



Audit Report

22/09

State and European Union funds earmarked for aid measures to conserve, protect and care for nature and the landscape

The audit was included in the audit plan of the Supreme Audit Office (hereinafter the “SAO”) for 2022 under No 22/09. The audit was managed and the Audit Report drawn up by SAO member Mr Petr Neuvirt.

The aim of the audit was to verify whether the funds earmarked for the implementation of measures in the field of protection and care for nature and the landscape had been spent effectively and in accordance with legal regulations.

The audit was carried out at the audited entities in the period between April 2022 and November 2022.

The audited period covered the years 2019 to 2021. Where relevant, the preceding and following periods were also subject to scrutiny.

Audited entities:

Ministry of the Environment (hereinafter the “MoE”); Nature Conservation Agency of the Czech Republic, Prague (hereinafter the “NCA”); State Environmental Fund of the Czech Republic, Prague (hereinafter the “SEF”); Lesy České republiky, s.p. (Forests of the Czech Republic), Hradec Králové; EKOFARM LIPNO s.r.o., Frymburk; Hnutí DUHA Šelmy (DUHA Movement Carnivora), Olomouc; the Municipality of Kojetín; the Municipality of Třešť; the Municipality of Žďár nad Sázavou; REVITA CZ o.p.s., Droužetice.

At its 5th session held on 20 March 2023, the **Board of the SAO**

issued Resolution No 9/V/2023 approving

the **Audit Report** worded as follows:

Protection and care for nature and the landscape

CZK 5.15 billion

Funds spent by the MoE from the Operational Programme *Environment 2014-2020* as of 31 December 2021

CZK 0.93 billion

Funds spent by the MoE from the state budget in 2019-2021¹

CZK 18 million

Funds spent by the SEF between 2019 and 2021 for land purchases for the NCA

3 out of 7 of the OPEn output indicators showed values below 10 % of the target value as of 31 December 2021 and their target values **will not be met** by the end of the programming period

1 out of 4 of the OPEn result indicators showed value below 10 % of the target value as of 31 December 2021 and its target value **will not be met** by the end of the programming period

6 out of 8 target values of the indicators of the programme *Aid for the Restoration of Natural Landscape Functions – from 2019* **will not be met**

2 out of 5 target values of the indicators of the sub-programme *Management of Inalienable State Property in Specially Protected Areas* **will not be met**

0 no measurable objectives of the *Landscape Care Programme*

79 ha purchased, **of which 2 ha** under the pre-emptive right of the State

0 the MoE did **not** submit any application for the registration of the pre-emptive right of the State in the Land Register

¹ *Landscape Care Programme; programme Aid for the Restoration of Natural Landscape Functions – from 2019; sub-programme Management of Inalienable State Property in Specially Protected Areas (SPAs).*

I. Summary and Evaluation

1.1 In the European Union, there has been no significant improvement in the state of sites and species of European importance, according to the State of Nature Report². A key objective of the EU Biodiversity Strategy³ by 2020 was to halt the loss of biodiversity and the degradation of ecosystem services in the EU⁴. Despite partial successes, the decline of protected species and habitats cannot be halted⁵. The Czech Republic is also experiencing a decline in biodiversity⁶ and a related deterioration in the functioning of ecosystems and ecosystem services, increasing sensitivity to climate change and the risk of introducing non-native species.

1.2 The SAO audited whether the funds earmarked for the implementation of measures in the field of protection and care for nature and the landscape had been spent effectively and in accordance with legal regulations. The SAO audited the funds:

- from the EU resources under the Operational Programme *Environment 2014-2020* (hereinafter also the “OPEn”), specifically under Priority Axis 4 – *Protection and care for nature and landscape* (hereinafter also “PA 4”);
- from the resources of the state budget chapter *Ministry of the Environment* (hereinafter referred to as “315 – MoE”), namely under:
 - *Landscape Care Programme* (Program péče o krajinu, hereinafter also “PPK”);
 - programme 115 170 – *Aid for the Restoration of Natural Landscape Functions* – from 2019 (Podpora obnovy přirozených funkcí krajiny, hereinafter also “POPFK”);
 - sub-programme 115V032 – *Management of Inalienable State Property in Specially Protected Areas* (Správa nezcizitelného státního majetku ve zvláště chráněných územích, hereinafter also “MaS”);
- from the resources of the SEF under the *National Programme Environment* (hereinafter also referred to as the “NPE”), specifically from the 4th priority area: *Nature and landscape*.

1.3 For measures to protect biodiversity and ecosystems, adapt to climate change, etc., the MoE had spent funds from EU sources in the amount of CZK 5.15 billion as of 31 December 2021. In addition, the MoE spent funds of CZK 0.93 billion from the state budget in the audited years 2019 to 2021 in the area of protection and care for nature and the landscape⁷

² *Report on the state and trends of species and habitat types protected under the Birds and Habitats Directives for the period of 2013-2018.*

³ We understand biodiversity as the diversity of life in all its forms, levels and combinations. It is not simply the sum of all genes, species and ecosystems, but rather the variability within and among them. (Source: CBD – *Convention on Biological Diversity*.)

⁴ Benefits provided to people by ecosystems. Through the use of ecosystem services, people can achieve their desired level of well-being.

⁵ The European Commission estimates that the failure to meet the headline target of the *EU Biodiversity Strategy to 2020* is costing the EU economy EUR 50 billion a year.

⁶ *Report on the quality of life and its sustainability (Evaluation of the implementation of the Strategic Framework Czech Republic 2030)* from 2021.

⁷ State budget chapter 315 – MoE: PPK, POPFK, MaS.

and the SEF⁸ spent funds of CZK 18.42 million in the same period for land purchases for the NCA.

1.4 Some indicators used to assess the level of achievement of the objectives of the MoE programmes and the Operational Programme *Environment 2014-2020* will not be met⁹. The programme objectives set by the MoE, for example, ensuring the necessary care for the objects of protection in nationally important protected areas, halting the loss of biodiversity, preserving natural and landscape values, increasing the ecological stability of the landscape and restoring the water regime of the landscape, will not be fully met.

1.5 The MoE did not monitor or evaluate the benefits of the funds provided from the *Landscape Care Programme*. The funds spent by the MoE through programme funding in 2019-2021 were not used for investment activities, but to finance current expenditure¹⁰ in the field of protection and care for nature and landscape. The MoE did not implement the measures defined by the basic strategic documents in the field of protection and care for nature and landscape within the set deadlines.

1.6 The MoE did not proceed according to the Act on Nature and Landscape Protection¹¹ (hereinafter referred to as the “Nature and Landscape Protection Act”) by failing to submit applications for the registration of the pre-emptive right of the State in the Land Register and in some cases failing to comply with the statutory deadline for the exercise of the State’s pre-emptive right to buy land located in specially protected areas valuable in terms of nature.

1.7 20 projects were audited¹², where it was found that the funds had been used in accordance with the approved objectives. The audit revealed violations of legal regulations.

1.8 The assessment is based on the following findings:

a) Four of the seven output indicators and one of the four result indicators for PA 4¹³, whose values are based on implemented projects, will not be met by the end of the programming period. As of 31 December 2021, the indicators showed compliance through the value achieved ranging from 0.67 % to 15.12 %.

⁸ NPE, 4th priority area: *Nature and the landscape*.

⁹ For the evaluation of the implementation of the OPEn, the MoE established and quantified specific result and output indicators for the specific objectives of PA 4. The MoE set and quantified specific indicators and parameters for the evaluation of the POPFK Programme and specific indicators for the evaluation of the MaS sub-programme. The level of achievement of the set indicators as at 31 December 2021 is presented in Annexes 2 and 3 to this Audit Report.

¹⁰ In particular, expenditure item 5169 – *Purchase of other services*.

¹¹ Act of the Czech National Council No 114/1992 Coll., on nature and landscape protection.

¹² Projects are defined as OPEn projects (16), actions implemented under the POPFK Programme (2) and measures implemented under PPK (2).

¹³ *Increase in the number of measures to reduce non-native species (including mapping or monitoring); increase in the total number of measures (including mapping or monitoring) to promote species and habitats; ensuring the migratory permeability of the river network; increase in the number of measures to prevent, minimise and remedy damage caused by specially protected species; increase in the number of cleared barriers to animal migration.*

b) As of 31 December 2021, six of the eight indicators and 14 of the 24 parameters of the POPFK Programme showed performance values below 50 % of their binding target values. As of 31 December 2021, two of the five indicators of the MaS sub-programme showed performance values below 50 % of their binding target values.

c) The MoE financed current expenditure in the field of protection and care for nature and landscape through programme financing (POPFK and MaS), although programme financing was intended for the acquisition or technical improvement of tangible and intangible fixed assets. The state of spending as at 31 December 2021 was as follows:

- 94 % of the state budget funds used under the POPFK Programme to finance actions in 2019-2021 were current expenditure totalling CZK 98 million.
- 97 % of the state budget funds used under the MaS sub-programme to finance actions in 2018-2021 were current expenditure totalling CZK 80.64 million.

Act No 218/2000 Coll.¹⁴ and Decree No 560/2006 Coll.¹⁵ set out the procedures for programme financing that must be followed by the programme administrator and programme participants. The MoE did not proceed in accordance with the provisions of Section 6(2) of Decree No 560/2006 Coll., as it did not carry out the final evaluation of the actions.

d) The MoE did not have any indicators, parameters or other criteria on the basis of which it would have been possible to objectively assess the benefits of the funds provided under the *Landscape Care Programme*. In the years 2019 to 2021, the MoE did not proceed in accordance with the provisions of Section 39(3) of Act No 218/2000 Coll., as the MoE as the administrator of the state budget chapter 315 – MoE did not monitor and evaluate the economy, efficiency and effectiveness of the expenditures spent within PPK.

e) The MoE did not implement some of the measures defined in the *Biodiversity Strategy of the Czech Republic 2016-2025* (hereinafter also the “Strategy”) and in the *State Programme of Nature Conservation and Landscape Protection of the Czech Republic for the period of 2020-2025* (hereinafter also the “Programme”), or implemented them only partially. The MoE did not play a coordinating role in the implementation of the Strategy and the Programme, as it did not monitor the implementation of the measures according to the set deadlines.

The achievement of some of the objectives of the Strategy and the Programme at the end of 2025 is uncertain in view of the observed status of implementation of the audited measures under the competence of the MoE.

f) The MoE did not proceed in accordance with the provisions of Section 61(1) of the Nature and Landscape Protection Act by not submitting an application for registration of the pre-

¹⁴ Act No 218/2000 Coll., on the budgetary rules and amending certain related acts (the Budgetary Rules).

¹⁵ Decree No 560/2006 Coll., on the participation of the state budget in the financing of asset reproduction programmes.

emptive right in the Land Register¹⁶, resulting in the transfer of land valuable in terms of nature without the exercise of the State's preferential offer. The SAO drew attention to this fact already in the Audit Report of audit No 18/23 – *State funds and property under the management of National Park administrations*¹⁷.

In the audited period, the MoE received seven offers to purchase land located in National Nature Reserves (NNRs) or National Nature Monuments (NNMs) under the State's pre-emptive right under the Nature and Landscape Protection Act. The MoE did not comply with the 60-day statutory deadline for the State to express its interest in exercising the pre-emptive right for three offers of land for purchase, although the MoE was interested in buying the land in question. Of these, for one offer the seller concluded the purchase agreement after the deadline had passed. As a result of the MoE's failure to exercise the pre-emptive right in time, land in sites valuable in terms of nature with a total area of 1.87 ha was not purchased.

- g) The audit of the NCA and other selected beneficiaries revealed the following shortcomings:
- violation of the principle of transparency and non-discrimination under Act No 134/2016 Coll.¹⁸; violation of the conditions of public procurement under the OPEn by setting a shorter deadline for submission of tenders;
 - breach of the terms of the subsidy granted by failing to report changes to the project;
 - incorrect accounting in relation to the acquisition or technical improvement of tangible fixed assets;
 - failure of the internal control system – during the evaluation of aid applications, the NCA did not exclude two projects, although the applicant had not provided the required documents within the set deadline.

In some cases, the SAO assessed the identified shortcomings as indicating a breach of the budgetary discipline within the meaning of the Budgetary Rules.

II. Information on the Audited Area

Ministry of the Environment

2.1 The MoE is the central state administration authority for, among other things, nature and landscape protection. The MoE is the body of supreme state oversight in environmental matters. It is responsible for the nature conservation and landscape protection concept.

2.2 The MoE provides state budget funds to finance the protection and care for nature and the landscape, and is the managing authority for the OPEn. Furthermore, the MoE decides on

¹⁶ Pursuant to the provisions of Section 61(1) of the Nature and Landscape Protection Act, the Czech Republic has a pre-emptive right to undeveloped land outside the built-up areas of municipalities in National Parks, National Nature Reserves, National Nature Monuments and land related to caves.

¹⁷ The Audit Report was published in Volume 4/2019 of the *SAO Bulletin*.

¹⁸ Act No 134/2016 Coll., on public procurement.

the provision of funds from the State Environmental Fund; these funds are distributed from the NPE.

Nature Conservation Agency of the Czech Republic

2.3 The basic purpose of the NCA is to provide professional support for the performance of state administration in the field of nature and landscape protection, to ensure the care of protected areas within its territorial jurisdiction and the performance of state administration in the territory of Protected Landscape Areas, as well as to provide professional, methodical, educational, training, awareness-raising and information activities in the field of nature and landscape protection.

2.4 Among other things, the NCA ensures the administration of national subsidy programmes in the field of nature and landscape protection, including control and monitoring, and on the basis of agreements on the performance and delegation of certain activities related to the implementation of the OPEn, it was entrusted with the administration and evaluation of aid applications under PA 4 of the OPEn.

State Environmental Fund

2.5 The SEF plays the role of an intermediary body for the OPEn, based on the *Agreement on Delegation of Certain Activities and Powers of the MoE as the Managing Authority for the OPEn in the Programming Period of 2014-2020 to the SEF*. The SEF also administers the NPE.

State Environmental Policy of the Czech Republic for 2012-2020

2.6 The overarching strategic document in the field of environmental protection was the *State Environmental Policy of the Czech Republic for 2012-2020* (hereinafter also referred to as the “State Environmental Policy”), which had been approved by Resolution No 6 of the Government of the Czech Republic of 9 January 2013; its updated version had been approved by Resolution No 1026 of the Government of the Czech Republic of 23 November 2016. For the area of nature protection, the State Environmental Policy has set thematic area 3. *Nature protection* and strategic objectives 3.1 *Ecological functions of the landscape*, 3.2 *Natural landscape values* and 3.3 *Settlements*.

Strategic Framework for the Development of the Czech Republic until 2030 (Czech Republic 2030)

2.7 *Czech Republic 2030* is a strategic framework that sets the direction in which the development of the Czech Republic should evolve and serves as a basis for evaluating the development of the Czech Republic and its global responsibilities. The document formulates strategic and specific objectives that the Czech Republic should achieve by 2030, including that the Czech landscape should be diverse and biodiversity should be restored. The Strategic Framework was approved by Resolution No 292 of the Government of the Czech Republic of 19 April 2017, *on the Strategic Framework Czech Republic 2030*.

Biodiversity Strategy of the Czech Republic 2016-2025

2.8 The Strategy is a basic conceptual document defining priorities in the field of protection and conservation and sustainable use of biodiversity in the Czech Republic. The main objective of the Strategy is to prevent the continued overall loss of biodiversity in the Czech Republic and to implement measures and activities that will lead to an improvement in the current state and long-term sustainable use of biodiversity. According to the Strategy, biodiversity protection in the Czech Republic is still insufficiently effective. Despite the main objective (to prevent decline), the overall state of biodiversity continues to deteriorate, with only some improvements.

2.9 The Strategy contains a total of 20 framework objectives in four priority areas, which, among other parts, define sub-objectives and specific measures for their implementation. The Strategy contains a total of 68 sub-objectives and 123 follow-up measures. Each measure was assigned its own indicator, deadline and responsibility. The main responsibility for the implementation of the Strategy and its sub-objectives lies with the MoE, and most of the proposed measures are also under the responsibility of the MoE.

State Programme of Nature Conservation and Landscape Protection of the Czech Republic 2020-2025

2.10 The Programme is a sub-conceptual document that builds on the Strategy and responds to the current state of nature and the landscape and the need for their protection. The main task of the Programme is to strengthen the protection of nature and the landscape in order to prevent the continued loss of biodiversity in the Czech Republic and to implement measures and activities that will lead to its improvement. The Programme has been defined for a period of five years, i.e., until 2025, when the Strategy and the Programme should be revised in order to unify the future conceptual document for the period until 2030.

2.11 The Programme contains a total of 12 framework objectives, 36 main objectives and 119 specific measures in three priority areas. Each measure has been assigned its own indicator, which should make it possible to evaluate the implementation of the measure in relation to the set deadline.

Legislative framework

2.12 In the audited period, there was a valid and effective Nature and Landscape Protection Act, the purpose of which is, with the involvement of the relevant regions, municipalities and land owners and administrators, to contribute to the maintenance and restoration of the natural balance in the landscape, to the protection of the diversity of life forms, natural values and beauty, to the careful management of natural resources and to the creation of the *Natura 2000* system in the Czech Republic in accordance with European Community law¹⁹.

¹⁹ *Natura 2000* is the world's largest system of protected areas, created by all EU Member States for their territories under common rules. It helps to protect and preserve rare and endangered wildlife, wild plants and natural habitats for future generations. In the Czech Republic, *Natura 2000* consists of 41 bird areas and 1,112 sites of European importance. The system covers 14 % of the territory of the Czech Republic.

2.13 One of the most important instruments of nature and landscape protection in the Czech Republic is the protection of territories, which is carried out through specially protected areas (hereinafter also “SPAs”). The Nature and Landscape Protection Act defines two categories of large-area SPAs: National Parks and Protected Landscape Areas, and four categories of small-area SPAs: National Nature Reserves, Nature Reserves, National Nature Monuments and Nature Monuments.

Table 1: Territory protection in the Czech Republic as of 31 December 2021

| Category of specially protected areas | Number | Area (in km ²) |
|---------------------------------------|--------|----------------------------|
| National Parks | 4 | 1,190.2 |
| Protected Landscape Areas | 26 | 11,381.8 |
| National Nature Reserves | 110 | 304.4 |
| National Nature Monuments | 126 | 82.7 |
| Nature Reserves | 818 | 435.0 |
| Nature Monuments | 1,589 | 336.5 |

Source: NCA.

Aid for nature and landscape protection

2.14 The audited funds earmarked for the aid of measures related to the protection and care for nature and the landscape were provided by the Ministry of the Environment and the State Environmental Fund of the Czech Republic from the OPEn, POPFK, MaS, PPK and the NPE.

Operational Programme Environment 2014-2020

2.15 The issue of protection and care for nature and the landscape is addressed in Priority Axis 4 – *Protection and care for nature and the landscape*, specifically in Investment Priority 1²⁰. As of 31 December 2021, a total of 2,181 projects were in various stages of progress under PA 4 of the OPEn with an approved amount of aid of CZK 9.22 billion, and CZK 5.15 billion had been disbursed as of the same date.

2.16 Investment Priority 1 of PA 4 of the OPEn has four specific objectives (hereinafter also referred to as “SO”): 4.1 *Ensure a favourable condition of the object of protection of nationally important protected areas*; 4.2 *Strengthen biodiversity*; 4.3 *Strengthen the natural functions of the landscape*; 4.4 *Improve the quality of the environment in settlements*.

Landscape Care Programme

2.17 PPK is the most financially significant non-investment national subsidy programme in the field of landscape care, which is announced annually by the MoE. The programme is an instrument serving to secure the objectives in nature and landscape protection, which are not able to be secured by the more broadly set European programmes, especially the OPEn. PPK

²⁰ Investment Priority 1 of Priority Axis 4: *Preserving and protecting the environment and promoting the effective use of resources by protecting and restoring biodiversity and soil and promoting ecosystem services, including through the Natura 2000 network and ecological infrastructures [under Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013, Article 5(6)(d)].*

provides non-investment funding divided into three separate sub-programmes. Between 2019 and 2021, the MoE spent funds of CZK 759.44 million under PPK.

Programme Aid for the Restoration of Natural Landscape Functions – from 2019

2.18 The aim of the POPFK Programme is to secure the obligations of nature conservation authorities in relation to SPAs, the *Natura 2000* system and the provision of measures to aid the objects of protection, the implementation and preparation of rescue programmes and programmes of care for specially protected species of plants and animals and regional action plans, the provision of measures to control the spread of invasive species, adaptation measures to mitigate the effects of climate change on aquatic, non-forest and forest ecosystems, and the provision of background documents for improving the natural environment. Between 2019 and 2021, the MoE spent funds of CZK 104.08 million under the POPFK Programme.

Sub-programme Management of Inalienable State Property in Specially Protected Areas (SPAs)

2.19 This is a sub-programme of Programme 115 030 – *Development and Renewal of the Material and Technical Base of the Management System of the MoE for the years 2018-2022*. The aim of the sub-programme is to ensure financial support for activities related to the exercise of ownership rights to State property located in SPAs and their protection zones and to the performance of the role of the administrator of small watercourses. Between 2019 and 2021, the MoE spent funds of CZK 67.32 million under the MaS sub-programme.

National Programme Environment

2.20 The NPE aids projects for the protection and improvement of the environment in the Czech Republic from national resources or from the funds of the SEF. In the audited period, the NPE was divided into nine priority areas; the audited issues were covered by the 4th priority area: *Nature and landscape*. In the years 2019 to 2021, the SEF spent funds for land purchases for the NCA in the amount of CZK 18.42 million within the 4th priority area of the NPE.

III. Scope of the Audit

3.1 The aim of the audit was to verify whether the funds earmarked for the implementation of measures in the field of protection and care for nature and the landscape had been spent effectively and in accordance with legal regulations.

3.2 The audit focused on the fulfilment of the role of the MoE and the intermediary bodies NCA and SEF in the provision of State and EU funds intended for the implementation of measures in the field of protection and care for nature and the landscape. For the NCA and other selected beneficiaries, the audit verified whether the funds had been used for the intended purpose and in accordance with the applicable legal regulations. The auditable volume of spent funds as of 31 December 2021 amounted to CZK 6.22 billion, of which funds

disbursed from the EU amounted to CZK 5.15 billion, funds spent by the MoE from the state budget amounted to CZK 0.93 billion and funds spent from the resources of the SEF amounted to CZK 0.14 billion.

3.3 The application of the State's pre-emptive right to land located in SPAs under the provisions of Section 61 of the Nature and Landscape Protection Act was audited at the MoE and the NCA. Furthermore, the MoE was audited for the fulfilment of the objectives in the field of protection and care for nature and the landscape set out in the approved strategic documents; the audit verified the fulfilment of 24 measures of the Strategy and nine measures of the Programme. The audit verified whether corrective measures had been imposed in the event of non-compliance and whether they had been implemented. The audited sample included measures under the responsibility of the MoE, due by mid-2022 at the latest, which were of a financial, legislative or methodological nature.

3.4 For selected beneficiaries under the OPEn, the audit focused on compliance with the conditions for granting the subsidy, the demonstrability and justification of eligible expenditure, verification of economy, the use of subsidy funds for the stated purpose, the fulfilment of project objectives and the sustainability of projects. A total of 16 projects were selected for the audit; these were aimed at the implementation of measures related to the protection and care for nature and the landscape and were financed from PA 4 under the OPEn.

3.5 In the case of the NCA, which is the most financially important beneficiary of the MoE programmes, the audit examined two measures financed from PPK and two actions under the POPFK Programme. The audit focused on compliance with the conditions for granting the subsidy, the demonstrability and justification of eligible expenditure, verification of economy, the use of subsidy funds for the stated purpose, the fulfilment of objectives and project sustainability.

3.6 The audit also examined the funds of the SEF intended for the purchase of land in SPAs within the 4th priority area of the NPE. A sample of three contracts concluded with the NCA was examined to determine whether the SEF had provided funds in accordance with legal regulations.

3.7 The sampling of projects¹² and contracts took into account the coverage of the selected subsidy programmes, financial materiality, progress of implementation and the amount of funds disbursed, and is presented in Annex 1 to this Audit Report.

3.8 The audited volume of funds allocated at the system level amounted to CZK 10.48 billion, of which CZK 9.55 billion was from the OPEn, CZK 0.93 billion from the state budget and CZK 0.14 billion from the SEF (NPE).

3.9 The audited volume of funds at the project level¹² amounted to CZK 196.58 million, of which CZK 168.80 million was from the OPEn, CZK 9.36 million from the state budget and CZK 18.42 million from the SEF.

3.10 The audited period covered the years 2019 to 2021 and, where relevant, the preceding and following periods were also subject to scrutiny.

Note: All the legal regulations referred to in this Audit Report are applied in the version effective for the audited period.

IV. Detailed Facts Ascertained by the Audit

A. At the end of the programming period, the objectives of PA 4 of the OPEn will not be fully met

Aid for PA 4: Protection and care for nature and landscape

4.1 PA 4 is financed by the *European Regional Development Fund* (hereinafter also the “ERDF”). At the beginning of the programming period, the total amount of financial aid from the ERDF and national co-financing under PA 4 was set at EUR 414 million. In the currently valid version of the OPEn programming document²¹, the allocation amounts to EUR 446 million. The national co-financing for PA 4 is set at 15 %.

4.2 For the measures aided in the individual SOs, according to the currently valid version of the OPEn programming document, the allocations are approximately as follows:

- 31 % of the total allocation of PA 4 in SO 4.1 *Ensure a favourable condition of the object of protection of nationally important protected areas;*
- 3 % of the total allocation of PA 4 in SO 4.2 *Strengthen biodiversity;*
- 57 % of the total allocation of PA 4 in SO 4.3 *Strengthen the natural functions of the landscape;*
- 9 % of the total allocation of PA 4 in SO 4.4 *Improve the quality of the environment in settlements.*

4.3 PA 4 aided measures related to climate change adaptation and biodiversity and ecosystem protection. Aid for measures aimed at enhancing biodiversity was made possible under all specific objectives of PA 4. It was possible to aid, for example, measures aimed at the care of rare species and the care of valuable habitats, tree planting, the creation and restoration of water features (pools, wetlands, small water reservoirs, watercourses), the care of urban greenery, the care of areas of national importance. To mitigate the adverse effects of climate change, measures aimed at slowing down surface water runoff (building pound locks, ditches, grass strips, embankments) were aided.

4.4 As of 31 December 2021, the MoE had announced a total of 57 calls under PA 4, of which 54 calls had drawn funds in the amount of CZK 5,146 million as of 31 December 2021 (of which CZK 3,424 million in SO 4.3).

4.5 As of 31 December 2021, a total of 3,361 aid applications were submitted under PA 4, of which the greatest interest of applicants in aid was for calls in SO 4.3.

²¹ Version No 10 valid from 22 December 2021.

4.6 The legal act²² on the provision of subsidies had been issued for 2,181 projects under PA 4 as of 31 December 2021.

4.7 Information on the progress of the spending of funds under PA 4 is presented in Table 2.

Table 2: Summary data on spending in PA 4 as of 31 December 2021

| SO | Applications submitted in individual calls | | | Projects under implementation | | | Projects finally certified or fully closed | | | Amounts paid out to beneficiaries (in CZK) | Percentage of amount paid out to beneficiaries for PA 4 (in %) |
|--------------|--|---------------|--------------------------|-------------------------------|---------------|-----------------------|--|---------------|--------------------------|--|--|
| | Number | Share (in %) | EU contribution (in CZK) | Number | Share (in %) | EU contribution [CZK] | Number | Share (in %) | EU contribution (in CZK) | | |
| 4.1 | 258 | 7.68 | 4,340,003,110 | 177 | 8.12 | 2,598,127,099 | 47 | 10.15 | 294,510,948 | 1,226,057,440 | 23.83 |
| 4.2 | 278 | 8.27 | 693,185,604 | 174 | 7.98 | 297,220,234 | 35 | 7.56 | 36,073,480 | 145,623,291 | 2.83 |
| 4.3 | 1,831 | 54.48 | 9,004,333,350 | 1,226 | 56.21 | 5,585,963,338 | 310 | 66.95 | 892,910,550 | 3,424,602,845 | 66.55 |
| 4.4 | 994 | 29.57 | 1,264,118,104 | 604 | 27.69 | 742,373,072 | 71 | 15.33 | 47,961,347 | 349,470,388 | 6.79 |
| TOTAL | 3,361 | 100.00 | 15,301,640,167 | 2,181 | 100.00 | 9,223,683,743 | 463 | 100.00 | 1,271,456,324 | 5,145,753,964 | 100.00 |

Source: MoE, SEF.

4.8 In order to use up the allocation of PA 4, additional calls Nos 156, 157 and 158 were also announced in 2021, in which no funds had been drawn at the end of 2021.

4.9 Within the framework of PA 4, the OPEn aids measures aimed at the protection and improvement of the environment. These are projects that bring a number of societal effects but not economic benefits for the beneficiaries. Many of the measures have no economic benefit for the applicants, and implementation is on a voluntary basis. Motivation to implement these projects lies in a high level of aid, in relevant cases up to 100 % (e.g., creation and restoration of wetlands and pools or revitalisation of river systems).

4.10 Table 3 shows the data on spending in individual SOs of PA 4, where the aid was provided in the amount of 100 % of the total eligible expenditure.

Table 3: Summary data on spending in PA 4 – projects with 100% aid as of 31 December 2021

| SO | Total eligible expenditure (in CZK) | EU contribution (in CZK) | Number of projects | Amounts paid out to beneficiaries (in CZK) |
|-------------------------|-------------------------------------|--------------------------|--------------------|--|
| 4.1 | 1,889,585,140.43 | 1,889,585,140.43 | 102 | 1,012,260,698.94 |
| 4.2 | 88,010,366.11 | 88,010,366.11 | 95 | 27,847,843.36 |
| 4.3 | 3,594,940,210.33 | 3,594,940,210.33 | 443 | 2,216,641,497.27 |
| Total SO 4.1-4.3 | 5,572,535,716.87 | 5,572,535,716.87 | 640 | 3,256,750,039.57 |

Source: MoE.

4.11 As of 31 December 2021, within PA 4, aid amounting to 100 % of the total eligible expenditure was granted to 640 projects with total eligible expenditure of CZK 5,573 million. This represents 29.34 % of projects with legal acts issued and corresponds to 60.42 % of funds for all projects with legal acts issued.

4.12 Due to the updated view of absorption capacities in the concerned specific objectives of PA 4 and also with regard to the status of the spending of funds under the OPEn, EU funds in

²² Legal acts on granting aid: registration of the action and subsidy decision; registration of the action and determination of the expenditure on financing the action of the organisational unit of the State (hereinafter also referred to as the "OUS"); subsidy decision; determination of the expenditure on financing the action of the OUS.

the amount of EUR 37 million were transferred; this meant an increase in the allocation of PA 4. The reallocation was approved by the European Commission (hereinafter also the “Commission”) on 17 September 2020. Furthermore, on 22 December 2021 the Commission approved the reallocation of funds, which meant a reduction of the allocation of PA 4 by EUR 10 million. This measure was implemented by the MoE in 2021 to avoid under-spending on PA 4. Nevertheless, in October 2022, with regard to the approved amount of aid in the projects, the amount of total eligible expenditure in the projects and the share of co-financing with the EU, the demands on the state budget were higher by more than CZK 400 million. This is an estimate mainly due to the development of the exchange rate of the Czech crown and unexpected withdrawals from projects, where the beneficiary withdraws from the project or fails to complete the entire project by 31 December 2023.

PA 4 indicators: Protection and care for nature and the landscape

4.13 In order to assess the implementation of the OPEn, specific result and output indicators have been defined and quantified for the SOs of PA 4. Output indicators reflect the total number of measures to promote species and habitats, the total area of visitor infrastructure created, the total number of measures to promote SPAs and the *Natura 2000* system, the number of measures to reduce non-native species, the number of measures to prevent, minimise and remedy damage caused by specially protected species, the area of habitats aided and supported to improve their conservation status, and the number of barriers to animal migration cleared. Result indicators reflect the number of areas and elements of settlement greenery with enhanced eco-stabilisation function, the number of sites where ecosystem functions of the landscape have been enhanced, the number of sites with increased biodiversity, and the provision of migratory permeability of the river network.

4.14 For the indicators listed in Table 4, their target values will not be met at the end of the programming period. According to the MoE, they will not be met due to their overestimation during the preparation of the programme, when the MoE predicted a different distribution of projects within the measures and lower unit costs than the actual reality. The fulfilment of the set specific programme result and output indicators as of 31 December 2021 is presented in Annex 2 to this Audit Report.

Table 4: Rate of fulfilment of some PA 4 indicators as of 31 December 2021

| Indicator | Name of indicator | Indicator fulfilment rate (in %) | Description of the indicator |
|-----------|--|----------------------------------|--|
| 45101 | <i>Number of measures to reduce non-native species (including mapping or monitoring)</i> | 0.67 | The indicator monitors the number of measures implemented (a specific activity to reduce non-native species is defined as a measure) |
| 45201 | <i>Total number of measures (including mapping or monitoring) to promote species and habitats</i> | 6.25 | The indicator monitors the number of measures implemented (a specific activity to promote a species or habitat is defined as a measure) |
| 46010 | <i>Ensuring the migratory permeability of the river network</i> | 7.00 | The indicator expresses the ecological contribution of the measures implemented under the programme to improving the migratory permeability of the river network |
| 45405 | <i>Number of measures to prevent, minimise and remedy damage caused by specially protected species</i> | 7.88 | The indicator monitors the number of measures to prevent, minimise and remedy damage caused by specially protected species |
| 46301 | <i>Number of cleared barriers to animal migration</i> | 15.12 | The indicator monitors the number of measures to clear barriers to animal migration |

Source: MoE.

Three of the seven output indicators and one of the four result indicators were below the 10% target as of 31 December 2021.

The targets set by the MoE for SO 4.1, 4.2 and 4.3 in the OPEn programming document when preparing the programme will not be fully met.

4.15 The aim of the measures aided under SO 4.1 is to ensure the necessary care for the objects of protection in nationally important protected areas, which are defined by approved management plans; in *Natura 2000* sites these are summaries of recommended measures. SO 4.2 is based on the requirements of the EU Biodiversity Strategy to 2020, the main objective of which is to halt the loss of biodiversity and the degradation of ecosystem services, and on the State Environmental Policy, the objectives of which include, among others, the conservation of natural and landscape values. One of the other objectives of the State Environmental Policy is to increase the ecological stability of the landscape and to restore the water regime of the landscape. SO 4.3 is intended to meet this objective.

B. The objectives of the POPFK Programme and the MaS sub-programme will not be fully met

4.16 The **POPFK Programme** aided measures resulting, in particular, from approved plans of care for specially protected areas, policies of care for National Parks and their protection zones, summaries of recommended measures for *Natura 2000* sites, conservation programmes and management programmes for specially protected species of plants and animals, regional action plans and other conceptual documents for nature conservation.

4.17 The POPFK Programme documentation was approved by the Ministry of Finance (hereinafter also referred to as the “MoF”) on 28 June 2019 for the implementation and

financing of actions in 2019 to 2023²³. The MoF set the amount of the state budget participation in financing the programme at CZK 220 million. The MoF reduced the funding for the POPFK Programme in 2022 and 2023 by a total of CZK 50 million (CZK 25 million in 2022 and CZK 25 million in 2023).

4.18 The MoE announced calls with a total allocation of CZK 150 million in 2019-2021, of which CZK 102.5 million for ministerial organisations and CZK 47.5 million for external applicants. Between 2019 and 2021, 365 actions were implemented, for which funds from POPFK were drawn in the total amount of CZK 104.1 million. As of 31 March 2022, 506 actions were registered in the *Subsidy Record System / Administration of State-Owned Assets* Information System (hereinafter also the “SRS/ASOA IS”), of which 502 actions with issued legal acts with a total approved participation of the state budget of CZK 179.28 million.

4.19 In the approved POPFK Programme documentation, target values for eight indicators and 24 parameters were set. The binding nature of fulfilment of the target values of these indicators was set within a defined range. The audit verified the fulfilment as of 31 December 2021 and found that the indicators listed in Table 5 and the parameters listed in Table 6 would not meet their target values. The fulfilment of the set POPFK indicators and parameters as at 31 December 2021 is presented in Annex 3 to this Audit Report.

Table 5: Rate of fulfilment of some POPFK indicators as of 31 December 2021

| Indicator | Name of indicator | Fulfilment of the indicator AV/TV (%) | Fulfilment of the indicator AV/MIN (%) |
|-----------|---|---------------------------------------|--|
| 37001 | Total number of measures to promote the objects of protection of SPAs and Natura 2000 sites; (number) | 24 | 31 |
| 37002 | Total number of measures to ensure territorial protection including preparation of background documents for ensuring care; (number) | 46 | 58 |
| 37003 | Total number of measures to promote specially protected species; (number) | 21 | 27 |
| 37004 | Total number of prepared rescue programmes, care programmes and regional action plans (including background documents provided); (number) | 20 | 25 |
| 37005 | Total area where mitigation measures have been implemented to reduce the impacts of climate change on aquatic ecosystems; (ha) | 12 | 15 |
| 37007 | Total area where mitigation measures have been implemented to reduce the impacts of climate change on forest ecosystems; (ha) | 34 | 42 |

Source: MoE.

Note: AV = achieved value of the indicator; TV = target value of the indicator; MIN = lower limit of the mandatory range.

²³ The programme comprises six sub-programmes: 115 172 – *Performance of the duties of nature conservation authorities in specially protected areas (including protection zones) and Natura 2000 sites*; 115 173 – *Care for specially protected species of plants and animals*; 115 174 – *Adaptation of aquatic ecosystems to climate change*; 115 175 – *Adaptation of non-forest ecosystems to climate change*; 115 176 – *Adaptation of forest ecosystems to climate change*; 115 177 – *Expert studies and other background documents*.

Table 6: Rate of fulfilment of some POPFK parameters as of 31 December 2021

| Parameter | Name of parameter; unit of measure | Fulfilment of the parameter AV/TV (%) | Fulfilment of the parameter AV/MIN (%) |
|-----------|--|---------------------------------------|--|
| 36001 | <i>Inventory surveys; (number)</i> | 0 | 0 |
| 36003 | <i>Length of surveyed SPA boundaries; (km)</i> | 0 | 0 |
| 36005 | <i>Measures implemented in accordance with approved care plans, care policies, summaries of recommended measures; (number)</i> | 35 | 44 |
| 36008 | <i>Implemented ex situ measures proposed in rescue programmes; (number)</i> | 48 | 59 |
| 36009 | <i>Implemented measures proposed in care programmes; (number)</i> | 3 | 3 |
| 36010 | <i>Implemented measures proposed in regional action plans; (number)</i> | 16 | 20 |
| 36011 | <i>Elaborated rescue programmes, care programmes and regional action plans (including provision of background documents); (number)</i> | 20 | 33 |
| 36012 | <i>Area of revitalised watercourse beds and floodplains; (m²)</i> | 35 | 44 |
| 36013 | <i>Area of restored or created pools, wetlands and other features to retain water in the landscape; (ha)</i> | 8 | 10 |
| 36014 | <i>Area of constructed, restored or reconstructed water reservoirs of nature-based character; (ha)</i> | 16 | 16 |
| 36015 | <i>Area treated; (ha)</i> | 23 | 29 |
| 36020 | <i>Migration barriers cleared; (number)</i> | 0 | 0 |
| 36022 | <i>Forest management plan; (number)</i> | 0 | 0 |
| 36025 | <i>Monitored sites; (number)</i> | 5 | 6 |

Source: MoE.

Note: AV = achieved value of the indicator; TV = target value of the indicator; MIN = lower limit of the mandatory range.

Explanatory note: Ex situ measures – rescue breeding and release, or cultivation in culture and planting.

Six of the eight indicators and 14 of the 24 parameters were below 50 % of the target value as of 31 December 2021. The values achieved were below the lower limits of the mandatory ranges.

The objectives set by the MoE in the POPFK Programme documentation will not be met to the extent foreseen.

4.20 The **MaS sub-programme** was approved within the MoE Programme 115 030 – *Development and Renewal of the Material and Technical Base of the Management System of the MoE*. The MaS sub-programme aided measures to maintain and improve the state of biodiversity and ecological stability of ecosystems, to increase the number of populations of specially protected species of flora and fauna occurring in SPAs of all categories, to fulfil obligations in relation to the *Natura 2000* system and to ensure the implementation of measures in accordance with the objectives of approved plans of care for SPAs and their protection zones.

4.21 The 115 030 Programme documentation, including the MaS sub-programme, was approved by the MoF on 31 May 2018 for the implementation and financing of actions between 2018 and 2022. For the MaS sub-programme, the total financial resources of the state budget were set at CZK 125 million. As of 31 March 2022, a total of 149 actions in various stages of implementation were registered in the SRS/ASOA IS under the MaS sub-programme. Between 2018 and 2021, approximately CZK 84 million was spent, which is 67 % of the approved participation of the state budget in the financing of that sub-programme, and as of

31 March 2022, CZK 90 million had been committed in issued legal acts, i.e., 72 % of the approved participation of the state budget in the financing of that sub-programme.

4.22 In the approved MaS sub-programme documentation, target values for five indicators were set. The binding nature of fulfilment of the indicators was set within a defined range. The audit verified the fulfilment as of 31 December 2021 and found that the indicators listed in Table 7 would not meet their target values. The fulfilment of the set MaS indicators as at 31 December 2021 is presented in Annex 4 to this Audit Report.

Table 7: Rate of fulfilment of some MaS indicators as of 31 December 2021

| Indicator | Name of indicator | Unit of measure | Target value | Min. value | Max. value | Achieved value | Fulfilment of the indicator AV/TV (%) |
|-----------|---|-----------------|--------------|------------|------------|----------------|---------------------------------------|
| 36010 | Implementation of measures in accordance with the care plan | ha | 6,000 | 1 | 18,000 | 1,082 | 18 |
| 36011 | Area treated | ha | 5,000 | 1 | 15,000 | 1,141 | 23 |

Source: MoE.

Note: AV = achieved value of the indicator; TV = target value of the indicator.

Two of the five indicators were below 50 % of the target value as of 31 December 2021. The values obtained were within the mandatory range, but this is strongly influenced by the range set in both cases.

The MoE established target values for indicators and parameters of the POPFK Programme for the period of 2019-2023 and target values for indicators of the MaS sub-programme for the period of 2018-2022 based on the experience and results from the previous period. The target values for indicators and parameters were not based on analyses of real needs or plans for the implementation of measures.

C. The funds spent by the MoE through programme funding were not used for investment activities, but to finance current expenditure

4.23 The MoE provided funds for measures to aid the protection and care for nature and the landscape in the audited period from 2019 to 2021, inter alia, through the financing of programmes. According to the provisions of Section 12(1) of Act No 218/2000 Coll.²⁴, the programme was understood as a set of material, temporal and financial conditions for specific actions for the acquisition or technical improvement of tangible and intangible fixed assets, with the exception of small tangible and intangible fixed assets. Act No 218/2000 Coll. and Decree No 560/2006 Coll. set out the procedures for programme financing that must be followed by the programme administrator and programme participants.

4.24 In the audited period, programme financing was intended for the acquisition or technical improvement of tangible or intangible fixed assets. However, the MoE, through the funding of programmes, ensured the financing of current expenditures in the field of

²⁴ As in force and effect in the audited period (until 31 December 2021).

protection and care for nature and the landscape. As of 31 December 2021, funds were drawn from the state budget in the amount of:

- CZK 104.08 million under the POPFK Programme to finance actions in 2019-2021, of which 94 % was current expenditure (CZK 98 million);
- CZK 83.55 million under the MaS sub-programme to finance actions in 2018-2021, of which 97 % was current expenditure (CZK 80.64 million).

4.25 Tables 8 and 9 below provide an overview of the spending of funds under the POPFK Programme in the years 2019 to 2021 and the MaS sub-programme in the years 2018 to 2021, structured according to the types of state budget expenditure, both for the subsidy programmes in total and for the NCA, the most financially significant beneficiary under these national titles, whose selected actions were audited.

Table 8: Overview of POPFK spending in 2019-2021 by type of expenditure

| POPFK Programme | Number of actions | Spending in 2019-2021 (in CZK '000) | | | | Share in total expenditure (in %) | Amount of aid in legal acts (in CZK '000) | Share in total expenditure (in %) |
|-------------------------------------|-------------------|-------------------------------------|---------------|---------------|----------------|-----------------------------------|---|-----------------------------------|
| | | 2019 | 2020 | 2021 | Total | | | |
| Current expenditure | 474 | 14,176 | 32,881 | 50,940 | 97,997 | 94 | 164,249 | 92 |
| Investment expenditure | 48 | 470 | 1,966 | 3,647 | 6,083 | 6 | 15,035 | 8 |
| Total | 502 | 14,646 | 34,847 | 54,587 | 104,080 | – | 179,284 | – |
| Current expenditure of the NCA | 75 | 7,128 | 11,563 | 20,550 | 39,241 | 92 | 60,146 | 86 |
| Investment expenditure of the NCA | 12 | 0 | 828 | 2,499 | 3,327 | 8 | 9,755 | 14 |
| Total expenditure of the NCA | 87 | 7,128 | 12,391 | 23,049 | 42,568 | – | 69,901 | – |

Source: SRS/ASOA IS; MoE; NCA.

Table 9: Overview of MaS spending in 2018-2021 by type of expenditure

| MaS sub-programme | Number of actions | Spending in 2018-2021 (in CZK '000) | | | | | Share in total expenditure (in %) | Amount of aid in legal acts (in CZK '000) | Share in total expenditure (in %) |
|-------------------------------------|-------------------|-------------------------------------|---------------|---------------|---------------|---------------|-----------------------------------|---|-----------------------------------|
| | | 2018 | 2019 | 2020 | 2021 | Total | | | |
| Current expenditure | 142 | 16,157 | 20,327 | 23,221 | 20,931 | 80,636 | 97 | 85,222 | 95 |
| Investment expenditure | 17 | 70 | 718 | 1,114 | 1,012 | 2,914 | 3 | 4,344 | 5 |
| Total | 148 | 16,227 | 21,045 | 24,335 | 21,943 | 83,550 | – | 89,567 | – |
| Current expenditure of the NCA | 108 | 6,899 | 7,822 | 7,073 | 9,574 | 31,368 | 94 | 35,954 | 91 |
| Investment expenditure of the NCA | 5 | 70 | 366 | 964 | 709 | 2,109 | 6 | 3,539 | 9 |
| Total expenditure of the NCA | 113 | 6,969 | 8,188 | 8,037 | 10,283 | 33,477 | – | 39,493 | – |

Source: SRS/ASOA IS; MoE; NCA.

4.26 An example of the use of funds for non-investment activities under the POPFK Programme is action No 115V173003015 – *Implementation of a rescue programme – European ground squirrel* carried out by the NCA with the total approved participation of the state budget in the amount of CZK 5.9 million²⁵. The object of this action is the provision of measures to promote the European ground squirrel. These are measures such as mowing and grazing at selected sites of the animal's occurrence, since maintaining the vegetation at a low

²⁵ Determination of expenditure to finance an action of the OUS (amendment) dated 20 June 2021.

height is essential for the survival of the European ground squirrel population. This action finances the activities that the NCA was obliged to provide according to the Nature and Landscape Protection Act, among other things to take care of the natural and landscape environment, ecosystems and their components. This is an annual regular activity of the NCA for the duration of the implementation of the rescue programme²⁶. The financing of the NCA's current expenditure, e.g., in the framework of the implementation of the European ground squirrel rescue programme through programme funding, is administratively demanding with regard to the legal requirements²⁷. Within the approved state budgets for the audited years 2019 to 2021, the NCA as an organisational unit of the State did not have any budgeted state budget expenditures for the implementation of the binding specific indicator of the state budget chapter 315 – MoE SU5010000000 *Protection of nature and the landscape*²⁸.

4.27 The administration of programme financing is also related to the obligation set out in

In 2019-2021, the MoE, through programme financing, mainly financed current expenditures in the field of the protection and care for nature and the landscape, although programme financing was intended for the acquisition or technical improvement of tangible or intangible fixed assets. As of 31 December 2021, the state budget funds under the POPFK Programme had been drawn in the total amount of CZK 104.08 million, of which 94 % represented current expenditure (CZK 98 million), and under the MaS sub-programme in the total amount of CZK 83.55 million, of which 97 % was current expenditure (CZK 80.64 million).

Act No 218/2000 Coll. and Decree No 560/2006 Coll., which obliges the MoE to carry out a final evaluation of the action. According to Decree No 560/2006 Coll., the completion of the final evaluation of all actions is a precondition for the MoE to carry out the final evaluation of the programme.

4.28 The MoE, as the administrator of the POPFK Programme and the MaS sub-programme, did not proceed in accordance with the provisions of Section 6(2) of Decree No 560/2006 Coll., as:

- it did not carry out the final evaluation of the action for 99 POPFK actions within the set deadline, which should have been carried out by 31 July 2022 according to the approved programme documentation;
- it failed to carry out the final evaluation of the action for at least 45 MaS actions for which the deadline for submitting the background documents for the final evaluation of the action was 31 July 2021, according to the legal acts issued.

²⁶ The rescue programme was first adopted by the MoE in 2008. The update of the European ground squirrel rescue programme approved by the MoE in 2020 is binding for the period of 2020-2030.

²⁷ Act No 218/2000 Coll. and Decree No 560/2006 Coll.

²⁸ The specific indicator *Protection of nature and landscape* was being fulfilled in 2019-2021 on the basis of state budget adjustments, mainly through PPK, the OPEn and the POPFK Programme.

D. In the case of PPK, the MoE did not monitor or evaluate the benefits of the funds provided

4.29 Each year, the MoE announces PPK as a non-investment national subsidy programme divided into three sub-programmes. The audit focused on sub-programme A for the MoE's ministerial organisations. PPK assumes the implementation of measures that will lead to the maintenance and systematic increase of biodiversity and to the arrangement of the functional use of the territory in such a way as to ensure the protection of the natural and cultural values of the landscape.

4.30 In the audited period from 2019 to 2021, the MoE provided state budget funds from PPK in the total amount of CZK 759 million. Of these, 70 % of the funds were used by the ministerial organisations under sub-programme A, i.e., a total of CZK 535 million. The most important beneficiary under PPK is the NCA, which drew funds totalling CZK 435 million.

4.31 In the audited period, the procedure for the consideration of applications, allocation of funds, their use and audit was regulated by MoE Guidelines No 10/2017 and No 2/2021 for the provision of funds under PPK in the audited period.

4.32 The MoE did not set any programme and sub-programme indicators or other parameters to be achieved through PPK. This situation was already detected in the SAO audit No 16/10 – *Funds provided for the improvement of the state of nature and landscape*²⁹. The MoE also failed to set the obligation for ministerial organisations within sub-programme A to apply the costs of usual measures³⁰ for a given year when spending funds, as binding financial limits setting the amount of eligible expenditure depending on the measure implemented.

4.33 The MoE monitored and evaluated the effectiveness and efficiency of the use of funds from PPK only within the framework of public administration audits. In the audited period from 2019 to 2021, the MoE carried out two on-site public administration audits within the framework of PPK in accordance with Act No 320/2001 Coll.³¹ The MoE audited PPK costs totalling CZK 504,721, i.e., 0.07 % of the total funds spent under PPK in 2019-2021, which is not a representative sample for the audit as required by Internal Guidelines No 10/2017 and No 2/2021.

4.34 The MoE did not record the measures carried out under PPK on the basis of the activities implemented, although it has the possibility of recording them in the cost structure of the usual measures approved annually by the MoE or in the activity codes defined by the NCA³², which makes it impossible to continuously evaluate on which specific activities the funds from PPK are spent.

²⁹ The Audit Report was published in Volume 1/2017 of the *SAO Bulletin*.

³⁰ The costs of the usual measures of the MoE (hereinafter also referred to as the "costs of usual measures") are prepared annually by the NCA and approved by the MoE. The costs of usual measures are used to assess applications and projects in the MoE subsidy programmes to ensure comparability and efficient use of funds, see

https://www.mzp.cz/cz/naklady_obvyklych_opatreni_mzp.

³¹ Act No 320/2001 Coll., on financial control in public administration and on amendments to certain acts (the Act on Financial Control).

³² See <https://cinnosti.nature.cz/noo/2022/cinnosti>.

4.35 In the audited period, the MoE did not evaluate the benefits of aided and implemented actions and measures to the fulfilment of the objectives of PPK, or, to the maintenance and systematic increase of biodiversity and to the arrangement of the functional use of the territory in such a way as to ensure the protection of the natural and cultural values of the landscape.

4.36 Sub-programme A within PPK ensures financing of measures in the field of nature and landscape protection in the case of the NCA, i.e., it is a financial source for fulfilling the statutory obligations of the NCA, which are to maintain and improve the condition of objects of protection in specially protected areas and *Natura 2000* areas. From the point of view of the system set up by the MoE for the provision of funds from sub-programme A within PPK³³, this is not funding in the form of a subsidy procedure, but a way of ensuring regular funding of the NCA's usual activities in the field of nature and landscape protection, which are not monitored and evaluated by the MoE.

The MoE did not set any indicators, parameters or other criteria for the evaluation of PPK. The contribution and objective of PPK aid to improving the state of nature and the landscape thus cannot be assessed.

In public administration audits, the MoE audited less than one-tenth of a percent of PPK funds spent in the audited period.

In the years 2019 to 2021, the MoE did not proceed in accordance with the provisions of Section 39(3) of Act No 218/2000 Coll., as the MoE as the administrator of the state budget chapter 315 – MoE did not consistently monitor and evaluate the economy, efficiency and effectiveness of the expenditures spent within PPK.

E. The MoE did not implement the measures defined by the basic strategic documents in the field of protection and care for nature and the landscape within the set deadlines. Neither did the MoE continuously monitor the implementation of the objectives and measures

4.37 In total, the audit examined 24 measures of the Strategy, of which 12 measures had not been implemented by the MoE by the end of the audit at all and six measures had been only partially implemented. Annex 5 to this Audit Report provides an overview of the audited measures of the Strategy, including their implementation.

4.38 The MoE did not implement the corrective measures set out in the mid-term evaluation of the Strategy. Within sub-objective 4.1.1³⁴, for example, a measure was set out to *develop a set of indicators of the status, changes and trends of model biodiversity components (including settlements) and related activities in relation to the strategic objectives of nature conservation,*

³³ Funds are released to the MoE's ministerial organisations by a budgetary measure of the MoE at the beginning of the year. In the case of the NCA as an OUS, the settlement of relations with the state budget according to Decree No 367/2015 Coll., on the principles and terms of financial settlement of relations with the state budget, state financial assets and the National Fund (Decree on Financial Settlement), does not occur; any unspent funds remain with the NCA in the claims of unspent expenditure.

³⁴ Sub-objective 4.1.1 *Conceptually ensure and coordinate research and monitoring of the status of biodiversity.*

putting them into practice. These indicators are to be used both for the evaluation of the Strategy and for better communication of biodiversity conservation issues to the public. This key measure was not met by the MoE by the set deadline (2018), as identified in the mid-term evaluation of the Strategy. The MoE cited capacity reasons and lack of internal coordination within the MoE as the reason for non-compliance and set a deadline of September 2021 for a corrective measure. The MoE then again failed to implement the corrective measure, thus failing to meet objective 4.1.1.

4.39 The audit also examined the implementation of nine measures of the Programme. The MoE did not meet three measures by the deadline and only partially met three others. The level of implementation of two measures could not be assessed on the basis of the information provided. Annex 5 to this Audit Report provides an overview of the audited measures of the Programme, including their implementation.

4.40 The MoE did not set up continuous monitoring of the fulfilment of the objectives, measures and corrective measures of the Strategy and the Programme. The MoE did not monitor compliance with the objectives, measures and corrective measures. The MoE assumed that the implementation of the Strategy and the Programme would start to be evaluated in 2024 so that by 2025 an overall evaluation would be prepared. The MoE lacked systematic communication with the administrators and co-administrators and there was a

Achievement of some targets at the end of the term of the *Biodiversity Strategy of the Czech Republic 2016-2025* and *State Programme of Nature Conservation and Landscape Protection of the Czech Republic for the period of 2020-2025* is uncertain, as the MoE did not meet some measures and follow-up corrective measures from previous years by the set deadline.

The MoE did not have an overview of whether and how the problems identified in the mid-term evaluation of the Strategy were being addressed.

failure to implement measures due to unresolved, unclearly defined or missing responsibilities within the MoE.

4.41 According to both the Strategy and the Programme, a favourable state of biodiversity is a prerequisite for ecosystems to provide essential goods and services to human society. Therefore, it is necessary to understand the protection and sustainable use of biodiversity as one of the key pillars of sustainable development of the Czech Republic.

F. The MoE did not proceed according to the Nature and Landscape Protection Act by failing to submit applications for the registration of the pre-emptive right in the Land Register and in some cases failing to comply with the statutory deadline for the exercise of the State's pre-emptive right to buy land located in sites valuable in terms of nature

4.42 With effect from 1 June 2017³⁵, in accordance with the provisions of Section 61(1) of the Nature and Landscape Protection Act, the MoE had the obligation to submit an application for registration of the State's pre-emptive right in the Land Register as regards undeveloped land

³⁵ Act No 123/2017 Coll., amending Act No 114/1992 Coll., on nature and landscape protection, as amended.

outside the built-up areas of municipalities in National Parks, National Nature Reserves, National Nature Monuments and land related to caves.

4.43 SAO audit No 18/23 pointed out that the MoE had not submitted an application for the registration of the State's pre-emptive right to land in National Parks in the Land Register. Due to the absence of a provision setting out a form of deed in the Nature and Landscape Protection Act, on the basis of which such registration would be made, the registration of the pre-emptive right in the Land Register was not applicable in practice.

4.44 The specific form of deed – confirmation of the establishment of the State's pre-emptive right, which lists the undeveloped land to which the Czech Republic has the pre-emptive right, according to the individual cadastral areas, including the reasons for the establishment of the pre-emptive right, was added to the Nature and Landscape Protection Act only by an amendment effective from 1 January 2022³⁶.

4.45 Until the time of completion of the audit, the MoE had not proceeded in accordance with the provisions of Section 61(1) of the Nature and Landscape Protection Act by not submitting any application for registration of the pre-emptive right in the Land Register or otherwise resolving the situation satisfactorily, although it had information that a number of land lots were being transferred without an offer of land purchase to the State. No organisational unit of the MoE carried out the agenda of submitting applications for

The MoE does not fulfil the obligation to ensure the registration of the State's pre-emptive right in accordance with the Nature and Landscape Protection Act. As a result, land valuable in terms of nature is being transferred without the application of the State's preferential offer.

registration of pre-emptive right in the Land Register pursuant to the provisions of Section 61(1) of the Nature and Landscape Protection Act.

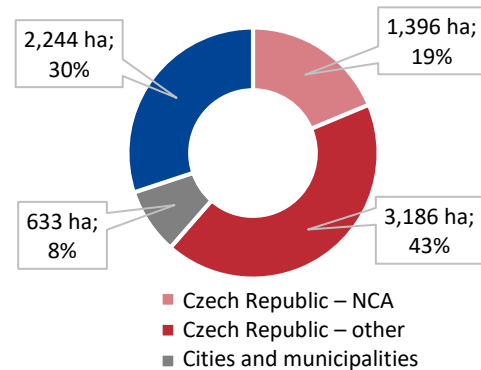
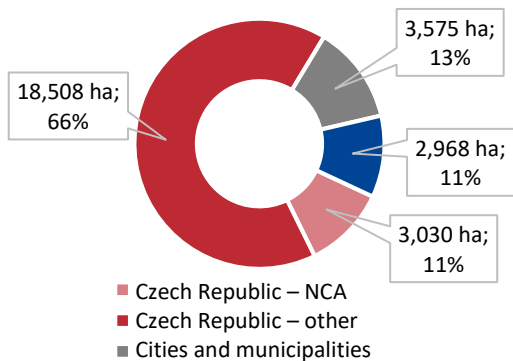
4.46 Land purchases increase the area valuable in terms of nature owned by the State, which guarantees more efficient management of forest and non-forest ecosystems in the territory of individual SPAs. This procedure also minimises the demands on the state budget in cases of reimbursement of damage that may arise as a result of restrictions on forestry or agricultural management. In the audited period, land purchases were paid from the resources of the SEF.

4.47 Land that is important for the protection of nature and the landscape is purchased by the NCA and National Park administrations. In the audited period, the NCA was responsible for managing land with a book value of almost CZK 1 billion. From 2015 to the end of 2021, more than CZK 139 million was paid out for purchases of land in SPAs from the NPE, which pays for the purchases. In the audited period, the SEF spent more than CZK 18 million on the basis of three audited contracts for land purchases for the NCA with a total area of 79 ha, of which, within the framework of the State's pre-emptive right, the SEF funds were used to

³⁶ Act No 364/2021 Coll., amending certain acts in connection with the implementation of European Union regulations in the field of invasive non-native species.

purchase land with an area of 2 ha for CZK 262 thousand. The audit of the SEF did not reveal any breach of legal regulations in the spending of funds.

Chart 1: Structure of land ownership in NNMs **Chart 2 Structure of land ownership in NNRs**



Source: NCA; data valid as of 21 August 2022.

Source: NCA; data valid as of 21 August 2022.

4.48 Pursuant to the provisions of Section 61(1) and (2) of the Nature and Landscape Protection Act, the Czech Republic has a pre-emptive right to undeveloped land located, inter alia, outside the built-up areas of municipalities in the territories of NNRs and NNMs. If the MoE does not express written interest in the land within 60 days of receiving an offer for land purchase, the owners may proceed with the proposed sale. If the MoE expresses interest in the land within the set deadline, the contract on behalf of the Czech Republic will be executed by the NCA³⁷.

4.49 Between 2019 and 2021, the MoE received a total of seven offers to purchase land in NNRs and NNMs under the State’s pre-emptive right (see Table 10), in three of which the MoE did not exercise that pre-emptive right. In one case the MoE issued a non-recommending expert opinion and in two cases the MoE did not express interest in the land in writing within the statutory 60-day time limit. The MoE missed the statutory deadline in one other case, but the seller did conclude a purchase agreement with the NCA even though the MoE expressed interest only after the statutory deadline had passed.

The failure of the MoE to exercise the pre-emptive right in time resulted in non-purchase of land with a total area of 1.87 ha located in the National Nature Reserves. The MoE does not have an overview of the land lots covered by the State’s pre-emptive right according to the Nature and Landscape Protection Act.

4.50 Cases of futile expiration of the statutory deadline are, among other things, a consequence of the fact that the MoE has not established the process for the administration of the agenda regulating working procedures, powers, responsibilities and, in particular, deadlines for individual sub-activities between the organisational units of the MoE and ministerial organisations such as the NCA.

³⁷ Pursuant to the provisions of Section 78(1) and (2) of the Nature and Landscape Protection Act, the Czech Republic becomes the owner of the land in question and the NCA has the competence to manage that land.

Table 10: List of land lots – State’s pre-emptive right

| Certificate of title | Contract between the SEF and the NCA | Cadastral area | NNR/NNM | Land lot | Area (in m ²) | Type of land | Share | Purchase price (in CZK) | Exercise of pre-emptive right |
|----------------------------------|--------------------------------------|-------------------------|------------------------------|----------|---------------------------|---------------------|----------|-------------------------|--|
| 11344 | 03521731 | Uherčice near Hustopeče | Pouzďřanská step – Kolby NNM | 1437/2 | 2,313 | Permanent grassland | 1/1 | 14,374 | Purchased |
| 168 | 08241931 | Suchov | Búrová NNM | 1779 | 9,313 | Permanent grassland | 4/10 | 74,504 | Purchased |
| 3896 | 03521731 | Velká nad Veličkou | Zahrady pod Hájem NNR | 3128/39 | 1,528 | Permanent grassland | 1/3 | 13,735 | Purchased (after the deadline) |
| | | | | 3153/28 | 401 | Forest land | 1/3 | | |
| 225 | 03521731 | Klentnice | Tabulová NNR | 668/1 | 6,368 | Permanent grassland | 2 x 1/2 | 159,200 | Purchased |
| 378 | x | Kněždub | Čertoryje NNR | 4970/48 | 1,179 | Permanent grassland | 1/2 | x | Not purchased (expiry of the deadline) |
| | | | | 5140/29 | 7,340 | Permanent grassland | 1/2 | | |
| 289 | x | Budňany | Karlštejn NNR | 166 | 4,523 | Fruit orchard | 3/4 | x | Not purchased (not recommended by the MoE) |
| 856 | x | Kněždub | Čertoryje NNR | 4980/7 | 1,424 | Permanent grassland | 5/7 | x | Not purchased (expiry of the deadline) |
| | | | | 5060/20 | 8,722 | Permanent grassland | 5/7 | | |
| Total | | | | | 43,111 | x | x | x | x |
| - of which land purchased | | | | | 19,923 | x | x | 261,813 | x |

Source: MoE, NCA.

G. The audit of the NCA and other selected beneficiaries revealed shortcomings

4.51 The audit examined 16 projects implemented under PA 4 of the OPEn, two actions implemented by the NCA under POPFK and two measures implemented by the NCA under PPK. For the selected projects¹², the SAO did not identify any funds spent by the beneficiaries ineffectively in the expenditure audit sample. The audit revealed the following shortcomings:

Public procurement

4.52 Between 2017 and 2020, the NCA awarded three small-scale public contracts to obtain information on the impacts of non-mowing on the biodiversity of permanent grasslands. All three public contracts were of the same type and the research was carried out on the same areas. The services in question were provided continuously and were linked to each other in time. On the basis of the results of the first one-year project, which had been awarded as a small-scale contract in the form of an open call for tenders, the NCA must have known or should have anticipated before awarding the second contract that the services would be required for at least another three years, which can be deduced, inter alia, from the purpose of the research, of which the required services formed an essential part. In awarding and implementing the public service contract, the NCA violated the obligations set out in Section 16(2) of Act No 134/2016 Coll. as it did not include the value of all the services that could have resulted from the public service contract in the estimated value of the public contract in 2019.

4.53 In awarding and implementing the public service contract, the NCA violated the obligations laid down by the legal regulation in Section 6 of Act No 134/2016 Coll. by not complying with the principles of transparency and non-discrimination when it limited the

range of possible providers to one specific provider by direct award of the public contract. In 2019, the NCA concluded a contract for work, according to which it paid the provider funds in the amount of CZK 470 thousand. In 2020, the NCA concluded a contract for work under which it paid the same provider funds of CZK 2.3 million, i.e., a total of CZK 2.8 million.

4.54 The SAO assessed the above-mentioned actions of the NCA as indicating a breach of the budgetary discipline within the meaning of Act No 218/2000 Coll.

4.55 The municipality of Kojetín did not proceed in accordance with the conditions of public procurement under the OPEn for the small-scale public contract for the preparation of project documentation for a biocentre, as it did not comply with the minimum time limit for the submission of tenders. The municipality of Kojetín, as the contracting authority, set a deadline for the submission of tenders of five calendar days, although according to the binding document entitled *Public procurement in the OPEn* this deadline should not be shorter than 10 calendar days. As the five-day deadline for the submission of tenders included three days of public holidays, tenderers actually had only two working days to submit their tenders. It cannot be ruled out that a wider range of tenderers would have participated in the tender procedure if the deadline for the submission of tenders had been set at 10 calendar days. The above-mentioned error could therefore have had a financial impact on the outcome of the tender procedure, which the SAO assessed as a fact indicating a breach of the budgetary discipline within the meaning of Act No 218/2000 Coll.

4.56 The municipality of Kojetín also failed to comply with the rules of public procurement under the OPEn by not specifying the date, time and venue of the envelope opening in the tender conditions, by not providing information on the possibility of attendance at the envelope opening, and by not sending a notice of the selection of the most suitable tender to the tenderers who had submitted a tender.

Terms of the subsidy granted

4.57 In the case of the OPEn beneficiary Hnutí DUHA Šelmy (DUHA Movement Carnivora), the audit found that the beneficiary had violated the conditions of the subsidy by failing to inform the SEF without delay about a change in the contractual relationship with the contractor, which had an impact on the extension of the project completion date, which the SAO assessed as a fact indicating a breach of the budgetary discipline within the meaning of Act No 218/2000 Coll.

Accounting

4.58 The audit of three investment projects implemented by the NCA and aided under PA 4 of the OPEn found that in all three cases the NCA had violated the provisions of Section 3(1) of Act No 563/1991 Coll.³⁸ by not accounting for the classification of assets or their technical improvement into use in accordance with the provisions of Section 14(12) of Decree No

³⁸ Act No 563/1991 Coll., on accounting.

410/2009 Coll.³⁹ The NCA accounted for the inclusion of the assets in use 18 to 21 months later than it should have. The NCA also incorrectly accounted for the investment subsidies provided. The accounting of the NCA in the scope of the audited sample of accounting cases was not correct and complete in the audited period within the meaning of Section 8(1) of Act No 563/1991 Coll.

Internal control system of the NCA

4.59 In two cases, the NCA did not proceed correctly in the evaluation of projects submitted under PA 4 of the OPEn as it did not, when evaluating formal requirements, exclude projects for which the applicant had not submitted the required documents within the set deadline, which the SAO assessed as a shortcoming in compliance with the internal control system set up in accordance with the provisions of Section 25 of Act No 320/2001 Coll.

4.60 The NCA concluded 12 contracts within the framework of action No 115V173003015, the object of which was the implementation of measures at sites with the occurrence of the European ground squirrel in 2020 in the amount of more than CZK 1 million, only in the period when the measures had already been implemented. The NCA did not comply with the provisions of Sections 25 and 26 of Act No 320/2001 Coll. by failing to ensure approval procedures and preliminary checking of planned and upcoming operations in 2020 before the commitment was made. The internal control system of the NCA was not capable of timely identifying, evaluating and minimising operational, financial, legal and other risks arising in connection with the implementation of the approved objectives and goals of the NCA in accordance with the procedures under the provisions of Section 10 and Section 13 of Decree No 416/2004 Coll.⁴⁰

³⁹ Decree No 410/2009 Coll., implementing certain provisions of Act No 563/1991 Coll., on accounting, as amended, for certain selected entities.

⁴⁰ Decree No 416/2004 Coll., implementing Act No 320/2001 Coll., on financial control in public administration and on amendments to certain acts (the Act on Financial Control), as amended by Act No 309/2002 Coll., Act No 320/2002 Coll. and Act No 123/2003 Coll.

List of terms and abbreviations

| | |
|-------------------------------------|---|
| CBD | <i>Convention on Biological Diversity</i> |
| Commission | European Commission |
| Costs of usual measures | the costs of the usual measures of the MoE |
| CR, Czech Republic | Czech Republic |
| ERDF | <i>European Regional Development Fund</i> |
| EU | European Union |
| MaS | sub-programme 115V032 – <i>Management of Inalienable State Property in Specially Protected Areas</i> |
| MoE | Ministry of the Environment |
| MoF | Ministry of Finance |
| MS2014+ | Monitoring system of European funds for the programming period of 2014-2020 |
| Nature and Landscape Protection Act | Act No 114/1992 Coll., on nature and landscape protection |
| NCA | Nature Conservation Agency of the Czech Republic |
| NNM | National Nature Monuments |
| NNR | National Nature Reserves |
| NPE | <i>National Programme Environment</i> |
| OUS | organisational unit of the State |
| OPEn | Operational Programme <i>Environment 2014-2020</i> |
| PA 4 | Priority Axis 4 – <i>Protection and care for nature and the landscape</i> (one of the priority axes of the OPEn) |
| POPFK | Programme 115 170 – <i>Aid for the Restoration of Natural Landscape Functions – from 2019</i> |
| PPK | <i>Landscape Care Programme</i> |
| Programme | <i>State Programme of Nature Conservation and Landscape Protection of the Czech Republic 2020-2025</i> |
| SAO | Supreme Audit Office |
| SEF | State Environmental Fund of the Czech Republic |
| SO | specific objective (under the OPEn) |
| SPA | specially protected area |
| SRS/ASOA IS | SRS/ASOA (<i>Subsidy Record System / Administration of State-Owned Assets</i>) Information System |
| State Environmental Policy Strategy | <i>State Environmental Policy of the Czech Republic for 2012-2020 Biodiversity Strategy of the Czech Republic 2016-2025</i> |

Samples of projects, actions or measures audited

a) Sample of audited projects of the OPEn (paid out as of 31 December 2021) (in CZK)

| SO | Call | Project registration number | Beneficiary | Total eligible expenditure of the project | EU contribution | Paid out |
|--------------|--------|-----------------------------------|---|---|-----------------------|-----------------------|
| 4.3 | 19_131 | CZ.05.4.27/0.0/0.0/19_131/0010460 | REVITA CZ o.p.s. | 7,334,426.91 | 7,334,426.91 | 7,334,426.91 |
| | | CZ.05.4.27/0.0/0.0/19_131/0010528 | | 4,439,877.32 | 4,439,877.32 | 4,439,876.00 |
| | 18_093 | CZ.05.4.27/0.0/0.0/18_093/0008088 | EKOFARM LIPNO s.r.o. | 2,814,772.00 | 2,814,772.00 | 2,814,772.00 |
| | | CZ.05.4.27/0.0/0.0/18_093/0008047 | | 4,979,640.00 | 4,979,640.00 | 4,971,640.00 |
| 4.2 | 17_058 | CZ.05.4.27/0.0/0.0/17_058/0006022 | Lesy České republiky, s.p. | 8,001,653.77 | 7,601,571.08 | 7,601,570.35 |
| | | CZ.05.4.27/0.0/0.0/20_139/0013579 | | 2,109,157.43 | 2,109,157.43 | 2,109,157.43 |
| | | CZ.05.4.27/0.0/0.0/20_139/0013580 | | 1,928,792.46 | 1,928,792.46 | 1,928,792.46 |
| | 20_139 | CZ.05.4.27/0.0/0.0/20_139/0013781 | Hnutí DUHA Šelmy (DUHA Movement Carnivora) | 14,472,158.21 | 14,472,158.21 | 1,836,630.77 |
| 4.3 | 18_093 | CZ.05.4.27/0.0/0.0/18_093/0008092 | Municipality of Kojetín | 29,019,599.76 | 29,019,599.76 | 28,783,342.75 |
| 4.4 | 17_056 | CZ.05.4.27/0.0/0.0/17_056/0004970 | Municipality of Třešť | 10,202,939.88 | 6,121,763.92 | 5,717,933.18 |
| | | CZ.05.4.27/0.0/0.0/17_056/0005062 | Municipality of Žďár nad Sázavou | 2,537,465.94 | 1,522,479.56 | 1,433,587.27 |
| | 17_060 | CZ.05.4.27/0.0/0.0/17_060/0006167 | Žďár nad Sázavou | 5,473,820.76 | 3,284,292.45 | 3,239,796.45 |
| 4.1 | 17_078 | CZ.05.4.27/0.0/0.0/17_078/0006467 | NCA | 50,335,978.44 | 50,335,978.44 | 48,873,527.24 |
| | | CZ.05.4.27/0.0/0.0/17_078/0005194 | | 10,756,597.00 | 10,756,597.00 | 10,663,712.87 |
| | | CZ.05.4.27/0.0/0.0/17_078/0006884 | | 2,918,301.00 | 2,918,301.00 | 2,841,768.50 |
| | | CZ.05.4.27/0.0/0.0/17_078/0009143 | | 19,162,971.25 | 19,162,971.25 | 6,500,175.18 |
| Total | | | | 176,488,152.13 | 168,802,378.79 | 141,090,709.36 |

Source: MS2014+.

b) Sample of audited POPFK actions and PPK measures (paid out as of 31 December 2021) (in CZK)

| Programme | Action/measure | Beneficiary | Amount of aid | Paid out |
|--------------|----------------|-------------|---------------------|---------------------|
| POPFK | 115V173003015 | NCA | 5,933,889.23 | 3,539,481.08 |
| | 115V177003036 | | 2,286,900.00 | 1,119,250.00 |
| PPK | PPK-881a/25/20 | | 1,097,490.00 | 1,097,490.00 |
| | PPK-881a/25/21 | | 46,471.00 | 46,471.00 |
| Total | | | 9,364,750.23 | 5,802,692.08 |

Source: NCA, MoE.

c) Sample of audited contracts – land purchases (paid out as of 31 December 2021) (in CZK)

| Registration number | Beneficiary | Call No | Aid paid out | | | Total |
|---------------------|-------------|---------|-------------------|------------------|------------------|-------------------|
| | | | 2019 | 2020 | 2021 | |
| 271631 | NCA | 4/2016 | 359,277 | 0 | 0 | 359,277 |
| 3521731 | | 4/2017 | 9,848,924 | 2,128,717 | 6,084,508 | 18,062,149 |
| 8241931 | | 1/2019 | 0 | 0 | 0 | 0 |
| Total | | | 10,208,201 | 2,128,717 | 6,084,508 | 18,421,426 |

Source: NCA, SEF.

Fulfilment of the set specific programme result and output indicators as of 31 December 2021

a) Output indicators of PA 4 of the OPEn

| NČI 2014 code | Indicator | Unit of measure | Value achieved from projects with a legal act issued* | Number of projects with reported contribution to the indicator value achieved** | Commitment under projects with a legal act issued* | Target value (PD version 10) | Achievement against target (%) | Fulfilment of commitment under projects with a legal act issued to target (%) | Commentary of the MoE on the fulfilment of the target value |
|---------------|--|-----------------|---|---|--|------------------------------|--------------------------------|---|---|
| 45201 | <i>Total number of measures (including mapping or monitoring) to promote species and habitats</i> | measures | 100 | 44 | 423 | 1,600 | 6.25 | 26.44 | The target value at the end of the programming period will not be met due to the overestimation of the indicator during the preparation of the programme and also for the reason mentioned in the comment on clause 12 of the application (i.e., why the MA does not revise the indicator values if it is evident that they will not be met). |
| 45601 | <i>Total area of created visitor infrastructure</i> | ha | 6,854.29 | 7 | 7,549.95 | 35 | 19,583.68 | 21,571.29 | The target value will be significantly exceeded at the end of the period. The "Forests and Ponds of the Řečice Area" Project with a volume of 6,853 ha contributed to the exceeding of the target value. For this project, the entire area of the cadastral areas concerned was reported as the target value. |
| 45701 | <i>Total number of measures to promote SPAs and Natura 2000</i> | measures | 216 | 89 | 1,120 | 5,500 | 3.93 | 20.36 | The target value can be met at the end of the programming period, but currently there have been submissions exceeding the target value of the indicator due to the project "Regional Museum in Mikulov, subsidised organisation", which was submitted under the 160th call. |
| 45101 | <i>Number of measures to reduce non-native species (including mapping or monitoring)</i> | measures | 8 | 4 | 43 | 1,200 | 0.67 | 3.58 | The target value at the end of the programming period will not be met due to the overestimation of the indicator during the preparation of the programme and also for the reason mentioned in the comment on clause 12 of the application (i.e., why the MA does not revise the indicator values if it is evident that they will not be met). |
| 45405 | <i>Number of measures to prevent, minimise and remedy damage caused by specially protected species</i> | measures | 63 | 36 | 181 | 800 | 7.88 | 22.63 | The target value at the end of the programming period will not be met due to the overestimation of the indicator of SO 4.1 during the preparation of the programme and also for the reason mentioned in the comment on clause 12 of the application (i.e., why the MA does not revise the indicator values if it is evident that they will not be met). |
| CO23/46500 | <i>Area of habitats that are promoted to improve their conservation status</i> | ha | 15,355.95 | 1,097 | 65,998.63 | 32,154 | 47.76 | 205.26 | The target will be significantly exceeded at the end of the period due to its underestimation during the preparation of the programme. |
| 46301 | <i>Number of cleared barriers to animal migration</i> | units | 18 | 17 | 39 | 119 | 15.12 | 32.77 | The target value at the end of the programming period will not be met due to the overestimation of the indicator during the preparation of the programme and also for the reason mentioned in the comment on clause 12 of the application (i.e., why the MA does not revise the indicator values if it is evident that they will not be met). |

Source: MoE.

Explanatory notes: * Status of project PP30 “project with a legal act of granting/transfer of aid” and above.
** Some projects that contribute to more than one indicator are listed in more than one row in the table.
NČI – National Indicator Code List; PD – programming document of the OPEn.

b) Result indicators of PA 4 of the OPEn

| NČI 2014 code | SO | Name of indicator | Unit of measure | Value achieved from projects with a legal act issued* | Number of projects with reported contribution to the indicator value achieved** | Commitment under projects with a legal act issued* | 2014 baseline value (PD version 10) | Target value (PD version 10) | Achievement against target (%) | Fulfilment of commitment under projects with a legal act issued to target (%) | Commentary of the MoE on the fulfilment of the target value |
|---------------|-----|---|----------------------|---|---|--|-------------------------------------|------------------------------|--------------------------------|---|--|
| 45412 | 4.4 | <i>Number of areas and elements of settlement greenery with enhanced eco-stabilisation function</i> | Sites | 1,250.96 | 310 | 2,368.96 | 1,462 | 2,610 | 48 | 91 | This is a result indicator with a non-zero baseline value. The target value will be met at the end of the period; legal acts have been issued with sufficient contribution to meet the target value of the indicator. |
| 45415 | 4.3 | <i>Number of sites where landscape ecosystem functions have been enhanced</i> | Sites | 1,650.73 | 772 | 2,578.23 | 2,294 | 4,110 | 40 | 63 | This is a result indicator with a non-zero baseline value. The target value will be met at the end of the period; legal acts have been issued with sufficient contribution to meet the target value of the indicator. |
| 45711 | 4.2 | <i>Number of sites with increased biodiversity</i> | Sites | 211 | 60 | 923 | 1,083 | 1,483 | 14 | 62 | This is a result indicator with a non-zero baseline value. The target value will be met at the end of the period; legal acts have been issued with sufficient contribution to meet the target value of the indicator. |
| 46010 | 4.3 | <i>Ensuring the migratory permeability of the river network</i> | Number of kilometres | 22.835 | 10 | 79.36 | 117 | 308 | 7 | 26 | This is a result indicator with a non-zero baseline value. The target value at the end of the programming period will not be met due to the overestimation of the indicator during the preparation of the programme and also for the reason mentioned in the comment on clause 12 of the application (i.e., why the MA does not revise the indicator values if it is evident that they will not be met). |

Source: MoE.

Explanatory notes: * Status of project PP30 “project with a legal act of granting/transfer of aid” and above.

** Some projects that contribute to more than one indicator are listed in more than one row in the table.

NČI – National Indicator Code List; PD – programming document of the OPEn.

Indicator 45710 “Number of species and habitats in favourable condition” is a non-project result indicator for SO 4.1 and therefore it is not possible to report how many projects have contributed to the fulfilment of this indicator as of 31 December 2021. Its latest available value is 99 species and habitats. The next value will be determined at the end of the programming period.

Fulfilment of POPFK indicators and parameters as of 31 December 2021

a) Fulfilment of POPFK indicators

| Sub-programme | Indicator code | Name of indicator | Unit of measure | Target value (TV) | Min. value (MIN) | Max. value (MAX) | Achieved value (AV) | Number of projects | Fulfilment of the indicator AV/TV (%) | Fulfilment of the indicator AV/MIN (%) | Fulfilment of the indicator AV/MAX (%) |
|----------------------|----------------|---|-----------------|-------------------|------------------|------------------|---------------------|--------------------|---------------------------------------|--|--|
| Sub-programme 115172 | 37001 | Total number of measures to promote the objects of protection of SPAs and Natura 2000 sites | units | 270 | 216 | 324 | 66 | 48 | 24 | 31 | 20 |
| | 37002 | Total number of measures to ensure territorial protection including preparation of background documents for ensuring care | units | 50 | 40 | 60 | 23 | 7 | 46 | 58 | 38 |
| Sub-programme 115173 | 37003 | Total number of measures to promote specially protected species | units | 490 | 392 | 588 | 105 | 30 | 21 | 27 | 18 |
| | 37004 | Total number of prepared rescue programmes, care programmes and regional action plans (including background documents provided) | units | 10 | 8 | 12 | 2 | 2 | 20 | 25 | 17 |
| Sub-programme 115174 | 37005 | Total area where mitigation measures have been implemented to reduce the impacts of climate change on aquatic ecosystems | ha | 245 | 196 | 294 | 30 | 128 | 12 | 15 | 10 |
| Sub-programme 115175 | 37006 | Total area where mitigation measures have been implemented to reduce the impacts of climate change on non-forest ecosystems | ha | 375 | 300 | 450 | 481 | 186 | 128 | 160 | 107 |
| Sub-programme 115176 | 37007 | Total area where mitigation measures have been implemented to reduce the impacts of climate change on forest ecosystems | ha | 320 | 256 | 384 | 108 | 15 | 34 | 42 | 28 |
| Sub-programme 115177 | 37008 | Total number of prepared background documents (monitoring, studies) | units | 100 | 80 | 120 | 132 | 90 | 132 | 165 | 110 |

Source: POPFK Programme documentation; MoE.

b) Fulfilment of POPFK parameters

| Parameter code | Name of parameter | Unit of measure | Target value (TV) | Min. value (MIN) | Max. value (MAX) | Achieved value (AV) | Number of projects | Fulfilment of the indicator AV/TV (%) | Fulfilment of the indicator AV/MIN (%) | Fulfilment of the indicator AV/MAX (%) |
|----------------|--|-----------------|-------------------|------------------|------------------|---------------------|--------------------|---------------------------------------|--|--|
| 36001 | <i>Inventory surveys</i> | units | 40 | 32 | 48 | 0 | 0 | 0 | 0 | 0 |
| 36002 | <i>Care plans and other planning documents (summaries of recommended measures, care policies, background documents for contractual protection, etc.)</i> | units | 2 | 1 | 3 | 1 | 1 | 50 | 100 | 33 |
| 36003 | <i>Length of surveyed SPA boundaries</i> | km | 300 | 240 | 360 | 0 | 0 | 0 | 0 | 0 |
| 36004 | <i>Length of restored or constructed trails in SPAs (including structures)</i> | km | 70 | 56 | 84 | 487.71 | 6 | 697 | 871 | 581 |
| 36005 | <i>Measures implemented in accordance with approved care plans, care policies, summaries of recommended measures</i> | units | 250 | 200 | 300 | 87 | 33 | 35 | 44 | 29 |
| 36006 | <i>Information and visitor centres with guaranteed operation</i> | units | 20 | 16 | 24 | 16 | 16 | 80 | 100 | 67 |
| 36007 | <i>Implemented in situ measures proposed in rescue programmes</i> | units | 150 | 120 | 180 | 150 | 21 | 100 | 125 | 83 |
| 36008 | <i>Implemented ex situ measures proposed in rescue programmes</i> | units | 40 | 32 | 48 | 19 | 7 | 48 | 59 | 40 |
| 36009 | <i>Implemented measures proposed in care programmes</i> | units | 200 | 160 | 240 | 5 | 1 | 3 | 3 | 2 |
| 36010 | <i>Implemented measures proposed in regional action plans</i> | units | 100 | 80 | 120 | 16 | 5 | 16 | 20 | 13 |
| 36011 | <i>Elaborated rescue programmes, care programmes and regional action plans (including provision of background documents)</i> | units | 10 | 6 | 10 | 2 | 2 | 20 | 33 | 20 |
| 36012 | <i>Area of revitalised watercourse beds and floodplains</i> | m ² | 2,000 | 1,600 | 2,400 | 702 | 3 | 35 | 44 | 29 |
| 36013 | <i>Area of restored or created pools, wetlands and other features to retain water in the landscape</i> | ha | 150 | 120 | 180 | 12.04 | 119 | 8 | 10 | 7 |
| 36014 | <i>Area of constructed, restored or reconstructed water reservoirs of nature-based character</i> | ha | 2 | 2 | 2 | 0.31 | 3 | 16 | 16 | 16 |
| 36015 | <i>Area treated</i> | ha | 580 | 464 | 696 | 132.62 | 35 | 23 | 29 | 19 |

| Parameter code | Name of parameter | Unit of measure | Target value (TV) | Min. value (MIN) | Max. value (MAX) | Achieved value (AV) | Number of projects | Fulfilment of the indicator AV/TV [%] | Fulfilment of the indicator AV/MIN [%] | Fulfilment of the indicator AV/MAX [%] |
|----------------|---|-----------------|-------------------|------------------|------------------|---------------------|--------------------|---------------------------------------|--|--|
| 36016 | <i>Cleared migration barriers on watercourses</i> | units | 1 | | 2 | 4 | 1 | 400 | | 200 |
| 36017 | <i>Area of land where measures (including mapping or monitoring) have been implemented against invasive species</i> | ha | 50 | 40 | 60 | 309.88 | 9 | 620 | 775 | 516 |
| 36018 | <i>Area of biotopes or habitats restored, created or maintained</i> | ha | 80 | 64 | 96 | 237.1 | 84 | 296 | 370 | 247 |
| 36020 | <i>Migration barriers cleared</i> | units | 1 | | 2 | 0 | 0 | 0 | | 0 |
| 36021 | <i>Trees planted or treated</i> | units | 5,000 | 4,000 | 6,000 | 5851 | 95 | 117 | 146 | 98 |
| 36022 | <i>Forest management plan</i> | units | 5 | 4 | 6 | 0 | 0 | 0 | 0 | 0 |
| 36023 | <i>Forested area with improved species, age and space structure or areas cleared of wood</i> | ha | 50 | 40 | 60 | 70.12 | 6 | 140 | 175 | 117 |
| 36024 | <i>Implemented studies</i> | units | 100 | 80 | 120 | 87 | 67 | 87 | 109 | 73 |
| 36025 | <i>Monitored sites</i> | units | 12,000 | 9,600 | 14,400 | 614 | 50 | 5 | 6 | 4 |

Source: POPFK Programme documentation; MoE.

Explanatory notes: In situ measures – protection of the habitats of the species concerned, restoration of a suitable environment and removal of risk factors affecting the current or potential range of the species; ex situ measures – rescue breeding and release, or cultivation in culture and planting.

Fulfilment of MaS indicators as of 31 December 2021

| Indicator code | Name of indicator | Unit of measure | Target value (TV) | Min. value (MIN) | Max. value (MAX) | Achieved value (AV) | Number of projects | Fulfilment of the indicator AV/TV (%) | Fulfilment of the indicator AV/MIN (%) | Fulfilment of the indicator AV/MAX (%) |
|----------------|--|-----------------|-------------------|------------------|------------------|---------------------|--------------------|---------------------------------------|--|--|
| 36008 | <i>Creation of planning documents, including amendments</i> | units | 6 | 1 | 20 | 5 | 5 | 83 | 500 | 25 |
| 36009 | <i>Ensuring technical and operational safety of the function and documentation</i> | units | 22 | 1 | 95 | 59 | 29 | 268 | 5,900 | 62 |
| 36010 | <i>Implementation of measures in accordance with the care plan</i> | ha | 6,000 | 1 | 18,000 | 1,082 | 8 | 18 | 108,200 | 6 |
| 36011 | <i>Area treated</i> | ha | 5,000 | 1 | 15,000 | 1,141 | 81 | 23 | 114,100 | 8 |
| 36012 | <i>Maintained trail network with comprehensive visitor information system</i> | units | 30 | 1 | 150 | 320 | 32 | 1,067 | 32,000 | 213 |

Source: MaS Programme documentation; MoE.

Overview of audited measures under the *Biodiversity Strategy of the Czech Republic 2016-2025* and the *State Programme of Nature Conservation and Landscape Protection of the Czech Republic 2020-2025* and the status of their implementation

a) Biodiversity Strategy of the Czech Republic 2016-2025

| Sub-objective | Measure | Deadline of corrective measure | Evaluation of the status of fulfilment |
|--|--|--------------------------------|--|
| 1.1.2 Develop environmental advice | <i>Preparation of awareness-raising materials on the importance of biodiversity for the network of citizens' advice centres</i> | 01/2022 | Fulfilled |
| | <i>Preparation of awareness-raising materials on the importance of biodiversity for advisors working with enterprises and farmers</i> | 06/2022 | Partially fulfilled |
| 1.2.1 Harmonise statutory provisions and strategic objectives with other ministries | <i>Identification of statutory provisions that conflict with biodiversity protection and examination of possibilities for their modification</i> | 06/2022 | Not fulfilled |
| 1.2.2 Ensure quality methodological support | <i>Thematic working meetings of public administration staff for biodiversity protection</i> | 7/2025 | Partially fulfilled |
| 1.2.3 Introduce specific training programmes for students and public administration staff | <i>Establishment of a system of lifelong professional training of public administration staff in the field of biodiversity protection, care and sustainable use of its components and long-term support of this system</i> | 7/2025 | Not evaluated |
| 1.3.1 Promote cooperation between the private and public spheres | <i>Making information on the benefits of biodiversity protection available and accessible</i> | 2020* | Not fulfilled |
| 1.3.2 Develop corporate social responsibility | <i>Promotion of activities of responsible businesses</i> | 06/2021 | Not fulfilled |
| 1.5.1 Ensure sufficient funding and subsidies for the care for nature and the landscape | <i>Creation of an inter-ministerial concept of multi-source financing of the care for nature and the landscape</i> | 2017* | Not fulfilled |
| | <i>Analysis of the system of compensation for damage and losses due to economic hardship</i> | 2018* | Partially fulfilled |
| 2.1.1 Establish a national programme for the conservation of genetic diversity of wild organisms | <i>Finalise the concept of national conservation of genetic diversity of wild organisms</i> | 12/2021 | Partially fulfilled |
| 2.3.1 Limit the spread of existing invasive species | <i>Creation and updating of methodologies for the disposal of invasive non-native species</i> | 12/2021 | Not fulfilled |
| 2.3.2 Prevent or inhibit the spread of new invasive species | <i>Establishment of a functional early warning system and a rapid response site responsible for the eradication of new invasive non-native species</i> | 06/2022 | Fulfilled on an ongoing basis |
| | <i>Limiting deliberate planting of potential invasive non-native species (phytoenergy, fisheries, public green spaces)</i> | 06/2022 | Partially fulfilled |
| 2.3.3 Incorporate EU legislation on invasive non-native species into Czech legislation | <i>Amendment of Czech legislation according to Regulation 1143/2014</i> | 12/2021 | Fulfilled |
| | <i>Determination of the competence of individual ministries and state authorities on this issue</i> | 12/2021 | Fulfilled |
| 2.3.4 Identify priority species and areas for invasive species control | <i>Identification of specific species on the basis of the EU and national lists that will be prioritised for action, and how they will be targeted</i> | 12/2021 | Fulfilled |
| 2.4.3 Regulate the targeted use of inappropriate species | <i>Ensure the regulation of the introduction and spread of species and crops with unproven or adverse impacts on nature and the landscape in areas sensitive in terms of the care for natural and the landscape heritage</i> | 06/2021 | Not fulfilled |

| Sub-objective | Measure | Deadline of corrective measure | Evaluation of the status of fulfilment |
|--|---|--------------------------------|--|
| 2.6.2 Strengthen urban biodiversity | Provide methodological and other support for measures to protect and enhance biodiversity in settlements and during construction | 12/2021 | Not fulfilled |
| 2.6.3 Support municipal governments and civic activities and initiatives that contribute to enhancing urban biodiversity | Creation of a methodological guide for municipalities with examples of good practice | 12/2021 | Not fulfilled |
| | Creation of a communication strategy for the public and authorities focusing on the importance and possibilities of developing natural features in settlements | 12/2021 | Not fulfilled |
| 3.5.2 Improve the regime of protection of important landscape features | Examine the sufficiency of legal regulations in the area of floodplain protection in the implementation of construction and reduction of buildable area in flood areas | 6/2021 | Partially fulfilled |
| | Unification of the approach to the registration of important landscape features, introduction of a central register of important landscape features | 12/2021 | Not fulfilled |
| 4.1.1 Conceptually ensure and coordinate research and monitoring of the status of biodiversity | Coordination of data and information collection and sharing through a platform of cooperating institutions | 6/2021 | Not fulfilled |
| | Developing a set of indicators of the status, changes and trends of model biodiversity components (including settlements) and related activities in relation to the strategic objectives of nature conservation, putting them into practice | 9/2021 | Not fulfilled |

Source: Biodiversity Strategy of the Czech Republic 2016-2025; Mid-Term Evaluation of the Biodiversity Strategy of the Czech Republic for the period of 2016-2025; MoE; evaluation of the status of implementation prepared by the SAO.

Note: * Original deadline for implementation of the measure; no deadline for implementation of the corrective measure has been set.

b) State Programme of Nature Conservation and Landscape Protection of the Czech Republic 2020-2025

| Objective | Measure | Deadline of the measure | Evaluation of the status of fulfilment |
|--|---|-------------------------|--|
| 1.1.4 Limit the negative impacts of landscape fragmentation and other significant anthropogenic causes of mortality, injury and other threatening factors on animals | 1.1.4.1 Strengthening of methodological support in relation to the protection of the migratory permeability of the landscape for animals (application of the background documents – habitats of selected SPAs and ensuring a systematic approach to the protection of the migratory permeability of the landscape within land-use planning) | 2021 | Cannot be evaluated* |
| 1.2.2 Ensure representative coverage of the most valuable parts of nature and the landscape within the SPA system and complete a representative NATURA 2000 system, their efficient protection and quality | 1.2.2.4 Renewal of the establishment documentation of existing SPAs due to the obsolescence of the establishment regulations and bringing them into compliance with the current legal regulations and with regard to the current needs of nature and the landscape protection | Ongoing | Fulfilled on an ongoing basis |
| | 1.2.2.5 Ensuring the necessary care for the objects of protection of the SPAs and NATURA 2000 system, especially by strengthening cooperation with land owners and tenants | Ongoing | Cannot be evaluated* |
| 2.1.1 Ensure legislative and methodological support for the exercise of state administration in the protection of landscape and ecosystems aimed at protection | 2.1.1.1 Revision of the details of the delimitation and evaluation of the territorial system of ecological stability established by Decree No 395/1992 Coll. | 2021 | Not fulfilled |
| | 2.1.1.4 Analysis of the state of landscape character protection in nature parks in order to stabilise and | 2021 | Partially fulfilled |

| | | | |
|---|--|------|---------------------|
| <i>and the creation of a territorial system of ecological stability, the protection of important landscape features and the protection of landscape character, especially in relation to land-use planning and land development</i> | <i>strengthen the protection of the concentrated aesthetic and natural values of these areas</i> | | |
| | <i>2.1.1.5 Methodologies for identification of landscape character values, their delimitation and determination of conditions for their protection</i> | 2021 | Not fulfilled |
| <i>2.1.2 Improve the activities of professionally qualified (authorised) persons working in nature and landscape protection</i> | <i>2.1.2.1 Methodology for assessing the impact of major interventions on interests protected under Parts Two, Three and Five of the Nature and Landscape Protection Act</i> | 2020 | Partially fulfilled |
| <i>2.4.1 Effectively protect and improve the eco-stabilising functions of watercourses and floodplains</i> | <i>2.4.1.5 Determine by Government regulation the procedures for establishing minimum residual flows to ensure the maintenance of the ecological functions of watercourses</i> | 2021 | Not fulfilled |
| | <i>2.4.1.9 Ensuring monitoring and evaluation of the status of protected areas designated under the Water Framework Directive for the protection of habitats and species</i> | 2021 | Partially fulfilled |

Source: State Programme of Nature Conservation and Landscape Protection of the Czech Republic 2020-2025; MoE; evaluation of the status of implementation prepared by the SAO.

Explanatory note: * On the basis of the information submitted by the MoE, it was not possible to assess the status of implementation of the measures.