



The Ministry of the Environment

The Department of EU Funds

Ref. No.: 2408/330/09

48326/ENV/09

## **M i n u t e s**

*from the 5<sup>th</sup> Meeting of the Monitoring Committee of the OP Environment*

*Held on 28 May 2009 at the Olympik hotel in Prague*

Attendance: see the attached attendance list

Meeting chaired by: Ing. Rut Bízková, Chair of the Monitoring Committee of the OP Environment, Deputy Minister – Director of the Section of Environmental Economics and Policy

The Agenda for the Meeting:

1. Opening – An opening statement by the Chair of the MC of the OP E and approval of the agenda for the 5<sup>th</sup> meeting of the MC of the OP E
2. Discussion and approval of amendments to the Statute of the MC of the OP E
3. Discussion and approval of the Annual Report of the OP Environment 2008
4. The Report on the Progress of the Implementation of the OP E
5. Information about the anti-corruption audit at the SEF CR
6. A video presentation of the OP E
7. Information about the implementation of the Communication Plan of the OP E
8. Information about the drawing of the OP E Technical Assistance to date, information about the projects of the OP E TA
9. Miscellaneous
10. Conclusion

**Item 1: Opening – An opening statement by the Chair of the MC of the OP E and approval of the agenda for the 5<sup>th</sup> meeting of the MC of the OP E**



The meeting was opened by the Chair, who welcomed the attendees. With 28 members present, the Committee had a quorum. The members approved the agenda for the meeting by consensus.

*The Chair* familiarised the attendees with the main items of the meeting's agenda and asked them to allow for information about the Implementation Document to be moved from 'Miscellaneous' to the beginning of the meeting. The reason for the request was the fact that an amended European regulation had been received only a few days before, which has allowed support for energy efficiency in buildings. The amendment is currently under discussion and all changes are being collected at the Department of European Union Funds until the end of June. An amended version of the Implementation document will be prepared at the department during July and August, which will be distributed to all members of the MC for approval. The Chair then stated that with respect to external bodies, the ME had already received a proposal from the Association of Regions and asked Ing. Kotyza to briefly familiarise the attendees with the proposal.

*Ing. Kotyza (The Association of Regions of the Czech Republic)* cited the resolution of the Council of the Association of Regions requesting a change in the Implementation Document to the OP E in relation to priority axis 4, namely to allow for smooth drawing of support for equipment for the direct use of mixed municipal waste for energy recovery.

*The Chair* confirmed to Ing. Kotyza that the proposal by the Association of Regions of the Czech Republic had been received by the ME and that it would be included in the Implementation Document's new version.

## **Item 2: Discussion and approval of amendments to the Statute of the MC of the OP E**

*Ing. Petr Novák (the MoE)* familiarised the attendees with the proposed changes to the Statute of the MC of the OP E. The first change had resulted from organisational changes at the ME. The second change concerned a change in the Statute. For purposes of clarity, the changes would thereafter be implemented through issuing the Statute as a whole, rather than in the form of amendments.

The said changes to the Statute of the MC of the OP E were approved by the members by consensus.

## **Item 3: Discussion and approval of the Annual Report of the OP Environment 2008**

*Ing. Petr Novák (the MoE)* gave a presentation on the Annual Report of the OP Environment 2008, stating that, in contrast to the first Annual Report; the new report was filled with data and mapped the situation as of 31 December 2008.

In his presentation, Ing. Petr Novák provided information about Table 8 on page 19:

- The table mentions the 'categorisation of aid'. In fact, this is a statistical instrument for the Commission. The ME fills in the table with data according to the instructions from the Commission. At the beginning of May, the Commission issued updated guidelines for completing the table. Therefore, the said Table 8 must be adjusted in



line with these new guidelines by the end of June. He asked the MC to approve the Annual Report with this reservation concerning Table 8. The updated Annual Report will be sent to all members.

*Ing. Kopecký (the MRD)* asked – based on comments by the National Coordination Body – for a small formal modification to Chapter 6 of the Annual Report, which concerns publicity. It should be stated at the cited websites that the list of beneficiaries can be found in it.

*Christos Gogos (the Commission)* suggested extending Table 1 on pg 7 of the Annual Report to include an additional column in which the amount of drawn financial resources in comparison to the allocation for each priority axis would be indicated. The modification would contribute to making the reports more comprehensive.

*Michaela Břízová (the Commission)* gave some brief information about indicators – when entering the Annual Report into the SFC system it is no longer necessary (at least this year) to enter indicators into the original table. This simplifies the process of report submission.

*The Chair* thanked for the comments and stated that once the comments were incorporated, the Annual Report would be distributed to everyone for further use.

The Annual Report of the OP E 2008 including the proposed changes was approved by the members by consensus.

#### **Item 4: The Report on the Progress of the Implementation of the OP E**

*Ing. Jan Kříž (the MoE)* centred his presentation on some important issues that are addressed by the OP.

*The Chair* thanked Ing. Kříž, stressing that the area of thermal insulation was indeed one of the major measures for combating the crisis, because the resources went to the building sector which always has great multiplication effects.

*Ing. Petr Novák (the MoE)* gave a presentation on the Report on the Progress of the Implementation of the OP. At the beginning he informed the attendees that the monitoring report had the structure of an annual report and orientation within the report was therefore easy.

*The Chair* thanked Ing. Novák for his presentation and suggested extending the item to include a fourth part, namely information by Mr Štěpánek, Director of the State Environmental Fund of the Czech Republic, concerning the anti-corruption audit that had been initiated by the Fund.

#### **Item 5: Information about the anti-corruption audit at the SEF CR**

*Ing. arch. Petr Štěpánek, Ph.D. (the SEF)* gave a presentation on the anti-corruption audit that had been initiated by the SEF CR.

*The Chair* praised the SEF's initiative that had led to the preparation of the anti-corruption audit. This instrument is currently gaining considerable significance, as the large investments



that are flowing into the environmental sector are also attracting the interest of various interest groups.

*Christos Gogos (the Commission)* thanked for the anti-corruption initiative and pointed out the potential risks of possible corruption by certain groups from within the financial sphere. He concluded by asking for the prepared report and its recommendations to be submitted.

*Michaela Břízová (the Commission)* responded to the presentation by Ing. Kříž, asking for information about advance payments in the case of major projects whose implementation had already started, however, that had not been submitted to Brussels yet.

*Ing. Jan Kříž (the MoE)* responded stating that – in such cases – the Commission would be asked to provide advance payments.

*Michaela Břízová (the Commission)* welcomed such an approach and made further inquiries concerning the monthly monitoring reports. She pointed to certification discrepancies between the report submitted by the OP and the monthly monitoring report submitted by the NCA (the MRD). As opposed to the monthly monitoring report that had been submitted to the Commission, the report stated that no resources had been submitted for certification.

*Christos Gogos (the Commission)* seconded the inquiry, asking for clarification of the information provided in the table in Annex 1 to the Report. In his view, the table indicated that there was a significant problem in disbursing the resources to beneficiaries. He added that in the context of today's economic crisis, it was necessary for the resources to be disbursed as soon as possible.

*The Chair* responded, dividing the problem into two parts. While projects that were rather simple were readily approved, the approval of major projects was slowed down by the Act on Awarding Public Contracts. Major tenders could drag on for as long as six months. The second area was of administrative nature. By comparison with all other OPs, this involved a large number of difficult investment projects. A working audit was under way in order to make the processing by the ME as short as possible. Another issue is the process on the part of the applicants. While municipalities often complained about delays on the part of the ME, many of them had hired firms to prepare their applications and communication between them was slow. It would be good to reduce the time limit for supplementing the application to 10 days.

*Ing. Jan Kříž (the MoE)* responded to the request for clarification of information concerning the disbursement of financial resources to beneficiaries, stating that there was currently no risk of payment applications not being paid and, in addition, pointed out that the system of financial flows within the OP was very friendly to applicants. He then used priority axis 1 as an example and explained why, in his opinion, the drawing appeared to be so low.

*Ing. Petr Novák (the MoE)* confirmed that in the table in the report, there is wrongly indicated a zero for certification.

*The Chair* gave the floor to Ing. Kopecký and asked for explanation.

*Ing. Kopecký (the MRD)* recommended harmonising, i.e. on the Czech side, the interpretation of the data that are indicated in the information system. He would also submit the recommendation to the National Coordination Authority.

*Mgr. Vančurová (the MF)* provided additional information about the data that were indicated in the Annual Report – nothing had been certified as no certification had been prepared. The



terminology in the table had not been harmonised with the NCA, which resulted in the difference between the monitoring table submitted by the NCA and the monitoring table in the Annual Report in which the comments by the Paying and Certifying Authority had been accepted.

*Christos Gogos (the Commission)* made the following recommendations based on Ing. Kříž's presentation according to which the drawing of financial resources was supposed to increase significantly:

- An additional column should be included in the table indicating projected figures. If the amount of drawing is indeed expected to rise, this should be included in the report. However, the estimates should be as objective as possible.

*Ing. Doležel (the MIT)* asked for information – how long it took, on average, for a payment application to be processed, i.e. from the application's submission to the transfer of the payment. He also wanted to know whether applications had been monitored in this respect.

*Christos Gogos (the Commission)* responded to Ing. Doležel's inquiry, suggesting that serious thought should be given to creating statistics that could provide an answer to the question – how much time it took for the first money to get to the applicant's account after a contract was concluded. He recommended:

- monitoring individual applications with respect to the time required for their processing – from the conclusion of the contract to the date on which the applicant received the promised financial amount and, based on these data, creating a statistic as early as for the following meeting of the MC.

In the subsequent part, Mr Gogos evaluated the tables and some annexes that were included in the Annual Report: The table on page 13 that allows for monitoring the N+3 rule, the useful table in Annex 2 for recording approved and rejected projects, and then an absolutely brilliant document – Annex 1. The document recorded mistakes and errors that occurred in the preparation of applications. It should be sent to all applicants, as it could reduce the number of rejected applications. Reports on progress – Annex 3, the table of major projects that makes it possible to monitor the projects. The last thing concerned the description of auditing and managing authorities (compliance assessment) – this had not been closed yet, response from the auditing body was awaited and the central response had not been made available either. He recommended that

- Annex 1 to the Annual Report should be distributed to applicants.

*Michaela Břízová (the Commission)* presented a question concerning indicators: According to Chapter 2.2.1 of the Annual Report, an evaluation project was under way within the OP E, i.e. a project based on which the indicator system was supposed to be adjusted. The NCA was also working on this problem – how were both projects harmonised?

*The Chair* started her response by explicating the issue of analysing and recording mistakes and errors in the submission of applications. The public was well informed about these problems through both the website and the *Priorita* magazine that was distributed to all municipalities and municipal authorities.

*Ing. Novák (the MoE)* responded to Mrs Břízová's inquiry about the harmonisation of projects for adjusting the indicator system. All work was being consulted and coordinated with the NCA.





*Ing. Kopecký (the MRD)* presented a contribution in which he mentioned some problems in cooperating with JASPERS. In the Czech Republic, there were many major projects, which made us exceptional compared with other countries. The Commission should take that into account and strengthen the capacities.

*Ing. Jan Kříž (the MoE)* praised the opportunity to learn from JASPERS experts how to work with large projects and informed that in the second half of June, the ME was organising a seminar where experience from cooperation with JASPERS experts would be shared with applicants for major projects.

*The Chair* asked *Ing. Valdman* to inform the attendees, i.e. based on the experience that had been gained to date, about how much time from project approval it took for applicants to get the required financial resources paid for different kinds of projects.

*Ing. Valdman (the SEF)* advised the attendees that he had been constantly criticised because the time from project approval until the moment when financial resources actually started being drawn was too long. In the case of major projects where the largest allocation had been approved, this time period ranged from 8 to 24 months. He explained in detail what had to be done within the time period. On the other hand, there were short-term projects, such as the thermal insulation of buildings, where project preparation was simple, the building company was the only partner and the applicant was able to receive financial resources within 45 days.

- With all time limits being recorded in the information system, the analysis could also be prepared according to individual priority axes. This would be prepared for the subsequent meeting of the MC.

*Bc. Sýkora (the UTM CR)* praised the improved communication and pointed out that despite efforts of both the ME and the SEF to make the financial resources available for projects immediately after the decision, in many cases the time period was relatively long.

The UTM was interested in obtaining – at the subsequent meeting of the MC – statistics for types of applicants according to individual priority axes and regarding their success rates. The Union of Towns and Municipalities of the Czech Republic had its own information system for its members through which it could inform the members about the most frequent mistakes and shortcomings that occurred in submitted applications.

*The Chair* promised that the statistics would be prepared for the subsequent meeting of the MC and stressed the significance of the provision of information and of using statistics while ensuring it. She welcomed the UTM's offer of cooperation and stated that it would be good to organise a meeting between the managements of the ME, the SEF, the Association of Regions and the Union of Towns and Municipalities.

*Christos Gogos (the Commission)* informed Mr Sýkora, that he himself, when participating in the meetings of the MC, had access to the Annual Report and all the information contained in it, and was thus able to take the step, namely to distribute the above-mentioned Annex 1 concerning mistakes and shortcomings in submitted applications to all members of the Union by e-mail via the information system. This would improve the availability of information and prevent some mistakes from being made in submitted applications.

*Michaela Břízová (the Commission)* asked the Chair for detailed information about the plan for the OP's modification, the transfer of financial resources and whether this would only apply to energy efficiency, now that the regulation had changed, or whether this would apply to other areas as well.



*The Chair* responded, stating that while she believed that some adjustments to the OP would be necessary, everything would depend on the new Minister's opinion on some adjustments. Would it be water protection in municipalities with up to 2 000 residents or the deficit in the area of water treatment plants that will receive greater priority? If priority was given to air protection and climate change, than the greatest significance would be attached to thermal insulation and reduction of energy intensity. In addition, there was also waste management and nature conservation. While transfers of resources between individual OPs were not envisaged, transfers between individual axes were possible.

#### **Item 6: A video presentation of the OP E**

A video presentation of the OP E was played.

#### **Item 7: Information about the implementation of the Communication Plan of the OP E**

*Ing. Eva Richtrová (the MoE)* gave a presentation on the Communication Plan of the OP E for the period from 16 September 2008 to 31 March 2009.

*Mgr. Petra Kolínská (the SEF)*, who was deputising Mrs Lenka Brandtová, the Press Secretary and Head of the Communication Department, continued the presentation on the Communication Plan of the OP E for the SEF CR.

*Christos Gogos (the Commission)* highly praised the amount of work being hidden behind the work with information. He pointed to the necessity of being aware that there were many people who were shy to visit an information centre and the necessity of accommodating the needs of such groups of applicants and, in the future, strengthening the interactive provision of information.

#### **Item 8: Information about the drawing of the OP E Technical Assistance to date, information about the projects of the OP E TA**

*Ing. Lucie Fruhwirtová (the MoE)* gave a presentation on Technical Assistance (hereinafter 'the TA').

The financial allocation was divided into two parts – the TA of the ME and the TA of the SEF. The attendees were familiarised with the overview of the drawing of financial resources from priority axis 8, i.e. also with respect to the relative shares of individual activities. After that, some characteristic projects were briefly introduced.

#### **Item 9: Miscellaneous**

*The Chair* informed the attendees about a completely new issue, whose methodology they were going to introduce to the staff of DG REGIO and DG ENVY in Brussels. The project entitled 'The Integrated Landscape Development Plan' that was being prepared received the nickname 'ILDLP'. "During the period of this OP's validity, we would like to test whether it is necessary to announce a call that would address the problems in the given areas in a comprehensive way, regardless of the different regions, so that the project would – as a final result – serve for promoting sustainable development at the local level." Effort was also made



to find a balance and join various activities in the given area, i.e. not only those that concerned the environment, but also social, economic and other activities, so that people's lives in the given area would eventually be improved. Thus far, the methodology had been prepared, i.e. the first part. She stated that if positive response was received from colleagues in the Commission, they were prepared to do further work in this matter and, by extension, get ready for the new OP.

- The methodology would be introduced at the subsequent meeting of the MC.
- The proposed preliminary date for the subsequent meeting of the MC was 3 December 2009. The date was not definitive, as it was to be confirmed after being consulted with the NCA.

The MC preliminarily acknowledged the deadline.

*Ing. Kopecký (the MRD)* recommended discussing the modification to the Implementation Document for the areas of housing and thermal insulation. He pointed out that the problem also concerned other OPs and so it was necessary to consult everything with the NCA and the staff of the MRD in order to ensure that the border between the OPs was formulated in the same way everywhere.

*The Chair* stated that the greatest common border was in the case of the national programme entitled 'Green Investment Scheme' which had not been discussed today. She stated that the common border with both the IOP and the MRD's National Subsidy Programme had to be monitored. Thus far, there had been a clear division between OPs. However, overlaps could occur due to the new national programme or based on the extended government regulation that had been prepared by the MRD.

*Ing. Doležel (the MIT)* presented his comments on the issue of waste use for energy recovery. He started by expressing his concerns that the interest in this issue – which should go across the entire society – could actually be solely the interest of some incineration lobby.

*The Chair* responded stating that the Association of Regions of the Czech Republic could hardly be considered a lobbyist group, but rather a highly-respected committee with which the ME was engaged in discussions on the waste management plan.

*Ing. Doležel (the MIT)* then briefly informed about the basic problems encountered in using waste for energy recovery, so that the members were – in his opinion – better informed before exchanging their views 'per rollam'.

*The Chair* added a brief explanation to the contribution: each priority axis had its valid strategic document that was adhered to. In the Waste Management Plan, they promoted the establishment of waste recycling infrastructure, which is the first necessary step for sorting as much waste as possible. Once the situation was achieved where the recycling capacity is sufficient, the diversion of waste from landfills would follow along with the waste's subsequent use for energy recovery.

*Mgr. Ptáčková (NGO)* made an inquiry about the possible 'per rollam' approval of the Implementation Document.

*The Chair* stated that in the ME's opinion, no change of the Implementation Document would be necessary after the approval of the modification to the Waste Management Plan. The modification that was required by the Association of Regions of the Czech Republic was merely further specification that – in her opinion – should be there. Another problem was that





the Implementation Document currently allowed for supporting individual projects up to the amount of CZK 50 million. In the case of major projects on the order of billions, i.e. projects that were in the interest of the Czech Republic, the offered aid was small. However, such a modification had to be made in the Waste Management Plan which was not part of the Implementation Document, but rather a government regulation.

*Ing. Janáková (the Chamber of Commerce of the Czech Republic)* voiced the approval – on behalf of the Chamber of Commerce – to the proposed modification of the Implementation Document. Vice president Bartoš had presented the proposal for the modification of the Implementation Document at the nationwide assembly of the Chamber of Commerce of the Czech Republic and the assembly had supported it unanimously.

*The Chair* added a few words on the OP's position, which allowed for financial resources to be provided for addressing the most pressing problems in environmental protection in the Czech Republic. It was thus a sort of an executive part of environmental policy. Here, the discussion took place in a slightly different context. It was true that Minister Miko had been asked by the Committee for the Environment of the Chamber of Deputies of the Parliament of the Czech Republic to submit – by 8 June – the overview of further intended steps in working with the Waste Management Plan and its objectives, for example how large infrastructural building projects in waste management could be supported from European resources by the end of 2015.

*Bc. Sýkora (the UTM CR)* expressed an unequivocal recommendation on behalf of the UTM CR in support of using municipal waste for energy recovery. He suggested that the exact wording of the proposal that had been approved by the Council of the association and recommended for incorporation into the Implementation Document should be included in the minutes. He then cited the entire text.

*The Chair* suggested including the request by the Association of Regions of the Czech Republic in an annex to the minutes. She stated that the lively discussion that was taking place illustrated how tricky an issue it was. She pointed out that this was not a problem of the OP; this was primarily a problem of the orientation of waste management in the Czech Republic. Based on analyses that had been prepared, intensive discussion would surely continue, but this was not the level of the MC, but rather the level of strategic documents. Modifications to the Implementation Document would be performed in accordance with the Waste Management Plan.

*Ing. Kotyza (the Association of Regions of the Czech Republic)* presented proposals for incorporation into the Implementation Document to the OP E on behalf of the Association of Regions of the Czech Republic.

## **Item 10: Conclusion**

*The Chair* thanked the members for their participation in the MC meeting and closed the MC meeting.

**The summary of the tasks and recommendations by the Commission from the 5<sup>th</sup> MC of the OP E that was held on 28 May 2009:**



<b>TASKS</b>			
<b>No</b>	<b>Task</b>	<b>To be implemented by</b>	<b>Completion date</b>
<b>I. The Statute of the MC of the OP E</b>			
1.	To distribute the updated Statute of the MC of the OP E that was issued through ministerial order to all MC members.	MoE	Next MC meeting
<b>II. The Implementation Document of the OP E</b>			
1.	To prepare an updated Implementation Document of the OP E, which will be distributed to MC members for 'per rollam' approval.	MoE/SEF	August 2009
2.	Incorporate the proposal by the Association of Regions of the Czech Republic into the version of the ID of the OP E that is being prepared.	MoE/SEF	August 2009
<b>III. The discussion and approval of the Annual Report of the OP E 2008:</b>			
1.	To modify the Annual Report according to the conclusions by the MC before its submission to the Commission (to modify Table 8, supplement Chapter 6, extend Table 1).	MoE	The end of June 2009
2.	To distribute the updated Annual Report incorporating the comments.	MoE	The end of June 2009
<b>IV. The Report on the Progress of the Implementation of the OP E:</b>			
1.	On the Commission's recommendation, to specify the designation of columns in the table in Annex 1.	MoE	Next MC meeting
2.	On the Commission's recommendation, to include in the table an additional column with amounts that are	MoE	Next MC meeting



	envisaged to be drawn.		
3.	On the Commission's recommendation, to prepare an analysis according to individual priority axes for monitoring individual applications from the viewpoint of the time required for their processing (from the approval to the date on which the applicant receives the first financial resources) and to generate statistics based on these data.	SEF (Project Management Section) / ME	Next MC meeting
4.	On the Commission's recommendation, to send Annex 1 (the analysis of common mistakes) to all applicants.	SEF/ME	Completed. It is available as part of the <i>Priorita</i> magazine and on the OP E website
5.	Upon the request by the UTM CR, to prepare statistics for types of applicants according to individual priority axes and regarding their success rates.	SEF (Project Management Section)	Next MC meeting
<b>V. Information about the anti-corruption audit at the SEF:</b>			
1.	Upon the Commission's request, to send the prepared report and its recommendations to the Commission's representative, Mr Gogos, and to all members of the MC (possibly to post it on the OP E website).	SEF/MoE	The end of June 2009

<b>Proposed next MC meeting:</b>	<b>Date: 3 December 2009</b>
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### **Annexes:**

1. The proposal by the Association of Regions of the Czech Republic into the version of the ID of the OP E that is currently under preparation
2. Attendance list
3. Distribution list (an up-to-date name list of the members of the MC of the OP E)

Minutes taken by: Ing. Simona Dušková

The Department of EU Funds, MoE

Verified by: Ing. Petr Novák

The Department of EU Funds, MoE

Approved by: Ing. Rut Bízková

Deputy Minister – Director of the Section of Economics and  
Environmental Policies

Chair of the Monitoring Committee of the OP E