation of the two-day international workshop "Facing the challenges in combating terrorist financing". It was held on 20 – 21 Sept. 2016 and attended by the chairman of the</p>

Type of objective ³⁸	Risk	Description of risk in the reporting period	Likelihood ³⁹	Impact ⁴⁰	Importance ⁴¹	Mitigation planned/done
						Committee of the Experts on the Evaluation of the Anti-Money Laundering Measures and the Financing of Terrorism (MONEVAL), experts from the European Commission, high-ranking officials of most of the European financial intelligence units, police or public prosecutor's offices. It dealt with new challenges in combating terrorist financing in reaction to the European Commission Action Plan from February 2016.
Operational issues:	Management and control structures, programme management	All roles and responsibilities are attributed and rules and procedures of implementation are adhered to. PO Manual is observed	Low	High	Middle	All roles and responsibilities are attributed and rules and procedures of implementation are adhered to. PO Manual is observed, regular check and update of PO Manual is done. Check and discussion of the Interim Reports, Steering Committee, Meetings with the Project Promoter.
	Programme implementation set up New status of the Project promoter – FAU as of 1 January 2017	All roles and responsibilities are clearly defined and attributed.	High	Middle	Middle	Division of the roles and responsibilities is clearly defined. Manuals and guidelines are regularly checked and updated. New contract between the FAU and the PO needs to be signed so that rights and duties of both parties are legally binding. The FAU shall provide information on its administrative capacity and budgetary means for the accomplishment of Component 2 and for ensuring the sustainability of the whole Programme.
	Irregularities within programme	One irregularity amounting to ca 250 EUR due to administrative error in the payment claim was identified in 2016	Low	Middle	Low	The irregularity was identified within the final financial control of PDP - Component 1. This was handed over for further proceeding to the responsible irregularities officer of the PO. No further major or systemic deficiencies were identified.
	Findings from Programme audits/controls	Final financial control of Component 1 carried out by the PO in October 2016 with one finding (see above).	Middle	Middle	Middle	Irregularity treatment according to the rules and procedures of the PO, which shall result in reimbursement of inaccurately spent funds back to the PO. Regular on-the-spot check of Component 2 planned for March 2017.

Type of objective ³⁸	Risk	Description of risk in the reporting period	Likelihood ³⁹	Impact ⁴⁰	Importance ⁴¹	Mitigation planned/done
	Information system backlogs	Information system for implementation of Norway/EEA Grants - IS CEDR is functioning	Middle	Middle	Middle	Necessary adjustments, regular maintenance and updates are provided. Desired functioning is regularly tested. Users 'support is provided by the contractor if need be.
	Corruption risk in Programme implementation and tenders	NFP's and PO's system of control and tender procedures is set up.	Low	High	Middle	All project managers were trained in anti-corruption conduct.

Programme CZ11

Type of objective ⁴²	Risk	Description of risk in the reporting period	Likelihood ⁴³	Impact ⁴⁴	Importance ⁴⁵	Mitigation planned/done
Cohesion (Programme) outcomes:	Programme absorption capacity	After the administration of all open calls including calls for small grant scheme there were still unallocated financial sources and thus absorption capacity was insufficient.	low	high	middle	In order to enhance absorption capacity there were announced 4 calls for additional activities for Project Promoters. Remaining not allocated financial sources were transferred to the bilateral fund (Programme modification approved by FMO).
	Legislation changes	There was no legislation change in 2016 that would have had any influence regarding the PRG risk. Nevertheless, there might be slight risk in terms of on-going preparation of psychiatric care reform in the CR which will be linked to the legislation changes.	low	middle	low	Due dissemination of information which might influence projects implementation regarding the legislation changes among the Programme Partner and Programme Operator.
	Time risk - delay in commitment and disbursement of funds	PRG and project activities have been delayed due to the late signing of Programme Agreement in 2013.	middle	high	middle	Extension of projects till 30/4/2017 in necessary cases had mitigated the risk.
	Specific programme risk (risk identified in PP relating to PRG outcomes)	Focusing on two different areas of health care brings the risk of difficulty of the Programme.	middle	middle	middle	In 2014, the risk had been eliminated during the administration of individual calls and settings the calls, announcing the separate calls for Activity I and II. Risk is also mitigated by intensive communication among Project Promoters, PP and PO.
Bilateral outcome(s):	Bilateral relations	Insufficient absorption capacity of the Bilateral Fund on Programme level, Lack of interest in applying for grant	middle	middle	middle	Awareness regarding the possibility to apply for a grant, posting information on web pages, personal engagement of project managers in articulating the option to the Project promoters. Guideline for applicants and beneficiaries Bilateral Fund at Programme level – measure “B” as well as Open call were updated. Extension of the submission of applications, enlargement of the possible eligible applicants, activities and maximum grant amount were introduced.

⁴² The risks should be categorised in one of 3 ways, depending on whether it poses a risk to the cohesion objective, the bilateral objective, or is more of an operational issue.

⁴³ Likelihood is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

⁴⁴ Impact is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

⁴⁵ Importance is counted as Likelihood multiplied by Impact and described as Low, Middle or High according to its scoring gained in the risk analysis (Low: 1-8, Middle: 9-15, High: 16-25).

Type of objective ⁴²	Risk	Description of risk in the reporting period	Likelihood ⁴³	Impact ⁴⁴	Importance ⁴⁵	Mitigation planned/done
Operational issues:	Management and control structures, programme management	Communication between all parties involved: (PP, PO and DPP). Projects supported within the PDPs and Open Calls are monitored by the Programme Operator and the sub-projects within Small Grant Schemes are monitored by the Programme Partner.	low	high	middle	Regular monitoring, on spot controls and periodic updates of the Programme Manual.
	Programme implementation set up	NFP and PO prepared several manuals for the implementation of Norway Grants 2009 – 2014: Guidelines for Calls – submission and review of applications – grant award, Manual for PDP applicants, Manual for applicants for a grant, Manual for Bilateral fund at programme level – measure A, Manual for eligible expenditures, Manual for small-scale contracts financed from EEA and Norway Grants 2009 – 2014, Manual for implementation of SGS. Management control system- internal Manual was finalized.	low	middle	low	Manuals and other relevant guidelines for the recipient were issued and according to need, they are gradually updated.
	Reports and irregularities within programme	There were some irregularities were reported in 2016.	low	middle	low	The system of reporting of irregularities was set.
	Programme audits/controls	In 2016, 1 audit of operation was carried out (project Improving the Quality of Dispensary Care of Premature Infants in Krajská zdravotní, a.s.). Till the end of monitoring period, audit was not concluded.	middle	middle	middle	Setting up the plan of inner controls.
	Information system	Programme Operator has created a grant information system (CEDR) for Programme administration. The system was launched in 2013.	low	middle	low	Setting the system was carried out continuously for several months. Ongoing corrections of the system according to the relevant requirements as well addition of all relevant information concerning the projects is done.
	Corruption risk	Risk of the corruption is mainly on the side of promoters of the individual projects. Both, the Programme Operator and the Programme Partner are the central government bodies and as such they have their codes of ethics which compliance is monitored. People with impeccable record are chosen for the individual working positions through the transparent selection process.	low	middle	low	Function code of ethics at all levels of management and administration of the Programme, open selection process for all working positions included in the implementation of the Programme.

Programme CZ12

Type of objective ⁴⁶	Risk	Description of risk in the reporting period	Likelihood ⁴⁷	Impact ⁴⁸	Importance ⁴⁹	Mitigation planned/done
Cohesion (Programme) outcomes:	Programme absorption capacity (8)	Programme absorption capacity is fulfilled up to 97.6 % out of 5 882 551 € programme allocation. (We considered launching an extra call for the remaining amount of 141 727 € at the end of 2015. However, due to the lack of capacity of the programme team (because of the intensive monitoring), we might use the rest of allocation for bilateral fund or complementary actions.)	Low	High	Middle	Done: All the calls were evaluated very quickly in 2-3 months and with the aim to reallocate and support maximum projects. Planned: not relevant in 2016
	Legislation changes (9)	Possible legislation changes/ amendments might support the programme areas outcomes or the projects implementation positively.	Low	Middle	Middle	Planned/done: To follow the legislation changes and modifications in the programme areas.
	Time risk - delay in commitment and disbursement of funds (7)	Due to the programme delay the period for project implementation became shorter while the amount of the grant especially for the open call was rather high, which could endanger spending the allocated amount and thus fulfillment of the programme outcomes. The exceptional extension by FMO of project implementation helped significantly to reduce this risk. 29 projects out of 55 asked for an extension in order to have more time for project activities or public of project results.	Low	High	Low	Done: - Everyday consultancy for PPs concerning the project implementation available, incl. seminar for PPs from 2. Call. - We managed to shorten the evaluation process of the applications as much as possible (2,5 months for the 2 nd Call) to keep the implementation period the longest. - The capacity of financial monitoring reinforced. Planned: - Close cooperation with PPs concerning their application for project extension.
	Specific programme risk: reaching outcomes at project/ programme level (17)	The definition of the programme outcomes and its outputs more than 3 years before the project implementation is rather complicated, as well as setting the specific allocation for every particular outcome. While the outcomes are highly interconnected in their contents and the single outcome allocation is smaller than the maximum grant amount, the projects combine several outcomes. Therefore, it is almost impossible to reach the planned	High	Middle	Middle	Done: - 2 nd Call: We requested for some small transfer of the funds between some outcomes within the PA 28 to reflect and satisfy the applicants' demands (as well as the needs of the Czech society). - We adapt the project reports to monitor the implementation of the projects in accordance with the planned programme outcomes.

⁴⁶ The risks should be categorised in one of 3 ways, depending on whether it poses a risk to the cohesion objective, the bilateral objective, or is more of an operational issue.

⁴⁷ Likelihood is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

⁴⁸ Impact is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

⁴⁹ Importance is counted as Likelihood multiplied by Impact and described as Low, Middle or High according to its scoring gained in the risk analysis (Low: 1-8, Middle: 9-15, High: 16-25).

Type of objective ⁴⁶	Risk	Description of risk in the reporting period	Likelihood ⁴⁷	Impact ⁴⁸	Importance ⁴⁹	Mitigation planned/done
		outcomes allocation. Specific allocation for every single outcome is not effective at all and makes the monitoring process much more difficult.				Recommendation: To make the outcomes allocations more flexible without need to apply for substantial change of the programme.
Bilateral outcome(s):	Bilateral relations (13)	There were about 10 applications until the end of 2015 and that is about one third of planned allocation. According to the PPs, they don't apply due to their limited capacity by implementing supported project. The capacity of Norwegian partners for the Czech PPs might have run out (because of previous partnerships with other Beneficiary States).	Middle	Middle	Middle	Done: - We promote the Fund at the seminar for PPs, via email and the programme website. - We promoted the outputs of the study trip (contacts and presentations of Norwegian organizations). Planned: We plan to promote relevant events or surveys from Norway through the programme website, as well as finding some new contacts or Norwegian experts and organisations to strengthen bilateral relations.
Operational issues:	Management and control structures, programme management (5)	The programme is implemented in accordance with the Manual and the Regulations.	Low	High	Low	Planned: - The revision of the Manual and other related documents once a year or if needed.
	Programme implementation set up (6)	The PO's Manual and the other relevant manuals for PPs for the implementation of the programme and the projects were prepared in time.	Low	Middle	Low	Planned: - To have the relevant information or the rules on how to implement the programme from the NFP/ FMO in time.
	Reports and irregularities within programme (10)	There were no irregularities in the programme or the projects yet. We as the PO submit all the reports in time and in due form.	Low	Low	Low	Done/planned: To submit the reports in time.
	Programme audits/controls (11)	The Audit Authority carried out another exceptional audit in September 2015 and there were no negative findings. There were some controls from the NFP or the CA during the selection process, preparation of the IFRs etc. The positive results confirm that the programme team is very experienced.	Low	Middle	Middle	Done/planned: To submit the reports in time and to cooperate with the controlling subject.
	Information system (14)	The PO has its functional IT systems for the administration of the programme (accountancy Pohoda) and for the project applications, evaluation and monitoring (online database Grantys and Formsite). The system of NFP for Norway Grants (Viola) for financial management, as well as DoRIS had to be adapted to the donors' and the programme needs.	Low	Middle	Low	Done/planned: - To have the sufficient personnel and technical capacity of the PO. - Clear instructions on how to work with the external IT systems (Viola, Doris) in time. - To attend relevant workshops (concerning Viola and Doris system etc.)

Type of objective ⁴⁶	Risk	Description of risk in the reporting period	Likelihood ⁴⁷	Impact ⁴⁸	Importance ⁴⁹	Mitigation planned/done
	Corruption risk (15)	The PO is a very experienced foundation with its own check and ethical system.	Low	Middle	Low	Done/planned: - To follow the check and control systems and the CZ 12 Manual. - To sign the ethical codex of the programme (obligatory for the programme team, evaluators and members of the selection committees).

Programme CZ13

Type of objective ⁵⁰	Risk	Description of risk in the reporting period	Likelihood ⁵¹	Impact ⁵²	Importance ⁵³	Mitigation planned/done
Cohesion (Programme) outcomes:	Programme absorption capacity	The Programme consists from one PDP only, but there are savings up to 40 % of allocated amount.	High	High	High	PP is encouraged to realize more events, seminars and activities within programme areas.
	Legislation changes	The Programme is not directly dependent on adoption of a new legislative; however, some impact on legislative measures in CZ is to be expected in near future.	Low	Low	Low	PDP is directly focused on support of development of new policies within Programme areas. As an outcome of the PDP there were adopted two action plans: Action Plan for the Prevention of Domestic and Gender-based Violence for 2015 – 2018 and The Action Plan for Balanced Representation of Women and Men in Decision-making Positions for the Years 2016 – 2018.
	Time risk - achievement of CZ13 outcomes	The implementation of the programme CZ 13 was much delayed during 2016 – still due to transfer of PP from MoLSA to Office of Government, delay in public procurements according and due to many personal changes within the project team during the year 2016.	High	High	High	Time risk was mitigated by extension of the Programme as well as PDP.
	Specific programme risk (risk identified in PP relating to PRG outcomes)	Administrative difficulties in clear arrangement of reporting can be expected - the Programme covers 2 programme areas by means of two main outcomes, both of them are measured via an identical indicator - a media campaign.	Low	High	Middle	Proper choice of reporting strategy in achievement of the indicator, distinguishing the topics reported within both outcomes, well informed stakeholders during the implementation.
Bilateral outcome(s):	Bilateral relations – non-utilizing the allocated amount	The Bilateral fund at PRG level includes 17.500 EUR for the “measure b)” implementation.	Middle	Middle	Middle	This risk is mitigated via opening the 3 th Call for Proposal and via widening scope of eligible applicants. Discussion with PDP Promoter and support from PO to start new bilateral initiative has to continue.
Operational issues:	Management and control structures, programme management	The Management and Control System is a part of the Programme Operator’s Manual	Middle	High	Middle	The general principles incorporated into the Manual. Effective methods of communication and co-operation established and utilized.

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⁵¹ Likelihood is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

⁵² Impact is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

⁵³ Importance is counted as Likelihood multiplied by Impact and described as Low, Middle or High according to its scoring gained in the risk analysis (Low: 1-8, Middle: 9-15, High: 16-25).

Type of objective ⁵⁰	Risk	Description of risk in the reporting period	Likelihood ⁵¹	Impact ⁵²	Importance ⁵³	Mitigation planned/done
	Programme implementation set up	The Programme consists of one pre-defined project only.	Low	Middle	Low	The Programme structure is simple - no difficulties expected. The Programme and project levels are to be distinguished, if necessary (especially in case of bilateral activities / relations)
	Reports and irregularities within programme	No errors / irregularities identified so far.	Low	Middle	Low	Regular monitoring of the Programme.
	Programme audits/controls	AO audit in August 2014 – no irregularities /findings, in August 2015 audit of Management	Middle	Middle	Middle	Providing regular audits / controls according to the plan of controls. Ad hoc checks, if necessary.
	Information system	The Programme Operator established the CEDR IT system which provides necessary utilities for monitoring and reporting as well as flexible communication.	Low	Middle	Low	Setting the CEDR IT system into operation, training of operators / staff in utilization of relevant modules
	Corruption risk	The system of implementation is transparent, the Programme /PDP is managed by credible institutions (MoF). With respect to the PDP, the corruption risk is low.	Low	High	Middle	Stress on avoiding the conflict of interests. Pursuant the PA condition, proper archiving of the public procurement documentation, etc.

Programme CZ14

Type of objective ⁵⁴	Risk	Description of risk in the reporting period	Likelihood ⁵⁵	Impact ⁵⁶	Importance ⁵⁷	Mitigation planned/done
Cohesion (Programme) outcomes:	Programme absorption capacity	Irrelevant – the programme consists of 6 PDPs, all of them almost fully implemented.	low	high	low	Precise programme preparation.
	Legislation changes	No significant developments preventing successful implementation of the programme arise in 2016.	low	middle	low	Upcoming legislation is monitored in advance and the impact is being evaluated continuously.
	Time risk - delay in commitment and disbursement of funds	Owing to the prolongation, successful realization of the projects in the original extent is secured.	middle	high	middle	Punctual drafting of public procurements, cooperation between the PO and PP, supervising the suppliers.
	Specific programme risk (risk identified in PP relating to PRG outcomes)	Tender procedures – all of the tender procedures indicated in the grant applications were completed.	middle	middle	middle	Precisely stated requirements in accordance with law within the tenders. Sufficient time for elaboration of a quality bid.
Bilateral outcome(s):	Bilateral relations	Only informal cooperation with the OSCE is planned. Bilateral relations were being strengthened under the BFB too.	low	low	low	Provide support to the Project Promoters with establishing bilateral relations, provide them with a list of possible partners.
Operational issues:	Management and control structures, programme management	Manual of the Programme Operator was issued and revised. Steering Committees take place regularly.	low	middle	low	Regular meetings with the Promoters, Program Partner, keeping the guidelines up to date.
	Programme implementation set up	Projects were pre-defined, implementation was set up clearly. Guidelines are issued and kept updated.	low	middle	low	All PDPs are almost fully implemented, the main activities are completed. The set up discussed with the FMO and Project Promoters at the preparatory phase.
	Reports and irregularities within programme	Reports are being submitted regularly. Possible irregularities are identified and solved out during / after the on-site visits.	middle	middle	middle	Performing (ad hoc) on-site controls and evaluating monitoring reports. Identifying risks as much in advance as possible.
	Programme audits/controls	Audit of Programme management was carried out in 2016.	low	middle	middle	Regular controls by external bodies.
	Information system	The information and monitoring system CEDR is functional. Continuous adjustments are being carried out.	low	middle	low	Communication and cooperation with the contractor regarding the functional and operational solution to the malfunctions.
	Corruption risk	The NFP control system and tender procedures are set up to prevent any corruption risk. The PP (Police Presidium) is a guarantee for trustworthy management.	low	middle	low	Monitoring and evaluating public procurements, preliminary verification of the tender documentation.

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⁵⁵ Likelihood is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

⁵⁶ Impact is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

⁵⁷ Importance is counted as Likelihood multiplied by Impact and described as Low, Middle or High according to its scoring gained in the risk analysis (Low: 1-8, Middle: 9-15, High: 16-25).

Programme CZ15

Type of objective ⁵⁸	Risk	Description of risk in the reporting period	Likelihood ⁵⁹	Impact ⁶⁰	Importance ⁶¹	Mitigation planned/done
Cohesion (Programme) outcomes:	Programme absorption capacity	The PRG contains 7 PDPs pre-financed and co-financed from the state budget; therefore the risk of lack of the funds for implementation is low. On the other hand, savings occurred within several projects and their full utilization within given project is threatened mainly due to time constraints. There is also a risk of lower utilization of funds within PDP6 due to delays.	Middle	High	Middle	<ul style="list-style-type: none"> - oversight of actual state of project implementation (mainly regular monitoring) - ongoing information on any changes, problems - approval of additional activities within projects - transfer of unused funds to bilateral fund and extension of deadline for drawing of funds
	Legislation changes	PRG is not directly related to implementation of any legislation change. No legislation change related to the PRG occurred during this reporting period.	Low	Middle	Low	<ul style="list-style-type: none"> - sufficient information about PRG and its goals in order to avoid collision with government intention - timely information on any potential legislation changes
	Time risk - delay in commitment and disbursement of funds	Implementation of all activities was in progress or finished in 2016 except for PDP6, where problems occurred with tendering of construction works. It is very likely that deadline for project completion and fulfillment of objectives within PDP6 will have to be extended beyond the deadline for eligibility of expenditures, i.e. 30 April 2017. Other projects shall be finished by 30 April 2017.	High	High	High	<ul style="list-style-type: none"> - monitoring of preparation as well as realization of tenders - assistance to the project promoters throughout the whole procurement process - extension of implementation period beyond 30.4. 2017 - extension of deadline for drawing of funds within bilateral fund
	Specific programme risk – public procurement	The risk concerns PDP6, where tender for construction works had to be repeated 5 times. The project is very risky because it more than likely will not be finished by 30 April 2017.	High	High	High	<ul style="list-style-type: none"> - intensive monitoring of project - regular meetings with project team and the public procurement unit of the Prison Service
Bilateral outcome(s):	Bilateral relations	Partnership is promoted both on the Programme and project level. The Cooperation Committee meets regularly. The originally planned as well as additional bilateral activities within PDP2 and PDP3 have been implemented. Thanks to savings another two partnerships were established within PDP3 and PDP5. The cooperation is further enhanced within the bilateral fund on Programme level (measure B). The risk concerns mainly time capacity of involved	Low	Low	Low	<ul style="list-style-type: none"> - support of bilateral relations through the websites of all relevant stakeholders - clear specification of the rules for financing and reimbursement of expenditures - good quality planning of activities - active cooperation and communication among partners - extension of the deadline for drawing of

⁵⁸ The risks should be categorised in one of 3 ways, depending on whether it poses a risk to the cohesion objective, the bilateral objective, or is more of an operational issue.

⁵⁹ Likelihood is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

⁶⁰ Impact is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

⁶¹ Importance is counted as Likelihood multiplied by Impact and described as Low, Middle or High according to its scoring gained in the risk analysis (Low: 1-8, Middle: 9-15, High: 16-25).

Type of objective ⁵⁸	Risk	Description of risk in the reporting period	Likelihood ⁵⁹	Impact ⁶⁰	Importance ⁶¹	Mitigation planned/done
		stakeholders.				funds from bilateral fund - transfer of savings in PDPs to bilateral fund
Operational issues:	Management and control structures, programme management	Management and control structure at the national level has been approved by the audit authority and the FMO. PO manuals and procedures were finalized and approved. The risk concerns mainly knowledge and compliance with the set rules and personal capacities within the management structures.	Low	High	Middle	- support to all stakeholders regarding rules of Programme/project implementation (seminars, trainings, provision of information on web etc.) - regular update of manuals and procedures - ensuring stability of management structures
	Programme implementation set up	Manuals and procedures at national level and PO level (i.e. guidelines for applicants, open calls, small-scale tenders, eligibility of expenditures, etc.) were issued. Major changes have not occurred in 2016.	Low	Middle	Low	- continuous evaluation of the system's functionality and possible adjustments - regular update of manuals and procedures - extension of deadline for drawing of funds within bilateral fund - possible extension of deadline for fulfilment of project objectives beyond 30 April 2017
	Reports and irregularities within programme	Regular programme monitoring towards FMO and project monitoring towards PO were carried out. Suspected irregularity was detected within PDP7 during on-the-spot control of the PO, it is being solved. 2 irregularities were identified in the audit report of the Audit authority related to Programme preparatory costs. 2 irregularities were identified by the Certifying authority related to Management costs of the Programme Partner. 2 irregularities were identified by the Certifying authority related to BFB initiatives. All irregularities have been set and the requested amounts were returned to the bank account of the PO.	Low	Middle	Low	- regular Programme / project monitoring in line with the plan - consistent verification of monitoring reports and on-the-spot controls
	Programme audits/controls	Operational audit of the Management of the PO for CZ15 was carried out by the Audit Authority in 2016. 4 on-the-spot controls of the PO were carried out in 2016. Regular project monitoring via IS CEDR is in progress.	Middle	Middle	Middle	- set up of audit and control plans - regular monitoring, on-the-spot v controls and audits
	Information system	The information and monitoring system CEDR is in service. Minor adjustments are ongoing. The risk relates mainly to the knowledge of the system and abilities to work with it properly.	Low	Middle	Low	- adjustments of the system in order to fix all imperfections - intensive cooperation with the contractor to minimize breakdowns and failures

Type of objective ⁵⁸	Risk	Description of risk in the reporting period	Likelihood ⁵⁹	Impact ⁶⁰	Importance ⁶¹	Mitigation planned/done
						- providing support to all stakeholders (manuals, training etc.)
	Corruption risk	Programme implementation set-up is transparent, rules and procedures are clearly stated in manuals and guidelines.	Low	Middle	Low	- transparent Programme implementation set-up - regular controls

PRG No.	PRG title	Programme financial allocation	Type of Programme Operator	Programme complexity	Conditions stated in PA	Management and control structures, programme management	Programme implementation set up	Time risk - delay in commitment and disbursement of funds	Programme absorption capacity	Legislation changes	Reports and irregularities within programme	Programme audits/controls	Number of programme partners	Bilateral relations	Information system	Corruption risk	Specific programme risk	Specific programme risk - description	total - programme
CZ01	Technical Assistance + Bilateral fund	6	6	12	3	10	4	5	5	3	8	6	2	3	6	4	6	Low quality of evaluation reports	89
CZ02	Biodiversity & Environmental Monitoring & Climate Change	15	6	12	9	10	8	10	5	3	4	9	4	9	6	4	12	seasonal works in the projects	126
CZ03	NGO Programme	12	6	12	9	10	8	5	5	3	4	9	4	3	3	8	12	Project irregularities	113
CZ04	Children and Youth at Risk	9	6	15	12	15	8	15	20	15	8	9	4	15	6	4	20	Political ill will in adoption of new law for protection of children	181
CZ05	Local and Regional Initiatives - Social Inclusion	3	6	3	9	10	8	10	5	6	4	9	2	6	6	4	9	Non-functional cooperation with other departments	100
CZ06	Cultural Heritage and Contemporary Arts	15	6	15	12	15	8	10	5	3	4	9	4	6	6	4	20	Personal changes at the Ministry of Culture	142
CZ07	Scholarship	9	9	9	9	15	8	5	5	3	4	6	6	9	6	4	12	Overlapping with other funds	119
CZ08	Pilot studies and surveys on CCS technology	9	6	9	15	10	8	10	5	3	4	9	2	6	6	4	15	Contribution of projects to two outputs	121
CZ09	Research Support Fund	15	6	12	9	15	8	10	5	6	4	9	4	9	12	4	20	Personal changes in key positions	148

CZ10	Capacity-building and Institutional Cooperation	3	6	6	12	10	8	25	15	3	8	9	2	3	6	4	25	Tender procedures	145
CZ11	Public Health Initiatives	15	6	15	9	10	8	15	10	3	4	9	6	9	6	4	12	Programme focus on two different health care areas	141
CZ12	Mainstreaming Gender Equality	6	6	15	9	5	4	5	5	9	4	9	2	12	3	4	15	Failure to fulfill outcome indicators	113
CZ13	Domestic and Gender-based Violence	3	6	3	9	10	12	25	25	6	4	9	2	12	6	4	20	Tender procedures	156
CZ14	Schengen Cooperation and Organised Crime	12	6	6	9	10	8	15	5	3	4	9	2	12	6	4	12	Tender procedures	123
CZ15	Judicial Capacity-building Cooperation; Correctional services, incl Non-custodial sanctions	9	6	6	12	10	8	25	15	3	8	9	6	4	6	4	20	Tender procedures	151
Total - risk	x	141	93	150	147	165	116	190	135	72	76	132	52	118	90	64	230		x

Risk classification	Points	Colour
Low	1-8	
Middle	9-15	
High	16-25	

Total - risk	Points	Colour
Low	1-120	
Middle	121-225	
High	226-375	

Total - programme	Points	Colour
Low	1-128	
Middle	129-240	
High	241-400	

ANNEX 6 – TECHNICAL ASSISTANCE ANNUAL REPORT 2016



ANNUAL REPORT

reporting period: 1.1.2016 – 31.12.2016

CZ01 – Technical Assistance

EEA and Norwegian Financial Mechanisms 2009-2014

1 OVERVIEW OF MAIN ACTIVITIES

In 2016 the following activities financed from the Technical Assistance were realized:

Salaries and bonuses related to employees of National Focal Point (NFP), Certifying Authority (CA) and Audit Authority (AA) were paid. It concerns 3 employees of AA (last one since September 2016), 2 employees of CA (second since June 2016) and 4 employees of NFP with the following extent of the workload: 100% of the overall workload, 10% of the overall workload, 30% of the overall workload and 20% of the overall workload (since May 2016). Also the bonuses – personal supplements and additional benefits for all employees of the NFP, CA and AA were paid.

The Monitoring Committee meeting was held “per-rollam” in March 2016 in order to discuss the Strategic Reports for 2015. On 9 November 2016 the Annual Meeting of the EEA and Norway Grants in the Czech Republic was held. As part of the Annual Meeting the on-site visit was held on 8 November 2016. On 14 December 2016 the informal Christmas meeting of the NFP, CA, AA, Programme Operators with the donors and the representatives of the Swiss-Czech Cooperation Programme was held. Also three technical meetings with the FMO took place.

NFP also went through two audit missions focused on the national level (NFP, CA, AA) as well as programmes: the performance audit of EEA Grants carried out by the EFTA Board of auditors (February 2016) and the system audit of EEA/Norway Grants carried out by the auditors of Moore Stephens contracted by the FMO (April 2016).

On 4 October 2016 the NFP organized the **Conference on the Progress in Implementation of EEA and Norway Grants 2009-2014 in the Czech Republic – Lessons Learnt and Best Practice**. The conference was held in Prague with participation of 122 representatives of all levels of EEA and Norway Grants implementation (FMO, Royal Norwegian Embassy in Prague, NFP, CA, AA, Programme Operators, Project Promoters, DPPs and Programme Partners). As part of the conference the visit of the finished project supported by the EEA and Norway Grants was organized for all the participants. During the conference the representatives of all levels of implementation participated on the panel discussion about the experience from the point of view of Programme Operators – the results of the panel discussion were gathered and sent to the FMO.

There were also foreign trips of the NFP/CA/AA staff: one NFP representative participated on the seminar for the NFPs and POs of Scholarship programme and related Outreach event that were held in June 2016 in Brussel. Two NFP representatives and one CA representative participated in the meeting of V4 countries related to experiences sharing within EEA and Norway Grants and their incorporation into the new draft Regulation for FM 2014-2021 that was held in June 2016 in Warsaw (Poland). One NFP representative participated on the 2016 Communication workshop for NFPs held in September 2016 in Riga. One NFP representative participated on the “Dissemination of the final results and look into future” seminar for the NFPs and POs of Scholarship programme that were held in September 2016 in Bergen. One CA representative participated in the Certifying Authorities’ workshop organized by the FMO in October 2016 in Brussels. Two NFP representatives participated in the Focal Points’ workshop for EEA and Norway Grants 2014-2021 combined with the seminar on evaluations of FM 2009-2014 held in October 2016 in Brussels. Two AA representatives participated in the Audit Authorities’ workshop organized by the FMO in November 2016 in Brussels.

The AA also realized travel costs within the Czech Republic related to the audit work on-the-spot.

Under the promotional and information activities the NFP ensured new delivery of promotional materials (bags, folders, pens, notebooks) during spring and autumn 2016 and delivery of a roll-up banner for CZ01.

The NFP also continuously updates the official website related to the EEA and Norway Grants in the Czech Republic.

The Certifying Authority actualized the “Methodology of Financial Flows, Control and Certification of Programmes Financed from EEA and Norwegian Financial Mechanisms in the 2009-2014 Programme Period”, especially in the chapter of Irregularities. The actualized version came into force on 1 July 2016. The CA ensured the maintenance of the module of the EEA/Norway Grants within the existing information and accounting system (IS VIOLA) as well as incorporating new functionalities.

The AA prepared the Audit Strategy for the EEA/Norway Grants for 2016 that was submitted to the FMO in April 2016 and the Annual Audit Report that was submitted to the FMO in December 2016. Audits of Programmes are carried out according to the Audit Strategy.

One irregularity related to the Technical Assistance was discovered in 2016 – the expenditures for the three-day seminar “Improving Financial Management, Control and Audit of EU Funds 2014-2020” where one AA representative participated in June 2016 were not considered proportionate and directly related to the implementation of the current FMs. The respective costs were returned to the source account of the CA and will be deducted in next IFR.

2 BUDGET OVERVIEW

The Technical Assistance budget is used continuously according to the needs of the NFP, CA and/or AA for all types of Technical Assistance activities. The same applies for the budget of the Fund for bilateral relations at national level.

The reallocation between budget lines within the TA budget as well as the reallocation from the TA budget to the Fund for bilateral relations at national level was approved by the FMO and the amended TA Agreement was issued in June 2016. The reallocations included mainly:

- increase of budgets for Additional management systems (for NFP, CA, AA) due to the extension of the eligibility of TA and programmes and increase of the staff in order to ensure the task rather by own employees than by external experts,

- increase of budget for Promotional and information activities (for NFP) in order to ensure sufficient and varied publicity,
- decrease of budget for Reviews and evaluations (NFP), On-the-spot verifications (CA) and Audits (AA) as these budgets will not be fully utilized (the estimated amount for tender is lower than expected or own staff is used instead of external experts),
- transfer of the overall savings in the TA budget (in total 78 981 EUR) to the Fund for Bilateral Relations at national level where the NFP noticed the increased demand of possible applications in comparison to the available allocation.

ACTUAL EXPENDITURE IN 2016

		12. IFR (Jan 16 – Apr 16)		13. IFR (May 16 – Aug 16)		14. IFR (Sep 16 – Dec 16)*	
TA	NFP	288 144 CZK	10 650 EUR	687 645 CZK	25 428 EUR	1 264 759 CZK	46 802 EUR
	CA	284 236 CZK	10 506 EUR	580 681 CZK	21 462 EUR	1 058 641 CZK	39 170 EUR
	AA	392 873 CZK	14 521 EUR	682 199 CZK	25 217 EUR	857 369 CZK	31 717 EUR
TOTAL TA		965 253 CZK	35 677 EUR	1 950 525 CZK	72 107 EUR	3 180 769 CZK	117 689 EUR
BF		1 147 117 CZK	42 392 EUR	369 899 CZK	13 677 EUR	4 447 609 CZK	164 496 EUR
TOTAL		2 112 370 CZK	78 069 EUR	2 320 424 CZK	85 784 EUR	7 628 378 CZK	282 185 EUR

* not certified yet

TOTAL 2016	
12 061 172 CZK	446 038 EUR

PLANNED EXPENDITURE vs. ACTUAL EXPENDITURE 2016

	PLAN	ACTUAL	DIFFERENCE
TECHNICAL ASSISTANCE – TOTAL	339 229 EUR	225 474 EUR	113 755 EUR
I. Additional management systems	269 816	190 211	79 605
II. Monitoring Committee, annual and other meetings	14 830	4 052	10 778
III. Meetings and conferences to share experience	2 887	5 919	-3 032
IV. Promotional and information activities	40 377	22 532	17 845
V. Audits	6 415	2 735	3 680
VI. On-the-spot verifications	3 395	25	3 370
VII. Reviews and evaluation	1 509	0	1 509
Other	0	0	0
FUND FOR BILATERAL RELATIONS – TOTAL	213 208 EUR	220 566 EUR	-7 358 EUR
TOTAL	552 437 EUR	446 040 EUR	106 397 EUR

CUMULATIVE EXPENDITURE Jun 2011 – Dec 2016

		BUDGET	TOTAL DISBURSED		REMAINS
TA	NFP	823 172 EUR	8 317 121 CZK	315 861 EUR	507 311 EUR
	CA	496 392 EUR	6 950 765 CZK	259 086 EUR	237 306 EUR
	AA	578 455 EUR	5 754 896 CZK	216 205 EUR	362 250 EUR
TOTAL TA		1 898 019 EUR	21 022 782 CZK	791 152 EUR	1 106 867 EUR
BF		967 981 EUR	15 995 656 CZK	596 378 EUR	371 603 EUR
TOTAL		2 866 000 EUR	37 018 438 CZK	1 387 530 EUR	1 478 470 EUR

PLANNED EXPENDITURE 2017

TECHNICAL ASSISTANCE – TOTAL	2017	
	CZK	EUR
I. Additional management systems	8 111 272	300 418
II. Monitoring Committee, annual and other meetings	370 000	13 704
III. Meetings and conferences to share experience	700 000	25 926
IV. Promotional and information activities	230 000	8 518
V. Audits	1 830 000	67 778
VI. On-the-spot verifications	124 000	4 593
VII. Reviews and evaluation	2 050 000	75 926
Other	0	0
FUND FOR BILATERAL RELATIONS – TOTAL	4 920 000 CZK	182 222 EUR
TOTAL	18 335 272 CZK	679 085 EUR

3 PROCUREMENTS

During 2016 the NFP in cooperation with the PO-Ministry of Finance prepared and launched several tenders:

- Open tender for articles in press in order to promote EEA and Norway Grants in the Czech Republic: the contract with company Image CZ was signed on 19 July 2016 and it is planned that 1 article will be financed from the Technical Assistance (in 2018) and 2 articles from the Fund for bilateral relations at national level (the other articles will be financed from EEA and Norway Grants programmes as well as from the Swiss-Czech Cooperation Programme).
- Open tender for catering (to be used also during events and activities under TA and BFNL) – the contract with the company Aristokrat Catering was signed on 5 September 2016.
- Small scale tender for interpretation (to be used also during events and activities under TA and BFNL) – contract with the company Pro Education International was signed on 9 September 2016.
- Small scale tender for on-the-spot controls of programmes – the services were ordered for four programmes in September, October and November 2016 (company Deloitte).
- Open tender for evaluation of programmes (evaluation of 4 programmes and summary evaluation to be financed from the TA) – the tender was launched on 2 September 2016, the contract was signed on 20 January 2017.

No other procurement is planned under the Technical Assistance.

4 STAFFING

Name of staff	Official position	Main tasks	Level of effort (% of working time)	Funded through the Grants (Y/N)	Contact details
National Focal Point: Ministry of Finance – Centre for Foreign Assistance					
Ms. Martina Bečvářová	Head of Monitoring Unit	Coordination of monitoring and evaluation of implemented programmes	25%	N – (a remuneration)	martina.becvarova@mfcz.cz Tel. +420 257 044 572
Ms. Veronika Imrich Dudková	Deputy Head of Monitoring Unit	TA budget, reporting to the FMO (e.g. strategic report), overall monitoring, evaluation coordinator	20%	N – (a remuneration)	veronika.dudkova@mfcz.cz Tel. +420 257 044 563
Mr. Jiří Koudar	Programme manager	TA budget, partly monitoring of programmes CZ03, CZ12	20%	Y – 20%	jiri.koudar@mfcz.cz Tel. +420 257 044 592
Ms. Eva Vavřínková	Financial manager	Monitoring and financial control of the programmes CZ03 and CZ12, Fund for bilateral relations at national level - monitoring	100%	Y – 100%	eva.vavrinkova@mfcz.cz Tel. +420 257 044 335
Ms. Renata Mánková	Programme manager	Monitoring of programmes CZ07, CZ09, partly Fund for bilateral relations at national level - monitoring	10%	N – (a remuneration)	renata.mankova@mfcz.cz Tel. +420 257 044 579
Ms. Šárka Sovová	Head of Preparation and Coordination Unit	Preparation and coordination of implementation of Programmes	50%	N – (a remuneration)	sarka.sovova@mfcz.cz Tel. +420 287 044 565
Mr. Tomáš Tesař	Deputy Head of Preparation and Coordination Unit	Fund for bilateral relations at national level - preparation and Coordination of Open Calls	60%	N – (a remuneration)	tomas.tesar@mfcz.cz Tel. +420 257 044 564
Mr. Vlastimil Vaněk	Programme Coordinator	Preparation and Coordination – CZ01	50%	Y – 30%	vlastimil.vanek@mfcz.cz Tel. +420 257 044 593

Name of staff	Official position	Main tasks	Level of effort (% of working time)	Funded through the Grants (Y/N)	Contact details
Ms. Monika Toušová	Programme Manager	Preparation and coordination of budget for CZ01, reimbursements	90%	N – (a remuneration)	monika.tousova@mfcrcz Tel. +420 257 044 562
Ms. Zuzana Vacková	Publicity Manager	Publicity of the programme, organisational and technical support	50%	Y – 10%	zuzana.vackova@mfcrcz Tel. +420 257 044 372
Certifying Authority: Ministry of Finance – National Fund Department					
Mr. Petr Vránek	Head of EEA / Norwegian FM Certification Unit	Coordination of certification	100%	N – (a remuneration)	petr.vranek@mfcrcz Tel. +420 257 042 819
Ms. Kristýna Lajnerová	Certificator	certification	100%	Y – 100%	kristyna.lajnerova@mfcrcz Tel. +420 257 044 573
Ms. Barbora Králová	Certificator	certification	100%	N – (a remuneration)	barbora.kralova@mfcrcz Tel. +420 257 044 079
Ms. Petra Marková	Certificator	certification	100%	Y – 100%	petra.markova@mfcrcz Tel. +420 257 044 580
Ms. Jitka Chumlenová	Certificator	certification	90%	N – (a remuneration)	jitka.chumlenova@mfcrcz Tel. +420 257 043 359
Audit Authority: Ministry of Finance – Audit Authority Department					
Ms. Eva Hrstková	Head of 5210 Audit Unit	Audit of the EEA and Norwegian grants	30%	N – (a remuneration)	martina.navratilova@mfcrcz Tel. +420 257 043 583
Ms. Věra Kaderová	Auditor	Audit of the EEA and Norwegian grants	100%	Y – 100%	vera.kaderova@mfcrcz Tel. +420 257 044 702
Mr. Jaroslav Pavlík	Auditor	Audit of the EEA and Norwegian grants	100%	Y – 100%	jaroslav.pavlik@mfcrcz Tel. +420 257 044 703
Ms. Marika Seidenglanzová	Auditor	Audit of the EEA and Norwegian grants	100%	Y – 100%	marika.seidenglanzova@mfcrcz Tel. +420 257 044 712
National entity for irregularities: Ministry of Finance – National Fund Department					
Ms. Jitka Chumlenová	Certifying Authority – Certificator	Evidence and reporting of irregularities	10%	N – (a remuneration)	jitka.chumlenova@mfcrcz Tel. +420 257 043 359

5 THE COMING YEAR

For the year 2017 the National Focal Point, Certifying Authority and Audit Authority will continue in the implementation, monitoring, certification and audit of the EEA and Norway Grants 2009-2014.

From the Technical Assistance the following activities and expenditures are expected:

Salaries and bonuses will be disbursed for 3 AA's employees, 2 CA's employees and 4 NFP's employees. Also the bonuses – personal supplements and additional benefits for employees of the NFP, CA and AA will be paid.

Concerning the meetings the Monitoring Committee meeting is planned in March 2017, the Annual meeting is planned in autumn 2017, regular meetings with Programme Operators are planned twice a year (in summer and winter) as well as technical meetings with the FMO and Norwegian Embassy in Prague. Also some foreign trips of NFP's, CA's and/or AA's employees to participate on meetings abroad will be held.

The on-the-spot controls of programmes and thematic evaluations of programmes will be carried out by external companies hired by the NFP.

Audits of programmes and system audits will be carried out by the AA according to the Audit strategy.

NFP plans promotional activities in form of brochures, articles in press and on a website. NFP will also participate on the closing conferences of programmes that are planned during the year.

Also the development and maintenance of the information systems of NFP, CA and AA is planned.