30 July 2025

Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the fourth payment request submitted by Czechia on 16 June 2025, transmitted to the Economic and Financial Committee by the European Commission

Executive summary

In accordance with Article 24(2) of Regulation (EU) 2021/241, on 16 June 2025, Czechia submitted a request for payment for the sixth instalment of the non-repayable support and the second instalment of the loan support. The payment request was accompanied by the required management declaration and summary of audits.

To support its payment request, Czechia provided due justification of the satisfactory fulfilment of 55 milestones and targets of the sixth instalment of the non-repayable support and three milestones of the second instalment of the loan support, as set out in Section 2.1.6 and Section 2.2.2 of the Council Implementing Decision of 8 July 2025 amending the Council Implementing Decision of 8 September 2021 on the approval of the assessment of the recovery and resilience plan for Czechia[1].

For 11 targets covering a large number of recipients, in addition to the summary documents and official listings provided by Czechia, Commission services have assessed a statistically significant sample of individual files. The sample size has been uniformly set at 60, with 22 additional units for a specific case, which corresponds to a confidence level of 95% or above in all cases.

In its payment request, Czechia has confirmed that measures related to previously satisfactorily fulfilled milestones and targets have not been reversed. The Commission does not have evidence of the contrary. Upon receipt of the payment request, the Commission has assessed on a preliminary basis the satisfactory fulfilment of the relevant milestones and targets. Based on the information provided by Czechia, the Commission has made a positive preliminary assessment of the satisfactory fulfilment of all 58 milestones and targets.

The milestones and targets positively assessed as part of this payment request demonstrate significant steps in the implementation of Czechia's Recovery and Resilience Plan. They notably highlight the continuation of the reform momentum in key policy areas. This includes, among others, adopting additional legislative amendments to shorten the overall duration of the permitting procedure for renewable energy sources, improve the transparency of the grid connection, amendments that adjust the tax measures in support of zero-emission mobility, and that strengthen the Water Management Act to mitigate the risks of drought. The milestones and targets also confirm progress towards the completion of investment projects related to road and rail safety, flood protection, renovation and revitalisation of buildings for energy savings, support of rehabilitation care for patients recovering from critical conditions, and promotion of green skills and sustainability in universities.

[1] ST 11047/21 INIT; ST 11047/21 ADD 1; ST 11047/21 ADD 1 COR 1; ST 14663/24 INIT; ST 14663/24 ADD 1 REV 2; ST 10509/25 COR 1; ST 10509/25 ADD 1 REV 1.

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

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Non-repayable support

CZ-C[C1.1]-I[I1]-M[9]: Entry into operation of 4 information systems

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

Qualitative Indicator: Entry into operation of the four developed information systems providing services to end users

Time: Q4 2024

1. Context:

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

Milestone 9 requires that at least the following projects shall be completed: Digital Registry development; Single Control Record Portal (JePEK); SIS_2 Tools for the Central Processing of Statistical Task; NUKIB Portal.

Milestone 9 is the third milestone of the investment, and it follows the completion of milestone 7, related to the entry into operation of the Single Digital Gateway providing the services to citizens and businesses, and milestone 8, related to the successful upgrade of existing systems and development of new systems. It will be followed by target 10, related to the completion of projects leading to an increase in the number of filled forms sent in a digital way. The investment has a final expected date for implementation on 31 March 2026.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Annex 1 – Contract for creation, implementation, promotion and development of the digital registry	Contract signed between the Czech Social Security Administration and the contractor, ICZ a.s., on 16 December 2024 for the creation, development and deployment of the digital registry
3	Annex 2 – Acceptance protocol of the completion of work on the Digital Registry	The acceptance protocol of the completion of work signed by the Czech Social Security Administration and the contractor on 16 December 2024, in accordance with national legislation, confirming that the Digital Registry

		was created and implemented and is fully functional.
4	Annex 3 – Data extracts and a description of the Digital Registry	Data extracts and a description presenting the Digital Registry functionalities and attesting that it is fully operational.
5	Annex 4 – Acceptance protocol from the Ministry of Industry and Trade of the completion of work on the Single Control Record Portal (JePEK)	The acceptance protocol of the completion of work signed by the Ministry of Industry and Trade and the contractor on 11 December 2024, in accordance with national legislation, confirming that the JePEK application has been completed.
6	Annex 5 – Data extracts of the Single Control Record Portal (JePEK)	Data extracts presenting the functionalities of the JePEK portal and attesting that it is operational.
7	Annex 6 – Demonstration video for the Single Control Record Portal (JePEK)	Demonstration video presenting the functionalities of JEPEK portal and attesting that it is operational.
8	Annex 7a - Acceptance protocol of the completion of work on the SIS_2 Tools for the Central Processing of Statistical Task.	The acceptance protocol of the completion of work signed by Czech Statistical Office (CZSO) on 30 December 2024, in accordance with national legislation, confirming that the SIS_2 Tool for the Central Processing of Statistical Task has been completed.
9	Annex 7b – Acceptance protocol of the completion of work of removal of defects in SIS_2 Tools for the Central Processing of Statistical Tasks	The acceptance protocol signed by Czech Statistical Office (CZSO) on 2 February 2025, in accordance with national legislation, confirming that defects in the SIS_2 Tool for the Central Processing of Statistical Task have been removed.
10	Annex 8 – Data extracts of the SIS_2 Tool for the Central Processing of Statistical Task.	Data extracts presenting the functionalities of the SIS_2 Tool for the Central Processing of Statistical Task and attesting that it is operational.
11	Annex 9 – Project plan internal document from NUKIB for the creation of the new National Cyber and Information Security Agency (NUKIB) portal	Project plan for the creation of the new IT system (NUKIB portal) to comply with the legislative requirements of the National Cyber and Information Security Agency, dated 15 November 2024.
12	Annex 10 – Project summary NUKIB internal document for the National Cyber and Information Security Agency (NUKIB) portal	Project summary describing the process of the development of the NUKIB portal, dated 10 December 2024.
13	Annex 11 – Acceptance protocol of the completion of work on the National Cyber and Information	The acceptance protocol of the completion of work signed by NUKIB on 10 December 2024, in accordance with national legislation, confirming that the NUKIB portal has been completed.

	Security Agency (NUKIB) portal	
14	Annex 12 – Data extract of the NUKIB portal incident reporting function	Data extracts of the NUKIB portal presenting the incident reporting function.

3. Analysis:

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

At least, the following projects shall be completed: Digital Registry development

According to the acceptance protocol signed on 16 December 2024 by the Czech Social Security Administration (CSSZ) (Annex 2), the Digital Registry was created and deployed to the environment of the CSSZ in line with the provisions of Article 3.1.1 of the contract for creation, implementation, promotion and development of the digital registry (Annex 1). As also evidenced by data extracts taken on 10 January 2025 (Annex 3) the Digital Registry is fully operational and available for end users. It ensures the entire life cycle of electronic documents in the CSSZ and allows for storage and extended management of documents and their metadata in the organisation. The registry also ensures high security requirements and records the entire document lifecycle in accordance with requirements laid out in Act No 499/2004 on Archives and Records Service and amending certain acts.

Single Control Record Portal (JePEK)

As attested by the acceptance protocol signed by the Ministry of Industry and Trade on the 11 December 2024 (Annex 4), the Single Control Record Portal (JePEK) was completed, is fully functional and available to end users. As the demonstration video (Annex 6) and data extracts provided (Annex 5) show, the portal is a coordination tool for nearly 50 state inspection bodies in Czechia which connects inspection bodies with inspected companies.

SIS_2 Tools for the Central Processing of Statistical Task

As evidenced by the acceptance protocol signed by the Czech Statistical Office (CZSO) on 30 December 2024 (Annex 7a), SIS_2 Tool for the Central Processing of Statistical Task was completed and tested. However, it contained certain defects which were to be removed by 29 January 2025. The second acceptance protocol signed by the CZSO on 29 January 2025 (Annex 7b) demonstrates that all the defects were remedied and that the tool is accepted without reservations.

the public part (phase 1) of the NUKIB portal.

As attested by the project plan internal document signed by National Cyber and Information Agency (hereinafter: NUKIB) on 12 May 2023 (Annex 10) and the project summary signed by the NUKIB on 6 December 2024 (Annex 11), the NUKIB Portal consist of a public part (phase 1) and private part (phase 2). As evidenced by the acceptance protocol signed by the NUKIB on 10 December 2024 (Annex 12), the public part of the NUKIB portal was completed, entered into operation and can be accessed through a link provided by the authorities on 13 May 2025. The Commission services accessed the link provided by the authorities on the same day to verify the completion and operational status of the public part of the NUKIB portal. This check was completed successfully, confirming that the public part of the portal was satisfactorily completed and entered into operation as required. As evidenced by

the data extracts (Annex 13 and Annex 14), it allows the general public to access information on the Cyber Security Act and its impact on organisations and allows the public, private entities and the public authorities to report incidents. The NUKIB portal (including the public part) is developed by an internal development team in connection with NIS2 transposition and allows for the management of tasks stemming from the new Cyber Security Act. The target user groups include employees of the NUKIB, entities regulated under the Cyber Security Act, the general public and domestic and foreign partner organisations.

The investment implements interconnected projects in order to increase the number of eGovernment services available through Citizens' and Entrepreneurs' portals and the number of forms pre-filled based on the information stored in the information system in the public administration.

The Digital Registry facilitates the creation of pre-filled forms based on existing data, thereby streamlining processes for citizens and entrepreneurs. The JePEK application reduces bureaucratic burdens, prevents inspection duplications, and enhances the number of available eGovernment services. The SIS 2 projects implement a common, configurable component that manages data transformations and transfers between government systems – an essential functionality for pre-filling forms with accurate data from multiple sources, thereby increasing the number of services that can be efficiently provided through the portals. Finally, the establishment of the NUKIB Portal, strengthens information sharing and cybersecurity, addressing both the public and specific entities. Together, these projects facilitate a more integrated and efficient digital ecosystem, directly supporting the requirement to increase the number of eGovernment services and pre-filled forms available through Citizens' and Entrepreneurs' portals.

Increasing the number of pre-filled forms based on the information stored in the information system of the public administration shall be assessed at a later stage of the implementation of the investment.

As a result, an increased number of digital services shall become available to end users via a single login platform and the number of pre-filled forms and electronic submission to public administration shall increase.

As demonstrated by the above analysis, the 4 projects contribute to a more integrated digital ecosystem, directly supporting the requirement to increase the number of digital services available through single login platforms.

The increase in the number submission of pre-filled forms and electronic submissions in public administration shall be assessed at a later stage of the implementation of the investment.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C1.1]-I[I2]-M[11]: Extension of National Open Data Catalogue with advanced functionalities

Related Measure: C1.1.I2 Development of open data and public data fund

Qualitative Indicator: Extended National Open Data Catalogue with advanced functionalities and services

Time: Q4 2024

1. Context:

The objective of this investment is to improve the quality of the National Open Data Catalogue: the publication of code lists used in public administration in public databases, the development of a national open data catalogue and the improvement of tools for increasing the number of open data producers in the public administration publishing open data in the National Open Data Catalogue.

Milestone 11 requires that the National catalogue of open data registers and publishes open and public data and information from the public administration in one place, with advanced functionalities for searching data and services, including the publication of code lists in a public data fund.

Milestone 11 is the last milestone of the investment, it follows the completion of target 12 related to an increase in the number of open data producers publishing open data in the public administration, and it coincides with target 245 leading to an increase of 125 new or improved open data sets (code lists, data binding, statistical data) published in the National Open Data Catalogue. The investment has a final expected date for implementation on 31 December 2024.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone was satisfactorily fulfilled.
2	Annex 1 - Advanced functionalities and services	Overview of search functions implemented in the National Open Data Catalogue.
3	Annex 2 - Increase in catalogued data and services	Overview of the increase in catalogued data and services.
4	Annex 3 - Signed protocol of work completion issued by Digital Information Agency	Confirmation of completion of the project and its functioning signed by the Digital and Information Agency and the contractor on 7 and 8 January 2025.
5	Annex 4 - Link to National Open Data Catalogue	Hyperlink to the National Open Data Catalogue: https://data.gov.cz/datové-sady (accessed on 23 June 2025)
6	Annex 5 - Publication of code lists in public data fund	List of datasets containing data harvested from the public data fund and published in the National Open Data Catalogue.

3. Analysis:

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

The National catalogue of open data shall register and publish open and public data and information from the whole public administration in one place.

The Commission services accessed the link provided by the authorities on 23 June 2025 to verify that open and public data from the whole public administration is registered and published in a designated website (Annex 4) of the National Open Data Catalogue (NODC). This check was completed successfully, confirming – in accordance with the confirmation of project completion (Annex 3) - that the upgrade of the NODC was completed in line with the presented functionalities, and the open and public data in question were consolidated in one location.

It shall have advanced functionalities for searching and services, including the publication of code lists in a public data fund.

As part of the system upgrade, a new explanatory function has been integrated into the NODC, enabling users to refine search results by applying filters to various attributes or facets. Additionally, five new search functions have been created. The Search for Data Services identifies data services from all datasets in the NODC, and it allows the user to search only between data services in the catalogue user interface. The Catalogue of Reuse Cases allows users to register examples of reuse of open data and at the same time search over them in the following categories: topic, availability, status, platform. The Catalogue of Data Opening Requests allows users to register requests and at the same time search over them in the following categories: topic, provider, status. The Search for High Value Datasets allow users to search over data provided under the Commission Implementing Regulation 2008/138. The Search for Dynamic Data allows users to search over specific data categories defined in the Open Data Directive. All four advanced search functions are now available within the NODC, as demonstrated in Annex 1 and 3.

Finally, extending the National Open Data Catalogue is completed with the service that enables harvesting data sets, specifically code lists, from a public data fund. The summary of code lists contained in Annex 5 is an example of data harvested from the public data fund and published in the NOCD, proving that the functionality has been implemented and is functional.

4. Commission Preliminary Assessment: Satisfactory fulfilled

CZ-C[C1.1]-I[I2]-T[245]: Increase in the number of new or improved open data sets published in the National Open Data Catalogue

Related Measure: C1.1.I2 Development of open data and public data fund

Quantitative Indicator: Number of data sets

Baseline: 0

Target: 125

Time: Q4 2024

1. Context:

The investment finances projects aimed at improving the quality of the National Open Data Catalogue: the publication of code lists used in public administration in public databases, the development of a national open data catalogue and the improvement of tools for increasing the number of open data producers in the public administration publishing open data in the National Open Data Catalogue.

Target 2245 requires that new or improved open data sets (for example, code lists, data binding, or statistical data) are published in the National Open Data Catalogue.

Target 245 is the third and last target of the investment, and it follows the completion of milestone 11 related to the extension of the National Open Data Catalogue with advanced functionalities and target 12 related to the increase in the number of open data producers in the public administration publishing open data in the NODC. This investment has the final expected date for implementation on 31 December 2024.

2. Evidence provided:

	Name of the evidence.	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Annex 1 - List of datasets – SIS_3 project	List of new and improved open datasets published in the National Open Data Catalogue by the Czech Statistical Office (CZSO) as part of the SIS_3 project – CZSO dissemination tools upgrade and extension/ Catalogue of Products open to other entities of the State Statistical Service
3	Annex 2- List of datasets – SIS_4 project	List of new datasets published in the National Open Data Catalogue by the Czech Statistical Office (CZSO) as part of the SIS_4 project – Common metainformation system / Data sets of statistical classifications and code lists in the Public Data Fund
4	Annex 3 – List of datasets – TNODS project	List of new datasets published in the National Open Data Catalogue by the Czech Statistical Office (CZSO) as part of the project on modernization of tools and processes for the publication of new or qualitatively substantially improved data set files from the Census District Register

5	Annex 4 – Data extracts from the National Open Data Catalogue	Data extracts from the National Open Data Catalogue presenting how many datasets were added between 02 January 2023 and 31 December 2024.
6	Annex 5 - List of 126 new or improved datasets	An excel file presenting the list of 126 new or improved datasets, with the specification of the type of dataset and links to the appropriate datasets.

3. Analysis:

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

125 new or improved open data sets (for example code lists, data binding, or statistical data) published in the National Open Data Catalogue.

As evidenced Annex 5, 126 new or improved open data sets were published in the National Open Data Catalogue. The Commission services accessed the provided excel file and verified the functionality of each the links, allowing to download the datasets from the catalogue. As evidenced by Annexes 1- 4, each dataset was added to the NODC between 2 January 2023 and 31 December 2024 by the Czech Statistical Office (CZSO). These datasets were published within 3 projects realised by the CZSO:

i) Statistical Information System_3 - CZSO dissemination tools upgrade and extension/Catalogue of Products open to other entities of the State Statistical Service (SIS_3 project);
ii) ii) Statistical Information System_4 Common metainformation system / Data sets of statistical classifications and code lists in the Public Data Fund (SIS_4 project);
iii) iii) Creation of the new open data sets – CZSO / Modernization of tools and processes for the publication of new or qualitatively substantially improved data set files from the Census District Register (TNODS project).

As evidenced by Annex 1, as part of the SIS_3 project 6 new and 27 improved datasets were published, all of which contained statistical data. New datasets (marked in black in Annex 1) include data for new time periods and data for new areas – for instance CZSO vacancies or register of economic entities located in the Czech Republic. Annex 5 shows that one of the improved datasets ("Completed dwellings in municipalities – revised data"/ "Dokončené byty v obcích - revidovaná data") uses data binding. As evidenced by Annex 2, within the SIS_4 project 75 new datasets were published, all of which were code lists. As evidenced by Annex 3 and a link provided in the summary document, as part of the TNODS project 18 new open data sets were published, which all contained statistical data in the form of geodata related to the Census District Register. As demonstrated by Annex 5, 14 datasets published under TNODS project use data binding. Furthermore, Annex 5 shows the type of data for each added or improved dataset, demonstrates that they include statistical data, code lists and datasets usage of data binding and includes links to each dataset.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C1.2]-I[I4]-T[31]: Increase of the data storage capacity

Related measure: C1.2.I4 creating the conditions for digital justice

Quantitative Indicator: Petabyte

Baseline: 0

Target: 2

Time: Q4 2024

1. Context:

The investment aims to modernise the working environment of the judicial system and enable the continuation of work in times of limited physical contacts, thereby increasing the resilience of the national justice system. The investment consists of three interconnected projects.

Target 31 concerns the increase in the data storage capacity of the Ministry of Justice to strengthen the infrastructure for digital workplace and remote working.

Target 31 is the third and final target of the investment, and it follows the completion of target 29, related to the analysis of data management and use of data in the justice sector and the deployment of a data warehouse, and target 30, related to the increase in the number of conferencing rooms newly equipped and connected for videoconferencing. The investment has a final expected date for implementation on 31 December 2024.

2. Evidence provided:

	Name of the evidence.	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Annex 1 – Purchase agreement No. 175/2023 of the Ministry of Justice	Purchase agreement for the purchase of disk field for strengthening the central infrastructure for digital workplace and storage of audio recordings from court hearing. The contract also covers installation, initial configuration and induction of staff. Signed by the provider and the Ministry of Justice on 11 and 19 September 2023 respectively.
3	Annex 2 - Acceptance Protocol No. 175/2023 of the Ministry of Justice	Acceptance protocol including information on the purchase of disk fields for strengthening the central infrastructure for digital workplace and storage of audio recordings from court hearing. The protocol includes the type and model of disk and its initial configuration date (24 October 2023 and 25 October 2023). Protocol signed by the provider and the Ministry of Justice on 2 November 2023.

3. Analysis:

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

The measure shall increase the data storage capacity of the Ministry of Justice, strengthening the infrastructure for digital workplace and remote working.
Furthermore, in line with the description of the measure, **the investment consists of three interconnected projects, which shall include […] ii) the capacity increase of infrastructure enabling remote access and iii) increasing the number of equipped videoconferencing rooms for the judiciary.**

The Ministry of Justice's data storage capacity has been increased through the purchase and installation of disc arrays for data storage. As specified in Annex 1, the procurement includes: two IBM Storage FlashSystem 7300 disk arrays for infrastructure reinforcement, each with a raw capacity of 1 PB (totalling 2 PB) (Annex 1, p. 23); two additional disk arrays for audio storage, each with a raw capacity of 400 TB (totalling 800 TB) (Annex 1, p. 23). The purpose of these acquisitions, explicitly stated in Article I of the Agreement, is to strengthen the central infrastructure for digital workplaces and the storage of audio recordings from court hearings (Annex 1, p. 2). Additionally, Article II (Delivery of the subject-matter of the transaction) confirms that these disk arrays are delivered to designated locations within the Ministry of Justice (Annex 1, p. 3). The signed Acceptance Protocol (Annex 2) confirms the delivery and initial configuration of the infrastructure and their correct installation (Annex 2, p. 3).

Furthermore, the contract specifies that the acquired disk arrays are connected to servers processing operational applications, enabling remote access to judicial network applications (Annex 1, p. 26). The technical specification (Annex 1, p. 26-29) confirms that the system supports technical solutions ensuring data access from remote locations. Article I of the Agreement (Annex 1, p. 2) explicitly links the disk arrays to the digital workplace infrastructure, and the aforementioned technical specifications confirm their remote access capability.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C1.3]-R[R2]-T[36]: Publication of studies aimed at improving the deployment of 5G networks by the Ministry of Industry and Trade

Related Measure: C1.3.R2 Supporting the development of the 5G ecosystem

Quantitative Indicator: Number

Baseline: 0

Target: 25

Time: Q4 2024

1. Context:

This measure aims to establish a strategic framework to promote infrastructure sharing for 5G networks, particularly in less commercially attractive areas, reducing energy consumption, radio emissions, and deployment costs. It includes the completion of 25 studies to support 5G ecosystem development. Based on these studies, the 5G Alliance will propose further development measures, including guidelines for infrastructure sharing and spectrum coordination within the 26 GHz band.

The target requires the publication of studies aimed at improving the deployment of 5G networks by the Ministry of Industry and Trade.

Target 36 is the first step of the implementation of the reform. It will be followed by milestone 37, related to the publication of guidelines on the deployment of 5G networks by the Ministry of Industry and Trade. The reform has a final expected date for implementation on 31 December 2025.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Annex 1 - Study on the current and future use of the 600 MHz band, incl. position of the Czech Republic to use the band for DVB-T2, or IMT	The study was published on 22 May 2024 on the Ministry of Industry and Trade website by the Department of Electronic Communications *("Odbor elektronickych komunikaci").*
3	Annex 2 - Study on the current and future use of the 4 GHz band	The study was published on 13 December 2024 on the Ministry of Industry and Trade website by the Department of Electronic Communications
4	Annex 3 - Study on the current and future use of the 4 GHz band	The study was published on 27 June 2024 on the Ministry of Industry and Trade website by the Department of Electronic Communications

5	Annex 4 - Study on the use of key bands for the development of 5G (current and future) and other key radiocommunication services	The study was published on 3 October 2024 on the Ministry of Industry and Trade website by the Department of Electronic Communications
6	Annex 5 - Study on the analysis and proposal of the process of use and allocation of frequencies in the 26 GHz band - use of the 26 GHz frequency band for 5G networks	The study was published on 1 November 2024 on the Ministry of Industry and Trade website by the Department of Electronic Communications
7	Annex 6 - Study on the elaboration of analytical documents for the spectrum management strategy	The study was published on 13 December 2024 on the Ministry of Industry and Trade website by the Department of Electronic Communications
8	Annex 7 - Study on the concept and usage of the digital twin of 5G network infrastructure	The study was published on 19 November 2024 on the Ministry of Industry and Trade website by the Department of Electronic Communications
9	Annex 8 - Study on the usage of the 5G network slicing system for public and non-public networks	The study was published on 2 August 2024 on the Ministry of Industry and Trade website by the Department of Electronic Communications
10	Annex 9 - Study on the linking Internet of things (IoT) communications with 5G networks	The study was published on 3 October 2024 on the Ministry of Industry and Trade website by the Department of Electronic Communications
11	Annex 10 - Study on the usage of 5G networks for high-speed fixed wireless access (FWA), point-to-multipoint	The study was published on 19 November 2024 on the Ministry of Industry and Trade website by the Department of Electronic Communications
12	Annex 11 - Study on the 400 MHz band in light of the future use in the mobile radiocommunication service	The study was published on 13 December 2024 on the Ministry of Industry and Trade website by the Department of Electronic Communications
13	Annex 12 - Study on 5G Broadcast	The study was published on 21 November 2024 on the Ministry of Industry and Trade website by the Department of Electronic Communications
14	Annex 13 - Study on the usage of 5G and other electronic communications networks for the needs of digitisation of businesses, including the usage of modern information systems	The study was published on 31 May 2024 on the Ministry of Industry and Trade website by the Department of Electronic Communications

15	Annex 14 - Study on the KPIs of mobile 5G networks (SA, 3.5 GHz band), 5G indicators and link to DESI	The study was published on 3 October 2024 on the Ministry of Industry and Trade website by the Department of Electronic Communications
16	Annex 15 - Study on cyber risks related to the operation of 5G networks for private (closed) networks and the provision of public services, including the impact of Open RAN (radio access network) and Open Core approaches on the security of 5G networks	The study was published on 19 August 2024 on the Ministry of Industry and Trade website by the Department of Electronic Communications
17	Annex 16 - Study on the approaches to spectrum fees (fees policy for the use of spectrum) across the EU and identification of general principles and recommendations of possible changes for the Czech Republic, among other things in connection with the development of 5G networks	The study was published on 19 November 2024 on the Ministry of Industry and Trade website by the Department of Electronic Communications
18	Annex 17 - Study on the usage of FRMCS (Future Railway Mobile Communication Systems) in rail transport, including dedicated channels in the 900 MHz and 1900 MHz bands	The study was published on 7 November 2024 on the Ministry of Industry and Trade website by the Department of Electronic Communications
19	Annex 18 - Study on methods and techniques of detection and verification of coverage of radiocommunication services	The study was published on 07 November 2024 on the Ministry of Industry and Trade website by the Department of Electronic Communications
20	Annex 19 - Study on the development of 6G networks in bands above 100 GHz	The study was published on 1 November 2024 on the Ministry of Industry and Trade website by the Department of Electronic Communications
21	Annex 20 - Study on drafting of guidelines for sharing passive and active network infrastructure, optimising the use of public resources intended to support the construction of networks in selected areas	The study was published on 7 November 2024 on the Ministry of Industry and Trade website by the Department of Electronic Communications
22	Annex 21 - Study on methods of mapping the coverage of fixed and mobile electronic communications networks	The study was published on 13 December 2024 on the Ministry of Industry and Trade website by the Department of Electronic Communications
23	Annex 22 - Study on the search for solutions to ensure secure communication of the state for the Integrated Rescue System components within the countries of the European Union with regard to 5G and PPDR technological solutions	The study was published on 3 October 2024 on the Ministry of Industry and Trade website by the Department of Electronic Communications
24	Annex 23 - Study on radio coverage plan (of the Czech Republic) for 5G (and higher generations) networks	The study was published on 10 December 2024 on the Ministry of Industry and Trade website by the

		Department of Electronic Communications
25	Annex 24 - Study on prediction of the development of VHCN network coverage in the Czech Republic in relation to the development of 5G networks	The study was published on 19 November 2024 on the Ministry of Industry and Trade website by the Department of Electronic Communications
26	Annex 25 - Study on the definition of the investment gap of the VHCN deployment in relation with the development of 5G networks	The study was published on 19 November 2024 on the Ministry of Industry and Trade website by the Department of Electronic Communications
27	Annex 26 - Screenshots of published studies	Screenshots of published studies on the Ministry of Industry and Trade website, including the date of publication and the author. Available at: https://mpo.gov.cz/cz/e-komunikace-a-posta/studie-k-narodnimu-planu-obnovy/

3. Analysis:

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

Publication of studies aimed at improving the deployment of 5G networks by the Ministry of Industry and Trade.
Furthermore, in line with the measure description, the measure shall support the completion of 25 studies

The evidence provided demonstrates that 25 studies were published (from Annex No. 1 to No. 25) aimed at improving the deployment of 5G networks by the Ministry of Industry and Trade (Annex 6, 14, 21 and 23). Each study addresses a specific aspect critical to the strategic planning, implementation, optimisation, and secure operation of 5G networks and related infrastructure. These include spectrum usage (Annexes 1, 2, 3, 4, 5, 11, 16), advanced network concepts such as digital twins and network slicing (Annexes 7, 8), integration with IoT and enterprise digitalisation (Annexes 9, 13), support for specific services like FWA and FRMCS (Annexes 10, 17), cybersecurity and regulatory frameworks (Annexes 15, 22), and future-oriented topics such as 6G development and VHCN investment strategies (Annexes 19, 24, 25).

In particular, the studies shall cover the following issues:

- **Applicability of 5G features and standards in individual sectors and proposals for their technical implementation and regulatory measures.**

To fulfil this requirement, Czechia provided a comprehensive study (see Annex 13) analysing the applicability of 5G technologies across business sectors and proposing technical and regulatory measures to support their implementation. The study outlines the role of 5G in accelerating the digital transformation of businesses, especially through 5G features such as private 5G networks tailored for specific industrial needs (Annex 13). It categorises over 40 use cases across key individual sectors such

as industry, logistics, healthcare, and agriculture, showcasing how 5G features and standards such as low latency, high reliability, and high transmission speeds can enhance operational efficiency, safety, and innovation. The study also proposes regulatory improvements, including expanded spectrum access and use of unlicensed bands.

- **concept and usage of the digital twin of 5G network infrastructure.**

To fulfil this requirement, a detailed study was conducted that explores the concept and usage of the digital twin of 5G network infrastructure (see Annex 7). The study examines the critical role of 5G technology in the development and optimisation of digital twins, focusing on two main aspects: the realisation of digital twins across various sectors and the creation of digital twins specifically for 5G network infrastructure. This comprehensive study highlights how network digital twins (NDT) enable live simulations of physical networks, allowing operators to evaluate network performance, optimise resource utilisation, and address issues proactively in a controlled environment. Furthermore, it provides a vision for the future with the evolution towards 5G Advanced and the implications for the next generation, 6G, further enhancing digital twin capabilities.

- **applicability of FeMBMS (Further evolved Multimedia Broadcast Multicast Service) in 5G networks for television broadcasting and audiovisual media services, including a strategy for the future use of the 600 MHz frequency band for television broadcasting.**

The relevant study (see Annex 12) provides an in-depth technical and strategic assessment of FeMBMS, evaluating its applicability for television and audiovisual services. It outlines the architecture, implementation scenarios, compatibility with 5G networks, and test deployments in Czechia. It also examines legislative frameworks, spectrum management, and includes international case studies.
Annex 1 complements this by analysing the current and future use of the 600 MHz band. It presents strategic scenarios for spectrum allocation post-2030, discusses interference risks between DTT and 5G, and outlines potential economic and policy implications. While 5G Broadcast is still in testing, the documents highlight its potential benefits and regulatory challenges, providing a foundation for future decisions.

- **use of FRMCS (Future Railway Mobile Communication Systems) for railways with dedicated channels in the 900 MHz and 1900 MHz bands.**

To fulfil this requirement, Czechia provided a comprehensive study (see Annex 17) which examines the deployment of FRMCS in rail transport and the use of reserved spectrum in the 900 MHz and 1900 MHz bands. The study analyses application requirements from the UIC FRMCS user requirements (FRCMCS URS) and maps their relevance for Czech stakeholders. It includes propagation studies, coexistence strategies with Global System for Mobile Communications – Railway (GSM-R), and outlines migration scenarios. It also evaluates the technical and economic feasibility of FRMCS, regulatory conditions, and proposes measures to support the transition. The annex provides a comprehensive basis for FRMCS implementation aligned with EU standards and national railway strategy.

- **possibility of sharing spectrum usable for 5G networks.**

The study in Annex 4 provides an up-to-date and concise overview of the situation of various frequency bands in Czechia, including the legal aspects, current ownership and usage (pages 11 to 16). It analyses a number of possible strategies aimed at optimising the utilisation of frequency bands (pages 35 to 52), which include among others technical efficiency improvements and reassigning or sharing bands for 5G deployment and looks at forecasted growth in 5G networks (pages 53 to 57). As such, the study answers to the measure description.

- **use of the 26 GHz frequency band for the 5G network.**

The study (see Annex 5) provides a comprehensive evaluation of the 26 GHz band (24.25–27.5 GHz) for 5G deployment. The study outlines technical conditions, regulatory frameworks, and potential allocation models. It includes international comparisons, propagation analyses, and proposes flexible authorisation regimes such as individual licensing and shared use. It also assesses coexistence with fixed links and satellite services, aiming to allocate 1 GHz for wireless broadband under harmonised EU conditions.

- **possibilities of passive and active infrastructure sharing.**

The relevant study (see Annex 20) includes both passive and active infrastructure sharing to support cost-efficient network deployment. Furthermore, it provides various sharing models—such as site, mast, and backhaul sharing for passive infrastructure, and MORAN, MOCN, and national roaming for active sharing. The study evaluates economic and operational impacts, including CAPEX and OPEX savings. It also reviews best practices from other EU countries and aligns its proposals with the new Gigabit Infrastructure Regulation.

- **use of a 5G network slicing system for public and private 5G networks.**

The study (see Annex 8) analyses the use of 5G network slicing system for public and non-public network. The technology of network slicing (pages 10 to 22) and its possible applications (pages 23 to 36) are explained. There is an outline of different business models tailored to various deployment types, such as corporate, residential or wholesale customers (pages 37 to 44). It includes information gathered during interviews with technology manufacturers and suppliers, mobile operators and regulators, together with case studies of the network slicing deployment, which makes it more comprehensive. The study provides information which corresponds in subject and nature to the requirements enumerated in the measure's description.

- **linking internet of things (IoT) communications with 5G networks.**

To fulfil this requirement, Czechia provided a comprehensive study (see Annex 9) which explores the integration of Internet of Things (IoT) communications with 5G networks, detailing how this synergy enhances system efficiency, reliability, and scalability. It outlines the evolution and classification of 5G technologies—such as NB-IoT, Cat-M, RedCap, and Passive IoT—highlighting their respective suitability for massive, mid-range, and critical IoT use cases. Furthermore, it proposes a methodological framework for selecting appropriate 5G-based IoT solutions tailored to specific use cases and operational requirements.

- **use of 5G networks for Fixed Wireless Access.**

The study in Annex 10 analyses the potential ad evolution of the wireless access layer, whether based on 5G technologies or alternative technologies of comparable or greater capability, operating in licensed or unlicensed frequency bands. To fulfil the Council Implementation Decision and meet the objectives of the study, it quantifies the current and projected connectivity capacity and reliability requirements of households and businesses. Furthermore, as a secondary objective, the study examines the potential use of FWA networks for content dissemination via dedicated protocols such as 5G Broadcasting.

- **impact of Open RAN (Radio Access Network) and Open Core access on the security of 5G networks.**

To fulfil this requirement, Czechia provided a comprehensive study (see Annex 15) on cyber risks associated with the deployment of 5G networks, with particular emphasis on the security implications of Open RAN and Open Core architectures. It identifies potential vulnerabilities in network interfaces, access management, and software patching, while analysing threats such as eavesdropping, spoofing, man-in-the-middle attacks, and supply chain compromises (page 30 and 31). The study evaluates the trade-offs between increased flexibility and interoperability and the introduction of new threat surfaces due to open interfaces and reliance on third-party software. It proposes a range of mitigation

measures including strong authentication protocols, supplier audits, encryption standards, and continuous security monitoring. The annex aligns with EU cybersecurity regulations.

- **flying communication platforms (drones, UAVs, balloons) and their impact on the regulation of electronic communications.**

Annex 18 covers the study about the use of flying communication platforms, particularly drones, for the monitoring and measurement of mobile networks, especially in areas where traditional methods are impractical. The study outlines technical and operational requirements for UAV-based spectrum monitoring and identifies current regulatory limitations, such as the lack of legal exemptions for state bodies like the Czech Telecommunication Office to conduct aerial measurements without landowner consent.

- **smart radio environments with application of online measurements of electromagnetic radiation and intelligent reflecting surfaces, and (xv) development of 6G networks in the bands above 100GHz.**

To fulfil this requirement, Czechia provided a comprehensive study (see Annex 19) which covers the discussion of examples of smart radio environments, such as 'monitoring as a service' or Internet of Things (page 16). Together with the overview of physical properties of analysed frequency band, they provide information on possible deployment of smart radio environments in limited spaces (page 7). The study provides information which corresponds in subject and nature to the requirements enumerated in the measure's description.
Furthermore, the study covers the prospective development of 6G networks in frequency bands above 100 GHz, focusing on their suitability for ultra-high-speed data transmission and precision positioning. It explores the potential of intelligent reflecting surfaces (IRS) to enhance coverage in non-line-of-sight scenarios and proposes adaptive radiation management for dynamic environments.

4. Commission Preliminary Assessment: Satisfactory fulfilled

CZ-C[C1.3]-I[I1]-M[38]: Award of grant decisions for connecting address points with the very high-capacity network (VHCN) by the Ministry of Industry and Trade

Related Measure: C1.3-I1 Building high-capacity connection

Qualitative Indicator: Notification of the award of grant decisions for connecting address points with the very high-capacity network (VHCN) by the Ministry of Industry and Trade

Time: Q4 2024

1. Context:

This measure aims at supporting the construction of very high-capacity connectivity networks (VHCN) with a particular focus on rural areas, where market-based solutions are not profitable and there exists little commercial incentive to deploy such networks. These areas of intervention shall be determined in accordance with the State aid rules in force and shall be subject to public consultation. At least one call for tenders for the construction of very high-capacity connectivity shall be launched for this measure, whose outcome shall be published by 31 December 2024. Through the implementation of the selected projects, the number of address points connected with the VHCN network as defined in the BEREC Guidelines on Very High-Capacity Networks (connectivity of at least 1 Gb/s) shall increase by at least 23 000 units.

Milestone 38 concerns the notification of the award of grant decisions for connecting address points with the very high-capacity network (VHCN) by the Ministry of Industry and Trade. Calls for tender shall include a definition of eligible expenditure, evaluation models and criteria for the selection and evaluation of projects, rules for applicants and beneficiaries, and guidelines on wholesale offers.

Milestone 38 is the first step of the implementation of the investment. It will be followed by target 39, related to the completion of address points connected with the very high-capacity network. The investment has a final expected date for implementation on 31 March 2026.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone was satisfactorily fulfilled.
2	Annex 1- Call for proposals	Call for proposals as part of the tender documentation published by the Ministry of Industry and Trade on 14 April 2022
3	Annex2 - Definition of eligible expenditures	Definition of eligible expenditures as part of the tender documentation published by the Ministry of Industry and Trade on 14 April 2022
4	Annex 3 - Model of project evaluation	Model of project evaluation and selection criteria as part of the tender documentation published by the Ministry of Industry and Trade on 14 April 2022

5	Annex 4 – Guidelines for applicants and beneficiaries	Guidelines for applicants and beneficiaries as part of the tender documentation published by the Ministry of Industry and Trade on 14 April 2022
6	Annex 5 - Guidelines on wholesale offers	Guidelines on wholesale offers as part of the tender documentation published by the Ministry of Industry and Trade on 14 April 2022
7	Annex 6- List of projects with issued grant decisions	List of projects supported as published on the website of the Ministry of Industry and Trade: https://mpo.gov.cz/cz/podnikani/narodni-plan-obnovy/vyzvy/i--vyzva-digitalni-vysokokapacitni-site-z-komponenty-1-3-narodniho-planu-obnovy--267008/ (accessed on 1 June 2025)
8	Annex 7 – individual grant decisions	Grant decisions issued by the Ministry of Industry and Trade (various dates)
9	Annex 8 – link to the public consultation	Public consultation website of the call: https://verejnakonzultace.mpo.gov.cz/i-vyzva-npo-vybudovani-vysokokapacitniho-pripojeni/ (accessed on 1 June 2025)

3. Analysis:

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

Notification of the award of grant decisions for connecting address points with the very high-capacity network (VHCN) by the Ministry of Industry and Trade.
Furthermore, in line with the description of the measure, **these areas of intervention shall be determined in accordance with the State aid rules in force and shall be subject to public consultation.**

Grant decisions have been issued for connecting address points with the very high-capacity network as confirmed by the individual grant decisions (Annex 7, see article 3 and article 6.13) laying down the subject of the support and including the definition of 'very high-capacity network' applicable for the projects. These grant decisions were issued on behalf of the Ministry of Industry (Annex 7, p 1.).
The selected projects covering intervention areas can only be supported under this measure if their support is in compliance with the provisions, and in particular with article 52, of the General Block Exemption Regulation on State aid (Commission Regulation (EU) No 651/2014), which is a requirement of the published call (Annex 1, p.1 and section 5.4) and is confirmed in the individual grant decisions (Annex 7, article 7). These intervention areas for address points were determined following repeated rounds of public consultation in 2022 and 2023 and including a dedicated conference on the call to stakeholders, as demonstrated by the public consultation website dedicated to this measure. The Commission services accessed the link provided by the authorities on 24 June 2025 to verify the public consultation. This check was completed successfully, confirming that the intervention areas were subject to public consultation (Annex 8).

The calls shall include a definition of eligible expenditure, evaluation models and criteria for the selection and evaluation of projects, rules for applicants and beneficiaries, and guidelines on wholesale offers. Furthermore, in line with the description of the measure,**, at least one call for tenders for the construction of very high-capacity connectivity shall be launched for this measure, whose outcome shall be published by 31 December 2024.**

The target is further specified in the Operational Arrangements, which requires**, for the purposes of these operational arrangements, the term beneficiary shall be understood as denoting a recipient.**

Czechia published a call (Annex 1) that also included annexes published on the website of the Ministry of Industry. The Commission services accessed the link provided by the authorities on 24 July 2025 to verify the published call. This check was completed successfully, confirming that one call for the construction of very high-capacity connectivity was published and included the listed elements defining eligible expenditures (Annex 2, sections I-VI), establishing the evaluation model including acceptance and substantive evaluation criteria (Annex 3, section II) for the selection of the projects. The published annexes also included the rules for applicants and recipients guiding the application, project implementation and payment request processes (Annex 4) and guidelines for providing access to the network built as part of the projects through wholesale access offers (Annex 5).
Czechia issued the grant decisions (Annex 7) determining the outcome of the call for the construction of very high-capacity connectivity (Annex 1, see above) before 31 December 2024 as demonstrated by their date of signature. A list of the projects with awarded grant decisions was published on the website of the ministry as also demonstrated by Annex 6.
For the purposes of this assessment the term beneficiary described in this milestone is understood as denoting recipients.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C1.3]-I[I3]-M[43]: Award of grant decisions for connecting municipalities with high-capacity connection

Related Measure: C1.3.I3 Supporting the development of 5G mobile infrastructure in rural investment-intensive white areas

Qualitative Indicator: Notification of the award of grant decisions for connecting municipalities with high-capacity connection by the Ministry of Industry and Trade

Time: Q4 2024

1. Context:

This measure aims to enhance the coverage of the 5G network in 'white areas', i.e. areas that have never been covered by any mobile signal higher than 3G and that can be assumed not to be covered by 5G base networks in the future due to the low expected profitability of the investment. These areas shall be established based on an assessment of white basic settlement units to be carried out by the Czech Telecommunications Office and shall be subject to public consultation. Calls for proposals shall be launched for the coverage of the intervention areas, with a target of 65 intervention areas being covered.

Milestone 43 concerns the grants for connecting municipalities with high-capacity connection by the Ministry of Industry and Trade based on the published call for proposal and predefined selection criteria.

Milestone 43 is the first step of the implementation of the investment. It will be followed by target 44, related to coverage of intervention areas with 5G signal in rural areas. The investment has a final expected date for implementation in on 31 March 2026.

2. Evidence provided:

	Name of the evidence.	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Annex 1 – Grant decisions awarded by the Ministry of Industry and Trade (29 documents)	Individual fiches of the decisions of the Ministry of Industry and Trade confirming grant awards. All fiches are dated, listing the name, registration number, and location of the project, name and address of the beneficiaries, the amount of the support grant, expected date of competition, and obligations of the beneficiary.
3	Annex 2 – Grant decisions (batch 2) awarded by the Ministry of Industry and Trade	Individual fiches of the decisions of the Ministry of Industry and Trade confirming grant awards. All fiches are dated, listing the name, registration number, and location of the project, name and address of the beneficiaries, the amount of the support grant, expected date of competition, and obligations of the beneficiary.

4	Annex 3 – Call of the Ministry of Industry and Trade for grant applications from 3 March 2023	The call for grant applications for 'development of 5G mobile network infrastructure in investment-intensive rural locations', published by the Ministry of Industry and Trade on 3 March 2023. The call was open from 10 March 2023 to 28 July 2023, including early and regular application windows.
5	Annex 3.0 screenshot of the call, as published on the Ministry of Industry and Trade's website (call documentation)	Data extract of the call on the Ministry's website, showing 13 May 2024 as the publication date and 3 December 2024 as the latest update.
6	Annex 3.1 – List of eligible expenditures under the call (call documentation)	A list of eligible expenditures under the call, published as Annex I. of the call.
7	Annex 3.2 - Model evaluation and criteria for project evaluation and selection (call documentation)	Model of the evaluation and criteria for the project evaluation under the call, published as Annex II. of the call. The document provides an overview of the process and lists the formal substantive and economic criteria for the grant application and evaluation.
8	Annex 3.3 – Rules for applicants and beneficiaries (call documentation)	Rules for the applicants and beneficiaries of the call, published as Annex V. of the call. The rules include information on the application process, evaluation, project implementation, payment request, appeals, and monitoring of the grant projects.
9	Annex 3.4 – Guidelines for wholesale offers (call documentation)	Guidelines for the development of wholesale offers under the call, published as Annex VII of the call. The guidelines include the criteria of a reference wholesale offer, publication options, technology use guidelines, among others.
10	Annex 4 – List of intervention areas	A MS Excel list of the covered and uncovered intervention areas, including identification numbers, addresses, and categories of white areas.
11	Annex 5 – List of project expenses	A MS Excel list of 57 projects, including their registration number, address, and expenses and support breakdown.
12	Annex 6 – Selection committee meeting notes (9 documents)	Meeting notes from the sessions of the call selection committee, dated between 11 December 2023 and 10 April 2024.
13	Annex 7 – National Plan for development of very high-capacity networks	National Plan for development of very high-capacity networks, a sectoral strategy, published in February 2021 and applicable until 31 December 2027.
14	Annex 8 – Links to a public consultation by the Ministry of Industry and Trade	The call for a public consultation on the development of 5G infrastructure in the countryside and the intervention areas, accessible at https://mpo.gov.cz/cz/e-komunikace-a-posta/elektronicke-

		komunikace/koncepce-a-strategie/narodni-plan-rozvoje-siti-nga/zahajeni-verejne-konzultace-k-vystavbe-siti-5g-v-investicne-narocnych-mistech-na-venkove-z-narodniho-planu-obnovy--268296/, accessed by Commission services on 27 June 2025. A link to public consultation website, including documents on the 5G development plans, list of proposed intervention areas, and consultation forms, https://5g.verejnakonzultace.mpo.gov.cz/5g-venkov/, accessed by Commission services on 27 June 2025.

3. Analysis:

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

Notification of the award of grant decisions for connecting municipalities with high-capacity connection.

Annexes 1 and 2 demonstrate that 57 grant decisions were awarded by the Ministry of Industry and Trade, for the construction of 5G mobile network infrastructure in the so-called 'white spots' as shown by articles 1 and 3 of the individual grant decisions.

The call shall include a definition of eligible expenditure, evaluation models and criteria for the selection and evaluation of projects, rules for applicants and beneficiaries, and guidelines on wholesale offers. Furthermore, in line with the description of the measure, **call for proposals shall be launched for the coverage of the intervention areas.**

The call for proposals (Annex 3), specifically its annexes, include the definition of eligible expenditure (Annex 3.1), evaluation models and criteria for the selection and evaluation of projects (Annex 3.2), rules for applicants and beneficiaries (Annex 3.3), and guidelines on wholesale offers (Annex 3.4). The call was published on the website of the Ministry of Industry and Trade in May 2024, making this information accessible to applicants and beneficiaries (Annex 3.0).

The selection criteria shall take into account the BEREC Guidelines on Very High-Capacity Networks.

The call's objectives and selection criteria took into account the BEREC Guidelines on Very-High-Capacity Networks (VHCN). The BEREC guidelines, particularly Criterion 2 and 4, define performance thresholds that a wireless network must meet to be considered high-capacity, such as:

- Any network providing a wireless connection with a fibre roll out up to the base station, or
- Downlink ≥ 350 Mbps, uplink ≥ 50 Mbps

To this end, the call awards higher point scores during the evaluation to projects that meet certain BEREC criteria on VHCN. Specifically, 5G Base Transceiver Stations (BTS) which provide a connection speed of at least 10 Gbps download capacity are rewarded. Furthermore, BTS connected to physical infrastructure, thus enabling the connection with a fibre roll out, also receive higher points (Annex 3.2, page 10, Criteria C1 b) and C2).

In addition, the call for applications affirms (see Annex 3, page 2) that its objectives are in line with the National Plan for development of very high-capacity networks which takes into account the BEREC Guidelines (see Annex 7, page 11).

The municipalities shall be located in areas that have never been covered by any mobile signal higher than 3G and that can be assumed not to be covered by 5G base networks in the future due to the low expected profitability of the investment. These areas shall be defined in accordance with the State aid rules. Furthermore, in line with the description of the measure, **this definition follows State aid rules. These areas shall be established based on an assessment of white basic settlement units to be carried out by the Czech Telecommunications Office and shall be subject to public consultation.**

The objective of this call for grant applications is to support the development of passive infrastructure for 5G base stations in investment-intensive rural areas where market mechanisms have failed due to low population density and limited economic attractiveness. These are locations that meet two cumulative conditions: first, they are not currently covered by a 4G (LTE) network and are not planned to be covered by the end of 2025; second, they are not currently covered by a 5G network and are not planned to be covered by February 2031 (see Annex 3, Article 2.1).

1139 intervention areas were identified and categorised based on their threshold coverage speed (see Annex 4). The intervention areas were defined through a multi-step process carried out by the Czech Telecommunication Office (CTU) based on economic and technical criteria (see Annex 3, section 3 on the location dimensions of the call). Firstly, mobile network operators holding frequency allocations in the 700 MHz band provided information identifying rural locations where they do not plan to build 5G networks by February 2031, due to a lack of economic viability. CTU then analysed and cross-checked these inputs to identify overlapping areas that are also costly to cover with 4G or 5G, where expected revenues cannot even cover operational costs. These areas were further verified through a public consultation. The Commission services accessed the link provided by the authorities on 27 June 2025 to verify that a public consultation was launched. This check was completed successfully, confirming that the list of intervention areas was subject to a public consultation (Annex 8). As a result, areas with clear market failure were selected at the level of basic settlement units (ZSJ) and designated as intervention areas, where projects may receive support exclusively for building passive 5G infrastructure.

Lastly, the projects covering the rural areas under this measure with 5G signal are required to comply with Article 52(a) of the General Block Exemption Regulation on State aid (Commission Regulation (EU) No 651/2014). Recipients are obliged to repay any subsidies that have been found to be awarded in breach of those criteria, as demonstrated by Article 7 of the individual grant decisions (Annex 1) and by the conditions of the Call for proposals (Annex 3, point 5.4) in order to ensure compliance with the State aid rules.

4. Commission Preliminary Assessment: Satisfactory fulfilled

CZ-C[C1.3]-I[I4]-M[45]: Award of all grant decisions for scientific research projects related to 5G networks

Related Measure: C1.3.I4 Scientific research activities related to the development of 5G networks and services

Qualitative Indicator: Notification of the award of grant decisions for scientific research projects related to 5G networks by the Ministry of Industry and Trade

Time: Q4 2024

1. Context:

This measure is aimed at supporting public and private entities in research, development and innovation related to 5G networks and services. To meet this objective, a call for tender for scientific research projects relating to the technological development of 5G networks and applications for the 5G ecosystem shall be launched. The projects shall focus on the use of 5G applications in industry and services supporting the use of technologies for example but not limited to automation, robotisation, artificial intelligence or virtual or augmented reality. At least 22 selected projects shall be completed in the implementation phase, with potential beneficiaries including both businesses or public research organisations.

Milestone 45 involves the notification of the award of grant decisions for scientific research projects related to 5G networks by the Ministry of Industry and Trade. The projects shall be focused on the use of 5G applications in industry and services, supporting the use of technologies such as, but not limited to, automation, robotisation, artificial intelligence and virtual or augmented reality. Potential beneficiaries include businesses or public research organisations.

Milestone 45 is the first step under this investment. It will be followed by target 46, related to the competition of scientific research projects related to 5G networks. The investment has a final expected date for implementation on 31 December 2025.

2. Evidence provided:

	Name of the evidence.	Short description
1	Summary Document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Annex 1 – Announcement of the results of the 7th call for proposal, of 14 December 2022 (two documents)	An announcement of the results of the 7th call for proposals under the TREND programme of the Ministry of Industry and Trade (a printed version and a screenshot of the Czech Technological Agency website). The call was open from 28 April 2022 to 13 June 2022.
3	Annex 2 – Announcement of the results of the 8th call for proposal, of 24	An announcement of the results of the 8th call for proposals under the TREND programme of the Ministry of Industry and Trade (a printed

	May 2023 (two documents)	version and a screenshot of the Czech Technological Agency website). The call was open from 6 October 2022 to 23 November 2022.
4	Annex 3 – Call documentation for the 7th call for proposals, published by the Czech Technological Agency, TACR/9-12/2022	The assignment documentation for the 7th call for proposals under the TREND programme, issued by the Czech Technological Agency. The documentation includes the objectives, criteria, evaluation, realisation deadlines, and support limits of the call.
5	Annex 4 – Call documentation for the 8th call for proposals, published by the Czech Technological Agency, TACR/9-52/2022	The assignment documentation for the 8th call for proposals under the TREND programme, issued by the Czech Technological Agency. The documentation includes the objectives, criteria, evaluation, realisation deadlines, and support limits of the call.
6	Annex 5 – Summary list of the projects	A MS Excel list of the 24 project recipients, including the project name, identification number, main and secondary beneficiaries, project dates and allocated amounts of support.
7	Annex 6 – Decisions of the results of the calls of proposal and adjustment notices (35 documents)	Individual decisions fiches issued by the Czech Technological Agency to all support beneficiaries. Some projects also received a notice of adjustment where the expert advisory board recommended adjustments in amounts of allocated financing.
8	Annex 7 – Project contracts (46 documents)	Project contracts between the Czech Technological Agency and the main beneficiaries, serving as a base for the competition of the projects.

3. Analysis:

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

Notification of the award of grant decisions for scientific research projects related to 5G networks by the Ministry of Industry and Trade. Furthermore, in line with the description of the measure, **a call for tender for scientific research projects relating to the technological development of 5G networks and applications for the 5G ecosystem shall be launched.**

Between April and November 2022, the Czech Technological Agency (CTA) launched two calls for tender for scientific research projects for the application of 5G networks and higher generation standards under the TREND Programme (see Annexes 3 and 4, point 3.1) in particular with a view to making production more efficient or introducing new products or services. 24 projects were successful over the two calls (see summary of projects in Annex 5). The decisions on the award of grants to these 24 projects have been notified to the recipients as demonstrated by the individual decisions (Annex 6) and by the signed contracts for the support of the projects (see Annex 7).

In line with the milestone and measure description, **the projects shall focus on the use of 5G applications in industry and services, supporting the use of technologies for example but not limited to automation, robotisation, artificial intelligence or virtual or augmented reality.**

The individual contracts and their binding parameters (Annex 7) demonstrate that all projects focus on 5G application in industry and services, with 15 projects specifically focused on the development of new technologies in the production processes of the automotive and other key sectors, 2 on artificial intelligence, 2 on automation, 3 on robotisation, and 2 on augmented reality (as also summarised in Annex 5). The milestone's objective is also reflected in the call for proposals which specifies that the goal of the projects shall be the industrial research, experimental development, and application of 5G and higher standards with a focus on the "introduction of results into practice, in particular into industrial production and market product offers, projects developing new services, technologies and materials, increasing the level of automation and robotisation and the utilisation of digital technologies" (see Annexes 3 and 4, the executive summary and points 3.1).

In line with the milestone and measure description, **potential beneficiaries include businesses or public research organisations.**
The target is further specified in the Operational Arrangements, which requires, **for the purposes of these operational arrangements, the term beneficiary shall be understood as denoting a recipient.**

In total, 43 businesses and 29 research organisations are involved in the successful 24 projects, as some projects can be tied to multiple beneficiaries (see Annex 5). Furthermore, in line with this requirement, the call for proposals also specifies that both research organisations and enterprises can apply (see the executive summaries of Annexes 3 and 4).
For the purposes of this assessment the term beneficiary described in this milestone is understood as denoting recipients.

4. Commission Preliminary Assessment: Satisfactory fulfilled.

CZ-C[C1.4]-R[R1]-M[47]: Implementation of organisational changes to reform the structure of public bodies overseeing digital transformation of the economy

Related Measure: C1.4.R1 Institutional reform of the coordination and support system for digital transformation of economy (incl. RIS 3)

Qualitative Indicator: Setting up of the Committee (and of the related working group) responsible for the coordination of national stakeholders to prepare projects for digital transformation of Czech economy

Time: Q1 2025

1. Context:

The institutional reform aims to simplify the organisation structure overseeing the digital transformation. To this end, the measure foresees changes in the system of management for digital transformation responsible for the implementation of key reforms, such as RIS3 strategy. A newly established Digital Transformation Committee shall coordinate among private and public stakeholders and include a coordinating body responsible for the implementation of this component.

Milestone 47 concerns an establishment of a Digital Transformation Committee (DTC), which shall coordinate the implementation of the reforms and investments under components 1.4 and 1.5 of Czechia's RRP. A special consultative working group under the DTC will be responsible for the implementation of the EU Start-up Nations Standards under this component.

Milestone 47 is the only milestone of this reform. The reform has a final expected date for implementation on 31 December 2024.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary Document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled
2	Annex 1 – Statutes and Rules of Procedure of the Digital Transformation Committee, dated 6 February 2025	Applicable rules of procedure of the Digital Transformation Committee, signed by the Minister of Industry and Trade and dated 6 February 2025, including rules on the competencies and membership of the Committee.
3	Annex 2 – Statutes and Rules of Procedure of the Working Group for Start-ups and Spin-offs, dated 19 November 2021	Applicable rules of procedure of the Working Group on Start-ups and Spin-offs, including rules on the competencies and membership of the Committee, dated and signed by the Minister of Industry and Trade on 19 November 2021
4	Annex 3 - Content and writeups from the inaugural	The package includes the presentation and minutes from the inaugural meeting of the Digital

	meeting of the Digital Transformation Committee	Transformation Committee, signed by the Committee Chair and dated 11 March 2025, a Committee Resolution
5	Annex 4 – Attendance list and Resolution 1/2025 of Digital Transformation Committee from 11 March 2025	Resolution from the inaugural meeting of the Digital Transformation Committee from 11 March 2025 and attendance list, including in-person and online attendees.
6	Annex 5 – Press releases of the Ministry of Industry and Trade from 27 February 2025 and 11 March 2025	The press release from 27 February 2025 informs about the establishment of the Digital Transformation Committee. The press release from 11 March 2025 informs about the Committee's inaugural meeting and its conclusions.
7	Minutes from the inaugural meeting of the Working Group for Start-ups and Spin-offs from 26 July 2022	The minutes detail the agenda of the Working Group and reactions from participating stakeholders.

3. Analysis:

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

The Digital Transformation Committee, including the participation of public and private stakeholders shall coordinate the implementation of the reforms and investments under component 1.4 and 1.5. Furthermore, in line with the measure, **the newly established Digital Transformation Committee (DTC) shall coordinate amongst private and public stakeholders.** Furthermore, in line with the qualitative indicator, **setting up of the Committee (and of the related working group) responsible for the coordination of national stakeholders to prepare projects for digital transformation of Czech economy.**

The Digital Transformation Committee (*Výbor pro digitální transformaci,* hereinafter: Committee*)* was established on February 6, 2025, by the Ministry of Industry and Trade (see Annex 1). Permanent membership of the Committee comes from the public sector (Ministry of Industry and Trade; CzechInvest, an investment and business development agency; and the National Cyber and Information Security Agency) (see Section 3, Article 4a of the Statutes and Rules of Procedure of the Committee, Annex 1). The private sector takes part as guests in an advisory capacity (see Section 3, Article 4c of the Statues and Rules of Procedure of the Committee). At the inaugural meeting of the Committee on 11 March 2025, all permanent took part and the private sector was represented by the Association of Small and Mid-Sized Businesses (*Asociace malých a středních podniků a podnikatelů,* AMSP) and the Chamber of Commerce (*Hospodářská komora ČR,* HKCR) (see Annex 4). The Chair of the Committee has the power to appoint new Committee members and establish working groups, such as the existing Working Group for Start-ups and Spin-offs, assessed below (see Articles 3 and 4 in the Statutes and Rules of Procedures of the Committee, pages 6-7 in Annex 1).

Per its Statutes and Rules of Procedure, a prime objective of the Committee and its working groups is to ensure a coordinated approach to digital transformation in Czechia. Activities in scope include conceptual development of the Czech digital ecosystem, supporting the digital transformation of businesses, and improving connections between actors across the entire digital ecosystem, including the private and public stakeholders and academia, (see Annex 1, page5-6).

The Statutes and Rules of Procedure of the Committee entrust the Committee with the responsibility for components 1.4. and 1.5 of the Czech RRP (Annex 1, page 1-2), with responsibilities including monitoring of the reforms and investments under these components and coordination of the of the digital transformation. The Committee also aims to cooperate with the Platform for the digitalization of the economy, which is a subject of Reform 1 under component 1.5., and cooperate with the RIS3 structures. The Committee discussed both components 1.4 and 1.5 during its constitutive meeting on 11 March 2025 (see Annex 3), demonstrating its activity in the area.

This shall also include a special consultative working group overseeing the implementation of the EU Start-up Nations Standards under this component.

A dedicated Working Group for Start-ups and Spin-offs in the scope of the RRP was established by the Ministry of Industry and Trade on 19 November 2021 (see Annex 2). Upon the establishment of the Digital Transition Committee, the Working Group became its subpart and will play and active coordinative and expert role in the implementation of the reform 1.4.1 (see Article 4 of the DTC's Rules of Procedure, and the DTC's organigram in Annex 3, page 17). As stated in its Statues and Rules of Procedure, the Working Group is responsible for developing a plan of implementation of reform 1.4.1. and strives to implement the EU Start-up Nation Standards and represents Czechia in the European Startup Nation Alliance (see Annex 2, page 4). Serving as an expert consultative body, the Working Group establishes cooperation between the public and private sector and produces legal opinions and inputs to relevant legislative and non-legislative documents at both the national and European level.

This milestone shall be considered fulfilled once the Committee and the working group start to work.

The Committee held its constitutive meeting on March 11, 2025, as evidenced by the meetings materials and attendance sheet (see Annex 3 and 4). The Working Group held its first meeting on 26 July 2022, as evidenced by the meeting minutest (see Annex 7).

4. Commission Preliminary Assessment: Satisfactory fulfilled.

CZ-C[C1.4]-R[R2]-T[49]: Number of companies provided with certification

Related Measure: C1.4.R2 Joint Strategic Technologies Support and Certification Group with the Strategic Technologies Board

Quantitative Indicator: Number

Baseline: 0

Target: 50

Time: Q4 2024

1. Context:

The reform seeks to establish a network of quality management and product certification bodies, while promoting the exchange of best practices, particularly in strategic sectors such as the aeronautics and medical device industries. It shall support initiatives that streamline certification processes or assist with the procurement of relevant equipment with a focus on aeronautics and medical devices. Additionally, the reform shall also include consultancy and advisory services to help firms prepare for certification. It shall also include the development of educational programs accessible to stakeholders, aimed at enhancing understanding of certification procedures.

Target 49 requires that 50 companies shall be supported to obtain certification and that educational courses on certification shall be created and made available.

Target 49 is the second and last target of the reform, and it follows the completion of milestone 48, related to the creation of a one stop shop platform for certification. The investment has a final expected date for implementation on 31 December2024.

2. Evidence provided:

	Name of the evidence.	Short description
1	Summary Document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Annex 1 – list of the recipients supported under the project	A MS Excel document from the Ministry of Industry and Trade listing 53 companies that have received support, including their identification number and area of activity.
3	Annex 2 – certifications acquired by the recipients	95 individual certification fiches for the recipients of the training and qualification were submitted.
4	Annex 3.1 – Link to the e-learning website	Hyperlink and screenshots of the e-learning website on the ‘Product market launch and certification’ course https://elearning.jaknacertifikaci.cz/

5	Annex 3.2 – Study Materials issued by the Ministry of Industry and Trade and CzechInvest	Study materials for the 'Product market launch and certification' course, including information on the certification and a certification mock test.
6	Annex 4 – Link to video courses	Hyperlink and screenshots of the video course on CzechInvest's YouTube channel. https://www.youtube.com/playlist?list= PLFGwangKsyt_ms5sqa4oHHsH-jC56yEZV
7	Annex 5 – Grant decisions by the Ministry of Industry and Trade (53 documents)	Individual fiches of the decisions of the Ministry of Industry and Trade confirming grant awards. All fiches are dated, listing the name, registration number, and location of the project, name and address of the beneficiaries, the amount of the support grant, expected date of competition, and obligations of the beneficiary.
8	Annex 6 – Call for grant applications from the Ministry of Industry and Trade	A call for grant application proposal from the Ministry of Industry and Trade for the 'Certification of Medical Devices and Aeronautics and Organisations'. The call was published on 15 December 2023 and was opened until 11 January 2024.
9	Annex 6.1 – Rules for Applicants and Beneficiaries (call documentations)	Rules and procedures for the grant applicants, published by the Ministry of Industry and Trade as Annex 1 to the call. The document includes the application process, evaluation and criteria, payment requests, project implementation and monitoring.
10	Annex 6.2 – Eligible expenses (call documentation)	List of eligible expenses under the call, published by the Ministry of Industry and Trade as Annex 5 to the call. The document outlines categories and examples of eligible and non-eligible projects to be covered by the grant.

3. Analysis:

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

50 companies shall be supported to obtain certification.

The target is further specified in the Operational Arrangements, which requires**: For the purposes of these operational arrangements, where under that specific certification process by a an accredited certification authority, an individual who works for a company receives a certification rather than the company itself (and where that company should not receive a later certification on this basis), that certification of an individual shall be considered as equivalent to a certification of a company. A maximum of one individual per company shall be considered as equivalent under this basis.**

As evidenced in Annex 1, 53 companies received support to obtain certification in the medical devices or aeronautics fields, thus exceeding the target value of 50. In total, 95 certifications were issued. This

means that in some instances multiple individuals were certified at one company, as specified in the Operational Arrangements (see Annex 2 for the individual certification fiches).

The support was provided in a form of grants for eligible expenditure aimed at preparation towards certification as demonstrated by the 53 individual grant decisions (Annex 5, article 3).

Educational courses on certification shall be created and made available. Furthermore, in line with the measure description, **the reform shall also include the creation of educational courses available to stakeholders on certification process.**

The Commission services accessed the link (Annex 3.1) provided by the authorities on 26 June 2025 to verify that educational courses on certification process were created. This check was completed successfully, confirming the availability of educational courses in the form of e-learning modules focusing on the different areas of certification and on the certifications process. The e-learning modules are complemented by video courses as evidenced by Annex 4. Both the e-learning modules and the video courses are available online, free of charge and accessible to stakeholders via the one stop shop platform established under the previously assessed milestone 48.

Furthermore, in line with the description of the measure, **the reform shall support activities facilitating certification processes or purchasing equipment with a focus on aeronautics and medical devices. The component shall also include consultancy and advisory services to firms in preparation for obtaining certification.**

As evidenced by the objective of the call, the support is aimed at certification of Czech businesses in medical devices or aeronautics fields (see Annex 6, page 2). Eligible expenditures are defined in the annex of the call for applications (see Annex 6.2, point 1) and limited to activities aimed at the facilitation of certification process, notably: (i) consulting services related to the process of preparing for obtaining the certificate; (ii) laboratory services necessary to obtain the certificate; (iii) pre-clinical and clinical investigations required by the regulatory authority to obtain the certificate; (iv) services to create documentation related to the certificate; (v) testing services necessary to obtain the certificate; and (vi) certification authority audit services for issuing the certificate. Additionally, purchasing of equipment focused on the following technologies is also eligible, namely (a) advanced materials and technologies (composites, additive manufacturing, laser applications); (b) green technologies (hybrid/electric propulsion, decarbonisation, noise reduction, biofuels, aviation sustainability); (c) automation and digitalisation; (d) unmanned Aircraft (UAV)/Unmanned Aeronautical Systems (UAS); (e) Urban Air Mobility (UAM); (f) software applications and (g) industry 4.0 in the aerospace industry (AI, IoT, Big Data). (Annex 6.2, point 1)

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C1.4]-I[I2]-T[60]: Number of companies, entrepreneurs and individuals supported

Related Measure: C1.4.I8 Fostering entrepreneurship and innovative firms

Quantitative Indicator: Number

Baseline: 0

Target: 450

Time: Q4 2024

1. Context:

This measure aims at fostering entrepreneurship and at supporting the successful launch of new enterprises across Czechia. The measure includes advisory, consultancy or mentoring services or training provided to companies, entrepreneurs or individuals. The measure also includes awareness-raising campaigns to promote entrepreneurship.

The target requires companies, entrepreneurs and individuals to be provided with mentoring, consultant or advisory services or training to foster entrepreneurship and validation of business plans.

Target 60 is the only target of this investment, related to providing mentoring, consultant and advisory services to foster entrepreneurship. The investment has a final expected date for implementation on 31 December 2024.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Annex I – List of supported entities	An MS Excel file provided by the Ministry of Industry and Trade containing a list of companies and entrepreneurs (entities with corporate identification number) and a list of individuals with unique identifiers, who received support in the form of consulting, advisory services, mentoring or training (25 June 2025)
3	Annex II – List of awareness-raising events	An MS Excel file provided by the Ministry of Industry and Trade containing a list of awareness-raising events organised to promote entrepreneurship (17 July 2025)
4	Annex III - Documentation for individual consultations and workshops	Individual advisory contracts, consultation records, event invitations, extracts of online event recordings and presence sheets demonstrating the activities provided to the recipients (14 July 2025)

5	Annex IV – Documentation for awareness raising campaigns and events	Event invitations, attendance sheets and published communication materials demonstrating the awareness-raising activities carried out (17 July 2025)

3. Analysis:

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

Companies, entrepreneurs and individuals to be provided with mentoring, consultant or advisory services or training to foster entrepreneurship and validation of business plans. Furthermore, in line with the description of the measure, **the measure shall include advisory, consultancy or mentoring services provided to companies, entrepreneurs and individuals.**

According to the evidence provided (Annex 1), Czechia provided mentoring, consultant or advisory services or training to 1168 companies, entrepreneurs and individuals. This value was corrected to 1162 following the removal of accidental duplications.

Following the selection of a random sample of 82 units, Czechia submitted advisory contracts, consultation records and presence sheets attesting that recipients are companies, entrepreneurs or individuals. Furthermore, the evidence documents show that the activities supported are consultations, advisory services, mentoring or trainings provided to the participants. As demonstrated by the sampled evidence such as contracts, workshop invitations and recordings of online events, the objective of these activities was to formulate, further develop and evaluate business plans including amongst others production, marketing and financial strategies. In addition, Czechia organised a series of dedicated consultations, trainings, workshops and events to facilitate the acquisition of skills, the exchange of know-how and the development of business ideas in order to promote entrepreneurship (Annex III). The evidence provided for a sample of 73 units confirmed that the requirements of the target have been met. The target requirement can be considered met because the evidence confirmed that the consultations targeted 1162 companies, entrepreneurs and individuals, that the provided services included consultations, advisory services, mentoring and trainings aiming to validate and further develop business plans and to foster entrepreneurship, thus exceeding the goal of Target 60 by 712.

A statistical analysis was carried out taking into account the overachievement of the target of 1162 units for a required 450. Based on this, there is statistical assurance that the target has been met, and all its constitutive elements have been satisfactorily fulfilled.

Furthermore, in line with the description of the measure, **the measure shall also include-awareness raising campaigns to promote entrepreneurship**

Czechia provided a list of events that formed a promotional campaign for entrepreneurship in particular targeting young people (Annex II). As demonstrated by the individual event invitations, attendance sheets and published communication materials (Annex IV), these events and campaigns include amongst others entrepreneurial events for students, seminars, conferences and festivals with a focus on promoting entrepreneurship by promoting it as a profession, informing interested future entrepreneurs of the available opportunities or providing the necessary skills and information to develop business ideas.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C1.5]-I[I2]-T[70]: Disbursement of funds to the European Reference Testing and Experimentation facility

Related Measure: C1.5.I2 European Reference Testing and Experimentation facility

Quantitative Indicator: EUR

Baseline: 0

Target: 2.3

Time: Q4 2024

1. Context:

The investment aims at setting up a European Reference Testing and Experimentation facility and putting it into operation. More specifically, the investment aims at establishing a connection between research sectors and the wider economy (such as the European and national Digital Innovation Hubs) by allowing enterprises (e.g. small and medium-sized enterprises) to test the technologies and applications developed so that they can be used in their operations.

The target requires that at least EUR 2.3 million shall be paid to the European Reference Testing and Experimentation facility for the services and activities aiming at allowing companies to test technologies and applications. Any amounts provided by other Union programmes or instruments, such as the financing provided under the Digital Europe Programme, shall not be counted towards this amount.

Target 70 is the only target of this investment, related to disbursement of funds to the European Reference Testing and Experimentation facility. The investment has a final expected date for implementation in Q4 2024.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document dated 12 March 2025	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled
2	Annex 1 – Certificates of operability	The certificates signed by Ministry of Industry and Trade and Czech Technical University in Prague on 8 April 2025, by Ministry of Industry and Trade and VSB – Technical University Ostrava on 1 April 2025 and by Ministry of Industry and Trade and Brno University of Technology on 27 March 2025 confirm that the European Reference Testing and Experimentation Facility was established for the purpose of carrying out experimental tests for companies.
3	Annex 2 – Test reports	The test reports made by Czech Technical University in Prague on 10 December 2024, by Brno University of Technology on 4 May 2025 and by VSB – Technical University Ostrava on 19

		December 2024 and 14 April 2025 verify the experiments carried out by companies.
4	Annex 3 – Proof of payments	The proof of payments issued by the Czech National Bank on 12 September 2024 certifies the amounts paid to the university centres forming the European Reference Testing and Experimentation Facility.
5	Annex 4 – Grant decisions	The grant decisions signed by the Ministry of Industry and Trade on 27 August 2024 are decisions to award a grant to one of the university centres forming the European Reference Testing and Experimentation Facility.
6	Annex 5 – Project description	The project description made by the European Commission and dated 5 November 2024 is a description of the project "AI MAnufacturing Testing and experimenTation network For EuRopean industrieS" funded under the Digital Europe Programme.
7	Annex 6 – Service contracts with SMEs	The service contracts signed by TECHNOTRON - METAL s.r.o. and VSB – Technical University Ostrava on 14 November 2024, by Ivo Herman and VSB - Technical University Ostrava on 14 November 2024 and by SANEZOO SE and Brno University of Technology on 22 October 2024 are contracts between companies and one of the university centres forming the European Reference Testing and Experimentation Facility under which the latter facility carries out experimental testing for a company.

3. Analysis:

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

At least EUR 2.3 million shall be paid to the European Reference Testing and Experimentation facility for services and activities aiming at allowing companies to test technologies and applications.

According to the evidence provided, the amounts of CZK 39 862 968.24, CZK 5 826 706.79 and CZK 13 196 706.36 were transferred to the bank accounts of the Czech Technical University in Prague, the Technical University of Ostrava and the Brno University of Technology, respectively, on 12 September 2024 (see Annex 3 and Annex 4). The total amount of CZK 58 886 381.4 divided by the exchange rate of EUR 1 = CZK 25.462 results in the amount of EUR 2 312 716.26, thus exceeding the total target value of at least EUR 2.3 million. The payments were made for the creation of the European Reference Testing and Experimentation Facility as well as for services and activities aiming at allowing companies to test their technologies and applications in the facility (see Annex 4), as shown by the individual certificates of operability issued by the Ministry of Industry and Trade as the competent authority and the three universities forming the facility represented by their rectors (Annex 1), corroborated by the contracts between the universities and participating SMEs (Annex 6)and the test reports issued by the three universities forming the facility (Annex 2).

Any amounts provided by other Union programmes or instruments shall not be counted towards this amount. Furthermore, in line with the description of the measure, **co-funding from the Digital Europe Programme is foreseen.**

Annex 4 (Article III paragraph 1, Article IV paragraph 1 and Article V paragraphs 3 and 4) shows the amounts financed from the Recovery and Resilience Facility and the state budget. These financing streams are complemented by funding from the Digital Europe Programme as demonstrated by Annex 4 (Article III paragraph 1) and Annex 5. The amounts paid to the three universities under the Digital Europe Programme are not counted towards the total target value of at least EUR 2.3 million.

Furthermore, in line with the description of the measure, **a European Reference Testing and Experimentation facility shall be set up and put into operation.**

As demonstrated by certificates in Annex 1 and corroborated by contracts in Annex 6, the European Reference Testing and Experimentation Facility was established and put in operation before the end of 2024. The facility is operated by three universities: the Czech Technical University in Prague, the Technical University of Ostrava and the Brno University of Technology. Annex 2 shows that several tests were launched in December 2024.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C1.6]-R[R1]-T[73]: Purchase of equipment for building authorities

Related Measure: C1.6.R1 Implementation of the new construction law and zoning law into practice

Qualitative Indicator: Building offices or municipalities

Baseline: 0

Target: 620

Time: Q3 2024

1. Context:

The reform aims at speeding up building procedures and making authorisation procedures more efficient. To this end, the reform also aims to equip building offices with 18 000 pieces of IT equipment, which may include but is not limited to laptops and monitors.

Milestone 73 requires that at least 620 building offices or municipalities shall receive IT equipment.

Milestone 73 is the second milestone of the reform, and it follows the completion of milestone 72. It will be followed by target 74, related to the percentage of permitting procedures completed. The reform has a final expected date for implementation on 31 August 2026.

2. Evidence provided:

	Name of the evidence.	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled
2	Annex 1 - List of 644 building offices or municipalities, undated	An MS Excel file containing a list of 644 building offices or municipalities which received IT equipment.
3	Annex 2 - Proof of delivery for 60 building offices or municipalities, dated between 17 June 2024 and 29 July 2024	Proof of delivery was requested for a random sample of 60 projects. The proofs of delivery are the documents in which the building officers or municipalities confirm the delivery of IT equipment by the supplier. They list the relevant IT equipment, identify the supplier and the building office or municipality and are date and signed by both the building office or municipality and the supplier.

3. Analysis:

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

At least 620 building offices or municipalities shall receive IT equipment.

Czechia has provided a list of 644 building offices or municipalities that received IT equipment (see Annex 1). It lists the project registration number, the recipient's name, the recipient's identifier, the number of sets of IT equipment and the number of pieces of purchased hardware.

Following the selection of a random sample of 60 units, Czechia submitted proof of delivery documents (Annex 2). These signed documents demonstrate that the building office or municipality was the recipient of the equipment, and that the received equipment was IT equipment. The evidence provided for a sample of 60 units confirmed that the requirement of target 73 has been met.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C2.1]-I[I1]-T[85]: Completion of six additional projects from a predefined set of projects.

Related Measure: C2.1.I1 Application of modern technologies to railway infrastructure

Quantitative Indicator: Number of projects

Baseline: 2

Target: 8

Time: Q4 2024

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

Target 85 concerns the completion of six additional projects from the list of projects approved under milestone 83. The projects supported under the investment concern 41 kilometres of lines covered by Global System for Mobile Communications – Railway (GSM-R), set of projects for 20 newly installed or more reliably powered base transceiver stations (BTS), a set of projects implementing new technologies and equipment for railway traffic management.

Target 85 is the third target of the investment, and it follows the completion of milestone 83, related to defining the set of projects to be implemented under the investment, and target 84, related to the completion of the first two projects from the pre-defined set of projects. It will be followed by target 348, related to increased coverage of lines with ETCS. The investment has a final expected date for implementation on 31 December 2024.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone was satisfactorily fulfilled.
2	Annex 1 - List of six projects from a predefined set of projects	Summary of the implemented projects.
3	Annex 2 - Minutes of the project evaluation committee of the Ministry of Transport on New rail infrastructure technologies and facilities.	Confirmation of the compliance of the technical specifications of the project with the description of the target and of the description of the investment in the CID. The meeting of the committees took place on 9 December 2024.
4	Annex 2 bis - Minutes of the project evaluation committee of the Ministry	Confirmation of the compliance of the technical specifications of the project with the description of the target and of the description of the investment in the

	of Transport on GSM-R projects.	CID. The meeting of the committees took place on 9 December 2024.
5	Annex 3 - Protocols on handover and acceptance of the construction.	Protocols confirm the implementation of the six projects. Acceptance committees took place on 15 November 2023 (for project with unique identifier 4), 15 December 2023 (for project with unique identifier 5), 17 July (for project with unique identifier 6), 30 November 2023 (for project with unique identifier 11), 30 November 2023 (for project with unique identifier 12), 31 May 2022 (for project with unique identifier number 15).

3. Analysis:

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

Completion of six additional projects (8 in total) from the predefined set of projects of 41 km of lines covered by Global System for Mobile Communications – Railway (GSM-R), 20 newly installed or more reliably powered base transceiver stations (BTS) and implementation of new technologies and equipment for railway traffic management.

The six completed projects are part of the predefined set of projects submitted by Czechia under Annex 1 and assessed under milestone 83 in the first instalment. Under each target of the investment, Czechia submits the relevant number of projects from the pre-defined list which together result in 41 km of lines covered by Global System for Mobile Communications – Railway (GSM-R), 20 newly installed or more reliably powered base transceiver stations (BTS) and implementation of new technologies and equipment for railway traffic management. The completed projects under target 85 are:

- Projects contributing to the 20 newly installed or more reliably powered base transceiver stations (BTS):

i) Addition of redundant power supply for GSM-R base radios, with the unique project identifier 4, which relates to 12 newly installed powered base transceiver stations (BTS) - the acceptance protocol (Annex 3) on page 1 confirms that the contractor: 'completed and duly handed over all parts of the work'.

ii) GSM-R Uničov - Šumperk, with the unique project identifier 5, which relates to 8 newly installed powered base transceiver stations (BTS) - the acceptance protocol (Annex 3) on page 2 (in the part 'Statement') confirms that the contractor finalised the work.

iii) Mobile BTS, with the unique project identifier 6, which relates to 1 newly installed powered base transceiver stations (BTS) - the acceptance protocol (Annex 3) on page 1 confirms that the contractor completed the work.

According to the evidence provided above Czechia has completed 21 newly installed or more reliably powered base transceiver stations (BTS) thus exceeding the goal of target 20 BTS by 1.

- Projects contributing to the implementation of new technologies and equipment for railway traffic management:

iv) Traffic segmentation in the technological data network, with the unique project identifier 11, which relates to the reconstruction in the existing technological buildings within the regional directorates (OŘ) Prague, Plzeň, Ústí nad Labem, Hradec Králové, Brno, Olomouc, Ostrava in selected railway stations in the network of Správa železnic, state company - the acceptance protocol (Annex 3) on page 1 confirms that the project concerning the operational segmentation in the technological data network was implemented and approved.

v) Reconstruction and modification of the railway network's transmission network, with the unique project identifier 12, which relates to the reconstruction in the existing technological buildings within the regional directorates (OŘ) Prague, Plzeň, Ústí nad Labem, Hradec Králové, Brno, Olomouc, Ostrava in selected railway stations in the network of Správa železnic, state company - the acceptance protocol (Annex 3) on page 1 confirms that the project concerning the reconstruction and modification of the railway administration's transmission network was implemented and approved.

vi) Access control to critical information infrastructure equipment in the technological data network, with the unique project identifier 15, which relates the construction of two firewall points in the dispatching network of the Railway Administration and central elements of the GSM-R network - the acceptance protocol (Annex 3) on page 1 confirms that the contractor completed the work in accordance with all obligations.

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

- **Completion of six additional projects from the predefined set of projects in the bullet above, thus completing overall 41 km of lines covered by GSM-R, 20 newly installed or more reliably powered BTS and implementation of new technologies and equipment for railway traffic management by 31 December 2024.**

The acceptance protocols signed by the Railway Administration, submitted under Annex 3, demonstrate that the works on the projects were completed on:

- 15 November 2023 (for project with unique identifier 4),
- 15 December2023 (for project with unique identifier 5),
- 17 July 2023 (for project with unique identifier 6),
- 30 November 2023 (for project with unique identifier 11),
- 30 November 2023 (for project with unique identifier 12),
- 31 May 2022 (for project with unique identifier number 15).

The minutes of the projects' evaluation committee of the Ministry of Transport on New rail infrastructure technologies and facilities (Annex 2), signed by the Secretary and by the President of the committee on 9 December 2024, respectively, confirm that the projects on New rail infrastructure technologies and facilities due by end 2024 were completed and that the technical specifications of the projects complied with requirements set out for the investment.

Similarly, the minutes of the projects' evaluation committee of the Ministry of Transport on GSM-R projects, signed by the Secretary and by the President of the committee on 9 December 2024, respectively, confirm that the projects on GSM-R due by end 2024 were completed and that the technical specifications of the projects complied with requirements set out for the investment.

Together with the projects already assessed under T84, a total of 8 projects from the predefined set of projects (Milestone 83) were implemented by 31 December 2024~~.~~, thus completing overall 41 km

of lines covered by GSM-R, 20 newly installed or more reliably powered BTS and implementation of new technologies and equipment for railway traffic management in due time.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C2.1]-I[I4]-T[98]: Completion of level crossings with an increased safety

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

Name of the Target: Completion of level crossings with an increased safety

Quantitative Indicator: Number of level crossings with an increased safety

Baseline: 160

Target: 291

Time: Q4 2024

1. Context:

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

Target 98 concerns the completion of 131 level crossings with an increased safety, with newly installed or modernised flashlight warning systems or mechanical safety installation.

Target 98 is the last step in the implementation of the part of the investment related to the improvement of 291 traffic safety of railway level crossings. It follows the completion of target 92, related to the completion of 45 level crossings, and target 96, related to the completion of 115 level crossings. The investment had a final expected date for implementation on 31 December 2024.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone was satisfactorily fulfilled.
2	Annex 1 - List of 131 projects from a predefined set of projects	Summary of the implemented projects. The list includes the number of units, eligible costs, project titles, contractors, start and end dates of works.
	Annex 2 - Minutes of the project evaluation committee of the Ministry of Transport	Confirmation of the compliance of the technical specifications of the projects with the description of the target and of the description of the investment in the CID. The meeting of the committee took place on 9 December 2024.
3	Annex 3a - Protocols on handover and acceptance of the construction.	Protocols, signed by the constructor and the Czech Railway Company (*Správa Železnic*) as the competent authority, confirming the implementation and completion of the 132 projects by 31 December 2024.
4	Annex 3b- Protocols on start of works	Protocols confirming that the works had started in line with the RRF time eligibility requirements.

5	Annex 4 – Permits for trial operation	Protocols issued by the State Rail Office (*Dražní úřad*) certifying that operation on the line crossings can commence.
6	Annex 5 – Descriptions of work	Supplementary document by the Ministry of Transport providing detailed information on the type of works on level crossings resulting in an increased protection level.

3. Analysis

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

Level crossings with an increased protection level, with newly installed or modernised flashlight warning system or mechanical safety installation. Furthermore, in line with the description of the measure, […] **completion of projects involving 131 additional level crossings with an increased safety (i.e. with newly installed or modernised flashlight warning system or mechanical safety installation).**

According to the evidence provided (Annexes 1 to 4), Czechia completed railway level crossings with an increased protection level, with newly installed or modernised flashlight warning system or mechanical safety installation. The list of completed projects (Annex 1) details that there were 132 construction actions in total: 16 projects contained two level crossings each, two projects contained three crossings, and the remaining 94 projects contained one crossing each.

Following the selection of a random sample of 60 units, Czechia submitted protocols of handover (Annex 3a), protocols on start of the works (Annex 3b), and permits for trial operation (Annex 4) to prove the completion of 131 level crossings. The evidence provided for a sample of 60 units confirmed that this requirement of the target has been met. As evidenced by the protocols of handover, permits for trial operation and the protocols on start of the works, all projects fulfilled the requirement of increased protection levels either on the basis of newly installed or modernised flashlight warning system or based on new or modernised mechanical safety installations, and all projects were completed by 31 December 2024.

In Annex 3a, Czechia provided 125 protocols of handover and acceptance of the construction signed by the constructor and the Czech Railway Company as the competent authority, with some protocols covering more than one construction actions. Moreover, Annex 2, as undersigned minutes of the project evaluation committee of the Ministry of Transport and the State Fund for Transport, confirms compliance of the technical specifications of all the projects with the description of the target and the description of the investment in the Council Implementing Decision. Furthermore, for every project, Annex 3b provides confirmation for the start of the works, while Annex 3a provides a certificate of receipt of the work, undersigned by the Czech Railway Company as the competent authority, and the relevant contractor. Finally, permits for trial operation issued by the State Rail Office for each of the 131 projects are provided in Annex 4.

Evidence towards the requirement to provide an increased level of protection through newly installed or modernised flashlight warning system or mechanical safety installations is jointly provided by Annex

3a, Annex 4, and Annex 5, as these documents provide the titles, descriptions of the projects, and also supplementary descriptions of the projects. These descriptions provide information about the nature of the protection measures undertaken for each crossing (such as installation of barriers, warning light signals).

Furthermore, in line with the description of the measure, **in cities and agglomerations, investments shall be made to reduce the share of individual car journeys and increase the share of public transport and active modes of transport which may include but are not limited to pedestrian and cycling**.

Target 98 is the last target of Investment 4 of Component 2.1. As part of Investment 4, the targets assessed as satisfactorily fulfilled in previous payment requests focused on improving the public transport (notably rail) and activity mobility in Czechia through investments in infrastructure. Namely, the targets achieved this by improving the safety and active mobility by renovating or building level crossings (targets 92, 96, 100), targets building new cycle paths, sidewalks and barrier-free routes (targets 93, 97, 100), as well as modernising railway artificial structures such as bridges and tunnels (targets 94, 95, 99, 101). These investments were designed to reduce the share of individual car journeys and increase the share of public transport and active modes of transport, as it makes public mobility and active mobility a more attractive option. Investments were made in cities and agglomerations: for example, as part of Target 100, a cycle path was constructed between the city of Plzeň and Brdy, allowing residents of the Plzeň agglomeration to reduce their individual car journeys into local countryside. Similarly, as part of Target 101, a rail bridge on the line of Plzeň - Žatec was reconstructed, designed to reduce the share of individual car journeys and increase the share of public transport in the Plzeň agglomeration.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C2.2]-I[I1]-T[103]: Grant decisions signed for 75% of supported renovation projects achieving at least 30% primary energy savings

Related Measure: C2.2.I1 Improving the energy performance of state buildings

Quantitative Indicator: Percentage

Baseline: 0

Target: 75

Time: Q4 2024

1. Context:

This investment aims to reduce the final energy consumption in the buildings of the state administration that do not meet the minimum energy performance requirements in the long term and to increase the number of high-quality and moderately deep or deep renovations. The investment aims to support at least 32 building renovation projects including insulation of a buildings, exchange and renovation of windows and doors, installation of systems based on renewable energy sources or implementation of improvements of the indoor environment measures having a demonstrable impact on the energy performance of the buildings.

Target 103 shall be achieved upon signing grant decisions for 75% of the supported projects (namely at least 24 projects). Projects shall be submitted to the Ministry of Industry and Trade within a continuous call and evaluated based on the established criteria, following a transparent selection procedure. Only projects that achieve, on average, a reduction in primary energy consumption of at least 30 % or a reduction in CO_2 emissions of 30 % shall be chosen for implementation. Investments into boiler replacements with natural gas as an energy source shall be limited to maximum 20 % of the overall allocation.

Target 103 is the second target of the investment, and it follows the completion of target 102. It will be followed by target 104, related to the reduction of energy consumption in state buildings. The investment has a final expected date for implementation on 31 March 2026.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the target (including all constitutive elements) was satisfactorily fulfilled
2	Annex 1 - List of 24 supported projects with issued legal acts, dated April 2025	An MS Excel file containing a list of the 24 supported projects, including detailed information such as name of applicant, location of the project, type of renovation, amount of subsidy, etc.
3	Annex 2 - Copies of the calls for projects, dated 11 November 2022 and 20 December 2023	The first call for projects was launched by the Ministry of Industry and Trade on 11 November 2022. It is available at https://efekt.gov.cz/cz/dotacni-programy/vyzvy/npo-2-2022-avizo-vyzvy-

		komponenta-2.2.1-snizeni-energeticke-narocnosti-budov-organizacnich-slozek-statu. The second call for projects was launched by the Ministry of Industry and Trade on 20 December 2023. It is available at https://efekt.gov.cz/cz/dotacni-programy/vyzvy/npo-4-2024-snizeni-energeticke-narocnosti-budov-organizacnich-slozek-statu.
4	Annex 3 - Minimum technical requirements for renovations	The minimum technical requirements for renovations are an extract from Section 1.2 Specific acceptance criteria of the calls for projects.
5	Annex 4 - Signed grant decisions for the 24 supported projects, dated between 20 November 2023 and 17 April 2025	The grant decisions are issued and signed by the Ministry of Industry and Trade.

3. Analysis:

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

In total at least 32 building renovation projects shall be supported under this measure. The target shall be achieved upon signing grant decisions for 75% of supported projects (namely at least 24).

According to the evidence provided in Annex 1, Czechia supported 24 building renovation projects by 17 April 2025. Czechia has met this requirement by signing grant decisions for 24 projects (Annex 4). The grant decisions by the Czech Ministry of Industry and Trade (MIT) award funding to the selected projects. The detailed list of projects is found in Annex 1, and it includes information on the project number and title, the applicant's name, the call number for which the application was submitted and the ID application number, the energy savings of the project, the installed capacity of natural gas boilers, the amount of the subsidy, and the date of the grant decision. Annex 4 contains the signed grant decision for the 24 supported projects

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

Two calls for projects were organised by the Ministry of Industry and Trade:

- On 11 November 2022, the Ministry of Industry and Trade published call for projects No NPO 2/2022 on the website of the Ministry (https://efekt.gov.cz/cz/dotacni-programy/vyzvy/npo-2-2022-avizo-vyzvy-komponenta-2.2.1-snizeni-energeticke-narocnosti-budov-organizacnich-slozek-statu). The general and specific acceptance criteria are listed in Section 1 of the call (Annex 2a, page 8), most notably the specific criterion that the project must achieve a reduction of primary energy consumption of at least 30%. The requirement for projects to reduce primary energy consumption by at least 30% is also a minimum technical requirement for the implemented renovations (Annex 2, Section 1.2.1.1 "Common objectives"; Annex 3). The call was open for applications between 16 November 2022 and 31 December 2023.
- On 20 December 2023, the Ministry of Industry and Trade published call for projects No NPO 4/2024 (Annex 2b). The call opened for applications on 1 February 2024 and the deadline for

submitting applications is 31 October 2025, or until the available funding is exhausted. The general and specific acceptance criteria are listed in Section 1 of the call (Annex 2, page 9), most notably the specific criterion that the project must achieve a reduction of primary energy consumption of at least 30%. The requirement for projects to reduce primary energy consumption by at least 30% is also a minimum technical requirement for the implemented renovations (Annex 2, Section 1.2.1.1 "Common objectives"; Annex 3).

The selection procedure is described in the "General information" section of the two calls, which explains that the selection procedure is organised in accordance with the Code on Public Procurement (Act No. 134/2016 Coll.). The Code on Public Procurement is based on the principles of transparency, proportionality, non-discrimination and equal treatment (Title I, Section 6). The Code requires, inter alia, the following to ensure transparency: publication of the tender procedure and the determination of the evaluation criteria in advance. Applicants to the calls submitted project applications to the Ministry of Industry and Trade via the AIS MIT portal, which automatically assigns the application a unique registration number (Annex 4, p.1). Applications were reviewed and evaluated on a continuous, first-come-first served basis, whereby support was granted to all projects meeting the criteria set in the published call until the available funding is exhausted.

Only projects that achieve, on average, a reduction in primary energy consumption of at least 30 % or a reduction in CO_2 emissions of 30 % shall be chosen for implementation. The 75 % target refers to projects with signed grant decisions. Furthermore, in line with the description of the measure, **only projects that achieve, on average, a reduction of primary energy consumption of at least 30 % or a reduction in CO_2 emissions of 30 % shall be financed.**

Section 1.1 "General acceptance criteria" of the calls for projects (Annex 2) sets out the specific acceptance criterion that the project must achieve a reduction of primary energy consumption of at least 30%. As part of the project application, applicants submitted an energy assessment prepared by an energy specialist with the relevant authorisation according to Article 10 of Act No. 406/2000 Coll. on energy management. Projects were chosen for implementation based on the assessment made by the energy specialist on the amount of primary energy consumption and CO_2 emissions that would result from the planned renovations. The grant decisions (Annex 4) demonstrate that these projects were financed.

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

Natural gas boilers were excluded from support under the two calls for projects (Section 1.1 of the calls in Annex 2). Column G in Annex 1 further confirms that none of the 24 supported projects installed natural gas boilers. Therefore, no investments were made into natural gas boilers.

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

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

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C2.2]-I[I2]-T[106]: Grant decisions signed for 80% of projects for renovation of public lighting systems achieving at least 30 % primary energy savings

Related Measure: C2.2.I2 Improving the energy performance of public lighting systems

Quantitative Indicator: Percentage

Baseline: 0

Target: 80

Time: Q4 2024

1. Context:

This investment aims to enable the renovation of public lighting across different municipalities in the Czech Republic and enable these renovations to be linked to other smart elements such as supporting the development of electromobility. Only projects that achieve, on average, a reduction of primary energy consumption by at least 30 % or a reduction in CO_2 emissions of 30 % shall be financed. The investment includes supporting at least 800 projects of renovation of public lighting systems across different municipalities, for 80 % of which grant decisions shall be signed by 31 December 2024. The investment shall include renewal of lighting systems and the acquisition or optimisation of the management system.

Target 106 requires that in total at least 800 projects of renovation of public lighting systems shall be supported under this measure. The target shall be achieved upon signing grant decisions for 80 % of them (namely 640) by 31 December 2024. Projects shall be evaluated and selected every year, based on the established criteria, following a transparent selection procedure. The 80 % target refers to projects with a grant agreement signed.

Target 106 is the second target of the investment, and it follows the completion of milestone 105 related to the adoption of the programme documentation establishing the conditions for support under this measure. It will be followed by target 107, related to the reduction of energy consumption. The investment has a final expected date for implementation on 31 March 2026.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the target (including all constitutive elements) was satisfactorily fulfilled
2	Annex 1. List of 640 projects with grant decisions	An MS Excel file containing a list of the 640 supported projects, including detailed information such as the project name, name of beneficiary, VAT ID number of the beneficiary, the subsidy amount, and the date on which the grant decision was signed
3	Annex 2. Copy of the call for projects, dated 27 April 2022	The call for projects was launched by the Ministry of Industry and Trade on 27 April 2022. The call is also available at https://www.mpo-efekt.cz/upload/6cd6d069e64a28ff10122424d61b29ea/text-

		vyzvy-narodni-plan-obnovy-vyzva_2.2.2-rekonstrukce-verejneho-osvetleni_5.pdf
4	Annex 3. Signed grant decisions for the 640 supported projects, dated between 14 October 2022 and 6 August 2024	The grant decisions are issued and signed by the Ministry of Industry and Trade. In the context of the sampling analysis, the grant decisions were checked for a random sample of 60 projects.

3. Analysis:

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

In total at least 800 projects of renovation of public lighting systems shall be supported under this measure. The target shall be achieved upon signing grant decisions for 80 % of them (namely 640) by 31 December 2024. Furthermore, in line with the description of the measure, **the investment includes supporting at least 800 projects of renovation of public lighting systems across different municipalities in Czechia, for 80 % of which grant decisions shall be signed by 31 December 2024.**

According to the evidence provided in Annex 1, Czechia supported 640 projects of renovation of public lighting systems by 6 August 2024. Czechia has met this requirement by signing grant decisions for 640 projects. The grant decisions by the Czech Ministry of Industry and Trade award funding to the selected projects. The detailed list of projects is found in Annex 1, and it includes information on the project number and title, the beneficiary's name, the VAT ID number of the beneficiary, the amount of the subsidy, and the date on which the grant decision was signed. Annex 3 contains the signed grant decision for the 640 supported projects. Following the selection of a random sample of 60 units, Czechia submitted the signed grant decisions (Annex 3) which demonstrate that the subsidy was granted to the applicants by 31 December 2024. The evidence provided for a sample of 60 units confirmed that this requirement of target 106 has been met.

Projects shall be evaluated and selected every year, based on the established criteria, following a transparent selection procedure. Furthermore, in line with the description of the measure, **only projects that achieve, on average, a reduction of primary energy consumption by at least 30 % or a reduction in CO_2 emissions of 30 % shall be financed.**

On 27 April 2022, the Ministry of Industry and Trade published the call for projects No. NPO 1/2022 (Annex 2). The call opened for application on 5 May 2022, and the deadline for submitting applications was 31 December 2024, or until the available funding was exhausted. Applications were reviewed and evaluated on a continuous, first-come-first served basis, whereby support was granted to all projects meeting the criteria set in the published call until the available funding is exhausted (Annex 2, p. 5).

The criteria for project selection are established and clearly described on p. 5 of the call for projects (Annex 2). They include minimum savings in primary energy consumption (i.e., at least 30%) and technical requirements for the lighting parameters (e.g., meet technical standard CSN EN 13201 for road lighting).

The selection procedure is described in the "General information" section of the call for projects (Annex 2), which explains that the selection procedure is organised in accordance with the Code on Public Procurement (Act No. 134/2016 Coll.). The Code on Public Procurement is based on the principles of transparency, proportionality, non-discrimination and equal treatment (Title I, Section 6). The Code requires, inter alia, the following to ensure transparency: publication of the tender procedure and the determination of the evaluation criteria in advance. Applicants to the call submitted project applications to the Ministry of Industry and Trade in electronic via the AIS MIT portal, which automatically assigns the application a unique registration number (Annex 3, p.1).

The call for projects No. NPO 1/2022 sets out that only projects that achieve at least 30% savings in primary energy savings will be selected for support (p. 5 of Annex 2). This requirement is the first acceptance criteria in the table on p. 5. Following the selection of a random sample of 60 units, Czechia submitted the signed grant decisions (Annex 3) which demonstrate the amount of energy each project is saving per year. The evidence provided for a sample of 60 units confirmed that this requirement of target 106 has been met.

The 80 % target refers to projects with a grant decision signed.

The grant decisions (Annex 3) demonstrate that 640 projects were financed, i.e. 80% of the total 800 projects. The evidence checked for a random sample of 60 units confirmed that this requirement of Target 106 has been met.

Furthermore, in line with the description of the measure, **the investment shall include renewal of lighting systems and the acquisition or optimisation of the management system.**

The call for projects (Annex 2) states that the objective of the scheme is the renovation and innovation of the public lighting system of cities and municipalities to achieve energy savings. The call also specifies that smart city elements, smart lighting elements and elements of the management system are covered as eligible expenditures (p. 3). These elements of the lighting system serve to optimise the management of the system.

The target is further specified in the Operational Arrangements, which requires: **For the purposes of these operational arrangements, 'reduction of energy consumption' shall mean 'energy savings'**.

Section "Mandatory Parameters" of the grant decision (Annex 4, p.2) shows that the reduction of energy consumption is measured by the energy savings of each project.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C2.3]-I[I1]-T[112]: Increase of installed capacity of FVE sources

Related Measure: C2.3.I1 Development of new photovoltaic energy sources

Quantitative Indicator: MWp

Baseline: 0

Target: 270

Time: Q4 2024

1. Context:

The investment aims at replacing part of the coal-fired energy sources by sources of photovoltaic energy. Projects include the construction of photovoltaic power plants on the roofs of companies' buildings including shelters (which may include but is not limited to shelters for cars, construction machines or storage of material). Accumulation of energy may also be supported.

The target requires that new capacity of photovoltaic energy sources of 270 MWp shall be installed and put into operation.

Target 112 is the only target of this investment, related to the increase of installed capacity of FVE sources. The investment has a final expected date for implementation on 31 December 2024.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled
2	Annex 1: List of completed photovoltaic projects	The list includes an overview and key data for all 2787 projects (project number, project title, new installed capacity, its operator (beneficiary of the support) and its identification number, as well as installed storage capacity if any).
3	Annex 2: Handover protocol on the handover of the facility for use	Protocol on the handover of the power plant from its supplier to its operator
4	Annex 3: Enabling of permanent operation or Enabling of operation for verification of technology and compliance	Notification issued by a distribution system operator enabling that the power plant can be connected to the grid and operated on a permanent or temporary basis.
5	Annex 4: Photovoltaic systems with/without accumulation – 1st call	The call defines the eligibility and evaluation criteria for granting support.

3. Analysis:

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

New capacity of photovoltaic energy sources of 270 MWp shall be installed and put into operation.

According to the evidence provided, namely the list of projects (Annex 1), Czechia completed 2787 projects, which together result in 283.564 MWp of newly installed capacity of photovoltaic energy sources.

Following the selection of a random sample of 60 units, Czechia submitted Annex 2 (protocol on the handover of the power plant from the supplier to the operator) and Annex 3 (connection notification issued by a distribution system operator enabling either a permanent operation (documents titled "Final operational notification" or "Operational notification on the first parallel connection of the generation plant to the distribution network") or enabling operation for verification of technology and compliance (documents titled "Consent to a temporary operation of a generation module" or "Operational notification on the first parallel connection of the generating modules to the distribution network"). The evidence provided for a sample of 60 units confirmed that this requirement of the target has been met - 283.564 MWp of newly installed capacity of photovoltaic energy sources was installed and put into operation, thus exceeding the goal of Target 112 by 13.564 MWp.

Furthermore, in line with the description of the measure, **projects shall include the construction of photovoltaic power plants on the roofs of companies' buildings including shelters (which may include but is not limited to shelters for cars, construction machines or storage of material).**

Section 2.1 on page 3 of the call for projects (Annex 4) demonstrates that the support could be granted only to photovoltaic power plants on the roofs of companies' buildings including shelters (such as shelters for cars, construction machines or storage of material).

Furthermore, in the line with the description of the measure, **accumulation of energy may also be supported.**

Section 2.1 on page 3 of the call for projects (Annex 4) demonstrates that support for electricity storage could be granted as part of the investment in the new photovoltaic power plant. Annex 1 demonstrates which projects received the support for electricity storage and what their storage capacity is.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C2.5]-I[I1]-T[125]: Projects contracted for reduction of energy consumption

Related Measure: C2.5.I1 Renovation and revitalisation of buildings for energy savings

Quantitative Indicator: Energy savings in terra joules per year

Baseline: 0

Target: 1200

Time: Q3 2024

1. Context:

This measure aims to promote saving energy in residential buildings, constructing new residential buildings that exceed mandatory energy standards, replacing non-compliant combustion sources in households using solid fuels with gas condensing boilers of energy class A, using renewable energy sources as part of comprehensive energy renovation of buildings, and adapting to climate change, including water management. The measure aims to promote smart energy solutions at the level of individual households, houses or small groups of houses such as smart meters, common energy storage sites and demand aggregation.

Projects for reduction of energy consumption by 1 200 TJ/year shall be contracted by the State Environment Fund as of February 2020. Only projects that, on average, achieve a reduction in primary energy consumption of at least 30 % shall be chosen for implementation. Investments into gas-condensing boiler replacements shall be limited to maximum 20 % of the overall allocation of measure 2.5.1.

Target 125 is the first step of the implementation of the investment. It will be followed by target 126, related to a reduction of energy consumption and CO_2 emissions. The investment has a final expected date for implementation on 31 December 2025.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document, dated May 2025	Summary document duly justifying how the target (including all constitutive elements) was satisfactorily fulfilled
2	Annex 1. List of 6 815 supported projects	An MS Excel file containing a list of the 6 815 supported projects, including detailed information such as name of applicant, location of the project, summary of the project activities (e.g., type of heating source replaced, type of renewable energy source installed), amount of subsidy, etc. The first sheet of the MS Excel file contains information on the aggregated primary energy savings and CO_2 emissions reduction, and the evolution of aggregated primary energy savings and CO_2 emissions reduction per year.
3	Annex 2. SEF declaration, dated 7 January 2025	A declaration by the State Environment Fund that the measure has been implemented

		according to the CID requirements and that the energy performance certificates have been uploaded to the central ENEX system. The declaration is signed by SEF Director, Ing. Petr Valdman.
4	Annex 3. Methodology for calculating energy savings and CO_2 emissions reduction, dated 6 December 2024	The report in Annex 3 contains the methodology, including the coefficients and formulae, used to calculate the energy savings and CO_2 emissions reduction achieved by the supported projects.
5	Annex 4. Call documentation	Calls and call documentation for No. NRP 1/2021 and No. NRP 2/2021. The call documentation includes the binding instructions for applicants. The calls were issued on 12 October 2021
6	Annex 5. Issued legal acts, dated between 5 May 2022 and 13 May 2024	Legal acts were requested for a random sample of 60 projects. The legal acts are the documents in which the Ministry of Environment grants the funding to the selected projects. They are signed by the Minister of Environment.
7	Annex 6. Energy evaluation report	Energy evaluation reports certify the pre-renovation state of the building (e.g., type of windows, wall insulation, roof type and insulation). The reports are prepared and signed by registered energy specialists.
8	Annex 7. Installation report	Installation completed by the supplier (e.g., PV, insulation envelope, green roof installer) confirming the project implementation for support areas C1, C2 and C3.
9	Annex 8. Final expert evaluation report	Final expert evaluation reports are completed by the technical expert supervisor for the project and confirm the project implementation for support areas A and B.
10	Annex 9. Building Energy Performance Certificate, dated between 3 March 2021 and 11 August 2023	Building Energy Performance Certificates (EPC) demonstrate the energy consumption of the building after the renovation was implemented. They are registered in the ENEX database.
11	Annex 10. Energy savings calculations summary	A MS Excel file which contains the formulae used to calculate the energy savings and CO_2 emissions per project. The calculation tool is based on the methodology submitted in Annex 3.

3. Analysis:

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

Projects for reduction of energy consumption by 1 200 TJ/year shall be contracted by the State Environment Fund as of February 2020. Furthermore, in line with the description of the measure, **the investment shall be implemented through the following projects: projects for reduction of energy consumption by 1 200 TJ/year contracted as of 1 February 2020.**

The first sheet of Annex 1 demonstrates the evolution of aggregated primary energy savings and CO_2 reduction for the years 2020 – 2024 for all supported projects. The first sheet of Annex 1 also demonstrates the breakdown of energy savings and CO_2 reductions per year, the total allocation spent on gas boilers and construction of buildings, and the number of supported vulnerable consumers. The calculations are based on the per-project data available in the second sheet of Annex 1.

According to the evidence provided in Annex 1, as of 1 February 2020, Czechia contracted 6 815 projects via the State Environment Fund and achieved a reduction of energy consumption and CO_2 emissions of 1 201.11 TJ/year and 65.3 kt/year. Following the selection of a random sample of 60 units, Czechia submitted issued legal acts (Annex 5) which demonstrate the date on which the projects were contracted. The evidence provided for a sample of 60 units confirmed that this requirement of Target 125 has been met – projects for 1 201.11 TJ/year reduction of energy consumption have been contracted between 5 May 2022 and 13 May 2024, thus exceeding the goal of Target 125 by 1.11 TJ/year.

Only projects that, on average, achieve a reduction in primary energy consumption of at least 30 % shall be chosen for implementation.

On 21 September 2021, the State Environment Fund published the calls for projects No. NRP 1/2021 (focused on single-family houses) and No. NRP 2/2021 (focused on apartment buildings) as part of the New Green Savings Programme (Annex 4). The call opened for applications on 12 October 2021, and the deadline for submitting applications was 30 June 2025, or until the available funding was exhausted. The criteria for project selection for renovation projects are established in Section 4 “Areas of support and conditions for providing support” on p. 13 of the “Binding Instructions for Applicants” for Call No. NRP 1/2022 and on p. 8 of the “Binding Instructions for Applicants” for Call No. NRP 2/2021 (Annex 4). In both calls, this condition for support requires that for complex renovations the reduction of total primary energy consumption is at least 30%.

The detailed list of supported projects is found in the second tab of Annex 1, and it includes information on the project application number and title, the type of activity undertaken by the project (such as replacement of a solid-fuel boiler with a biomass boiler, installation of roof photovoltaics, etc.), the applicant’s name, the address of implementation of the project, the amount of the subsidy, the payment date, whether the applicant was a vulnerable consumer, the energy savings per project, the CO_2 reduction per project, and whether the project was a new construction, contained a natural gas boiler and the portion of the subsidy for the natural gas boiler.

Column R of the second tab of Annex 1 shows the energy savings for each of the supported projects. The energy savings are calculated using the Methodology for energy savings (Annex 3), and the Energy savings calculations summary (Annex 10) shows the detailed calculations per project. The detailed energy savings calculations submitted for a random sample of 60 projects (Annex 10) confirmed that the energy savings reported in Annex 1 are correct. Following the selection of a random sample of 60 units, Czechia submitted issued legal acts, energy evaluation reports, installation reports, final expert evaluation reports, and Energy Performance Certificates (EPC) (Annexes 5-10) which demonstrate the primary energy consumption of the building *before* the implementation of the renovation project (Annex 9) and the primary energy consumption *after* the implementation of the renovation project (Annex 10). The evidence provided for a sample of 60 units confirmed that this requirement of target 125 has been met. The Declaration of the State Environment Fund (Annex 2) certifies that all energy performance certificates have been uploaded to the central ENEX system.

Investments into gas-condensing boiler replacements shall be limited to maximum 20 % of the overall allocation of measure 2.5.1.

The first tab of Annex 1 shows that the subsidies for gas-condensing boilers amount to 0.09% of the total allocation for the measure. The second tab of Annex 2 show which projects included a gas boiler, and the portion of the project subsidy allocated to the gas boiler. Following the selection of a random sample of 60 units, Czechia submitted issued legal acts (Annex 5) which demonstrate if the project contained a gas-condensing boiler. The evidence provided for a sample of 60 units confirmed that this requirement of target 125 has been met.

The target is further specified in the Operational Arrangements, which requires: **For the purposes of these operational arrangement, the target shall refer to projects contracted as of February 2020**.

Annex 1 demonstrates that projects were contracted between 15 March 2022 and 12 September 2024. Following the selection of a random sample of 60 units, Czechia submitted issued legal acts (Annex 4) which demonstrate the date on which the projects were contracted. The evidence provided for a sample of 60 units confirmed that the projects were contracted between 5 May 2022 and 13 May 2024, i.e., after February 2020.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C2.6]-I[I1]-T[133]: T2: Completion of additional 23 projects aiming at establishing resilient flood protection

Related Measure: C2.6.I1 Flood protection

Quantitative Indicator: Number of projects

Baseline: 15

Target: 38

Time: Q4 2024

1. Context:

This investment aims at protecting populated areas against the negative effects of flood, at improving water retention in the landscape, and at improving rainwater management.

Target 133 consists of the completion of 23 projects aiming at establishing resilient flood protection.

Target 133 is the final step of the implementation of this investment. It follows the completion of milestone 131 (under the first payment request), related to the notification of award of flood protection contracts, and of target 132 (under the second payment request), related to completion of the first 15 flood protection projects.

2. Evidence provided:

	Name of the evidence.	Short description
1	Summary document	Summary document duly justifying how the milestone was satisfactorily fulfilled.
2	Annex 1 – List of projects	MS Excel list of the 23 projects, including project names and identification numbers, and responsible ministries.
3	Annex 2 – List of implemented projects with description	Description of the 12 projects implemented by the Ministry of Environment
4	Annex 3 - Expert evaluations for the projects of the Ministry of environment (24 documents)	Completion reports for the 12 projects implemented by the Ministry of Environment, including the expert report and cover sheet declaration (2 documents pre project)
5	Annex 4 - Building authorisations for the projects implemented by the Ministry of Environment (12 documents)	Building permits or statement of the building authority for the projects implemented by the Ministry of Environment
6	Annex 5 - Call No 10/2021 of the Ministry of the Environment under the National Environment Programme	Call No 10/2021 for the projects implemented by the Ministry of Environment. The call was open between 12 January 2022 and 31 August 2022, with implementation period until 30 June 2025.

7	Annex 6 – Completion report by the Czech Technical University in Prague issued on 14 January 2025.	Completion report for the projects implemented by the Ministry of Agriculture
8	Annex 7 - Individual assessment fiches delivered by the Czech Technical University in Prague	Individual assessment sheets for the projects implemented by the Ministry of Agriculture
9	Annex 8 - DNSH Checklist	DNSH check list (Annex to the completion report for the projects implemented by the Ministry of Agriculture)
10	Annex 9 - Building authorisations for the projects implemented by Ministry of Agriculture (12 documents)	Building permits for the projects implemented by the Ministry of Agriculture
11	Annex 10 - Approval decision handover and acceptance protocols for the completed works (15 documents)	Approval decision and acceptance protocols for the projects implemented by the Ministry of Agriculture
12	Annex 11 - Risk analysis for water dams by the Czech Technical University in Prague (3 documents)	Risk analysis for Water dams projects in Letovice, Nechranice, and Moravka, dated between November 2024 and January 2025.
13	Annex 12 - Environmental Impact Assessment fiches (7 documents)	Environmental Impact Assessment fiches issued by local competent authorities for the water dam projects in Letovice, Nechranice and Moravka
14	Annex 13 - Call of the Ministry of Agriculture	Call 129 360 for the projects implemented by the Ministry of Agriculture
15	Annex 14 - National action plan for climate change adaptation and state policy of the environment in the Czech Republic 2030cwith a view to 2050	National Action plan for Climate Change Adaptation and State Policy of the Environment in the Czech Republic 2030 with a view to 2050

3. Analysis:

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

Completion reports by independent engineers for additional 23 listed projects.

Czechia provided completion reports issued by independent engineers for the projects implemented by the Ministry of Environment (Annex 3) and for the projects implemented by the Ministry of Agriculture (Annex 6). 11 projects are based on the Programme 129 360 “Support for flood protection IV” (Annex 13) and 12 projects are based on Call No 10/2021 (Annex 5) with the objective to ensure efficient management of rainwater in the built-up area of municipalities and to ensure the implementation of flood protection measures with a wide use of nature-based features in an urbanised area. Czechia submitted an independent completion report for each of the 12 projects implemented by the Ministry of Environment (Annex 3) that confirmed the projects have been implemented in line

with Call No 10/2021. The Czech Technical University was contracted as an independent expert by the Ministry of Agriculture. As evidenced in Annex 6, its report assessed 11 projects focusing on flood protection implemented by the Ministry of Agriculture and concluded on pages 6 and 7 that all assessed projects are in line with the description of the investment.

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

As evidenced in Annex 6 (page 5), nature-based solutions were preferred in the vast majority of the 11 projects implemented by the Ministry of Agriculture, with concrete used only when necessary for structural stability reasons or in densely populated areas. Projects implemented by the Ministry of Environment are in line with the Ministry of Environment's call for grant applications No 10/2021 (Annex 5), which aimed to ensure effective management of rainwater in the urban areas and the implementation of anti-flood measures with the wide use of nature-based elements, as opposed to grey infrastructure (page 2, Paragraph 1: 'Objective of the call').

In case of projects for which building permits are required: The projects shall be implemented only once permits are granted by the relevant water authority based on an environmental impact assessment, where this is required in accordance with Directive 2011/92/EU, and relevant assessments in the context of Directive 2000/60/EC.

Building permits were delivered for 20 projects and these justify the compliance with the Directive 2011/92/EU and the Directive 2000/60/EC, which is an integral part of the verifications in the context of the Czech permitting procedure (see Annex 4 and Annex 9). For three projects implemented by the Ministry of Environment, the building authorities (Annex 4) specified that no building permit was required.

In addition, for the 11 projects implemented by the Ministry of Agriculture, the independent body (Annex 6, on page 6) also states that all the implemented projects met the requirements resulting from the relevant environmental legislation including Directive 2011/92/EU and Council Directive 92/43/EEC, respecting relevant provisions of Directive 2000/60/EC. The independent body also specifically confirmed on page 3 that if a permit or approval is issued, the compliance with Directive 2011/92/EU is considered to be satisfactory. For the projects implemented by the Ministry of Environment, call 10/2021 (Annex 5) also specifies that the supported projects must be consistent with Directives 2000/60/EC of the European Parliament and of the Council establishing a framework for Community action in the field of water policy (Annex 5 – 10. Conditions of the call). It also requires that the applicant/beneficiary of the aid submit a document confirming that no Environmental Impact Assessment was required in line with the Act No. 100/2001 (Annex 5 – Documents submitted by the applicants/beneficiary of the aid).

Where required, the permits shall assess all potential impacts on the status of water bodies within the same river basin and on protected habitats and species directly dependent on water, considering in particular migration corridors, free-flowing rivers or ecosystems close to undisturbed conditions, as well as current pressures related to water abstraction and the impact assessment shall establish that the project (i) does not significantly or irreversibly impact affected water bodies, nor prevent the specific water body to which it relates nor other water bodies in the same river basin to achieve good status or potential, and (ii) does not significantly negatively impact on protected habitats and species directly dependent on water. Where relevant, projects shall

contribute to the achievement of good ecological status or potential of the water bodies concerned in accordance with the requirements of the Water Framework Directive 2000/60/EC.

Ensuring compliance with requirements under the Water Framework Directive 2000/60/EC and the assessment of the project's impacts on the status of water bodies and on biodiversity are part of the permitting procedure in Czechia. As mentioned above, 20 projects were granted a permit (see Annex 4 and Annex 9).

In addition, with regards the 11 projects implemented by the Ministry of Agriculture, the independent body (Annex 6 and Annex 7) has assessed whether each project respects the relevant provisions of Directive 2000/60/EC, complies with the DNSH Technical Guidance (2021/C58/01) and causes no deterioration of the status/potential nor prevents good status/potential achievement of the affected water body. On page 3, the independent report confirms that the Czech Law No 254/2001 is harmonised with the Directive 2000/60/EC. Relevant water authorities evaluate every project with respect to the compliance of the provisions of the Water act prior issuing the approval or building permit. The independent body also states (see pages 2 and 3) that, "in line with the description of the target, all potential impacts on the status of water bodies within the same river basin and on protected habitats and species directly dependent on water, considering in particular migration corridors, free-flowing rivers or ecosystems close to undisturbed conditions, as well as current pressures related to water abstraction were assessed by the relevant water authorities during the process of issuing permits or approvals". The report also states on page 6 that "none of the projects causes any deterioration of the ecological status/potential or prevents good ecological status/potential achievement". It also states on page 6 that all the implemented projects "met the requirements resulting from the relevant environmental legislation including Directive 2011/92/EU and Council Directive 92/43/EEC, respecting relevant provisions of Directive 2000/60/EC and compliance with the DNSH Technical Guidelines (2021/C58/01) or did not require substantive DNSH assessment".

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

Under Czech legislation, none of the implemented projects falls into the category for which an environmental impact assessment would be required (Act No. 100/2001 Coll., on Environmental Impact Assessment, see Annex 6, page 2 and annex 7). The assessment under the Habitats Directive, which are part of the conditions set by the nature protection authorities, is assessed in the final report of the independent engineer (Annex 6). It is described in detail in the project assessment sheets and shows that the projects respected the relevant assessments under the Habitats Directive (see Annex 7).

All but three of the projects implemented by the Ministry of Environment also underwent the permitting procedure which ensures compliance with Directive 2000/60/EC. Given the size, nature and location of the project (in urban area), an assessment of impacts on water bodies and biodiversity, as mentioned in the Council Implementing Decision, was not relevant in this case.

Regarding the projects aiming at reconstruction or modernization of dams: the project's design shall incorporate the necessary results and conditions from the Environmental Impact Assessment, where this is required in accordance with Directive 2011/92/EU as well as relevant assessments in the context of Directive 2000/60/EC, including the implementation of required mitigation measures, ensuring compliance with the DNSH Technical Guidance (2021/C58/01). Any measures identified in

the framework of the EIA and the assessment under Directive 2000/60/EC as necessary to ensure compliance with the DNSH principle shall be integrated into the project and strictly complied with at the stages of construction, operation and decommissioning of the infrastructure. The completion report shall confirm the full respect of the outcome of the EIA including the implementation of required mitigation measures, ensuring compliance with the DNSH Technical Guidance (2021/C58/01). A risk analysis of the project shall be conducted. This risk analysis shall also address future climatic conditions. Any reconstruction or modernization shall not lead to an increase of the dam capacity.

As indicated in independent body (Annex 6, page 5 and page 6) and evidenced in Annex 9, Annex 11 and Annex 12, three projects aimed at the reconstruction or modernisation of dams. None of them lead to an increase of the dam capacity. None of the projects required an environmental impact assessment in accordance with Directive 2000/60/EC (see Annex 12). A risk analysis also addressing future climatic condition has been issued for each of the three projects (Annex 11).

Finally, in line with the description of the investment**, the investment shall support flood protection projects (e.g. identification of water retention potential; establishment, treatment and reconstruction of polders and absorbing grass strips; construction and reconstruction of natural water reservoirs; or other measures to achieve a retardation of surface run-off, a reduction in flood wave speed or improved rainwater management).**

Based on the description of the projects from the submitted evidence (Annexes 2, 3, 4, 5, 6, 7, 9, 10 and 13), the projects completed under this investment contribute to flood protection.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C2.6]-I[I3]-T[137]: Completion of green infrastructure projects promoting biodiversity including bio centres, bio corridors and planting of locally typical greenery in the agriculture landscape (in ha of land served by the investment).

Related Measure: C2.6.I3 Land consolidation

Quantitative Indicator: Hectares of green infrastructure projects

Baseline: 0

Target: 90

Time: Q4 2024

1. Context:

The objective of this investment is to contribute to the ecological stability of the landscape. This investment shall also include the implementation of green infrastructure measures supporting biodiversity such as bio centres and bio corridors.

Target 137 concerns the completion of projects concerning green infrastructure on at least 90ha of lands.

Target 137 is the first target of the investment, and it is accompanied by target 138 in the same payment request, related to projects supporting other environmental protection activities. The investment shall be completed by 31 December 2024.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone was satisfactorily fulfilled.
2	Annex 1 - List of 87 projects implemented for the target	List of the implemented projects, including project registration numbers and key project information (e.g. location, ha covered)
3	Annex 3 - Declarations by the State Land Office of the areas of measures implemented (87 documents)	Signed declarations by the implementing body on the completion of 90 ha of green infrastructure projects
4	Annex 5 - Report by an independent engineer, dated for 19 February 2025.	The independent assessment was carried out by an independent expert from 'Centrum pro krajinu' which confirmed that all projects were implemented in line with the investment's requirements.
5	Annex 6 - Operational manual for the provision of subsidies from the NRP	Operational manual for granting subsidies issued by the State Land Office (June 2022).

3. Analysis:

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

At least 90ha of green infrastructures projects shall be completed.

As evidenced in Annexes 3 and 4, Czechia completed 87 green infrastructure projects in order to reach the target of 90 ha. For each project, the implementing body (i.e. State land office) had to submit a signed declaration to the Ministry of Environment, reporting on the project area. According to the evidence documents provided under Annex 3, Czechia completed 216,5 ha of green infrastructure projects, thus exceeding the goal of Target of 90 ha by 126,5 ha.

According to evidence submitted under Annex 4 (page 2, first paragraph in the chapter 'results') all of the projects were assessed by the independent expert organisation with expertise in landscape and environmental conservation which confirmed that all 87 projects have been implemented in line with the measure requirements, and in particular that:

- the projects covered 216.5 ha in total,
- the projects concerned implementation of elements increasing the ecological stability and planting greenery in the landscape.

Furthermore, in line with the description of the measure: **this investment shall also include the implementation of green infrastructure measures supporting biodiversity which may include, but are not limited to bio centres and bio corridors.**

As evidenced by Annex 5 (page 2, first paragraph in the chapter 'results') the projects implemented under the investment included elements of the territorial system of ecological stability like bio centres, bio corridors.

In addition, the Operational Manual for the Provision of Subsidies from the National Recovery Plan, issued by the Land Office (Annex 6), describes the measures to be supported under Target 137. These are detailed in Chapter D.2.2.b) (Projects) and Chapter D.2.5 (Eligible and Ineligible Expenditure) and align with the target and measure descriptions.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C2.6]-I[I3]-T[138]: Completion of environmental protection activities and adaptation to climate change (in ha of land served by the investment).

Related Measure: C2.6.I3 Land consolidation

Quantitative Indicator: Hectares of land

Baseline: 0

Target: 150

Time: Q4 2024

1. Context:

The measure aims at increasing the ecological stability of the landscape and its resilience to climate change, at promoting biodiversity and non-productive functions of the landscape and at protecting agricultural lands and water resources.

Under target 138 at least 150ha of environmental protection activities and adaptation to climate change projects shall be completed.

Target 138 is the second and last target of the investment, and it follows the completion of target 137, related to the completion of green infrastructure projects promoting biodiversity including bio centres, bio corridors and plant of locally typical greenery in the agricultural landscape.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone was satisfactorily fulfilled.
2	Annex 1 – List of projects of 98 projects implemented for the target	List of the implemented projects, including project registration numbers and key project information (e.g. location, ha covered)
3	Annex 3: Signed declarations by the State Land Office of the areas of measures implemented (98 documents)	Signed declarations by the implementing body on the completion of 150 ha of blue infrastructure support environmental protection and climate change adaptation projects
4	Annex 5 - Report by independent engineer issued on 19.02.2025	The independent assessment was carried out by an independent expert from 'Centrum pro krajinu' which confirmed that all projects were implemented in line with the investment's requirements.
5	Annex 7 – Operational manual for the provision of subsidies from the NRP	Operational manual for granting subsidies issued by the State Land Office (June 2022).

3. Analysis:

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

At least 150ha of environmental protection and of adaptation to climate change projects are completed.

As evidenced in Annexes 1, 3 and 5, Czechia completed 218,2375 ha of environmental protection and adaptation to climate change projects. For each of the 98 projects completed, the implementing body (i.e. State land office) had to submit to the Ministry of Environment a signed declaration reporting on the project area. According to the evidence provided under Annexes 3, Czechia completed 218,2375 ha of environmental protection and adaptation to climate change, thus exceeding the goal of Target of 150 ha by 68,2375 ha.

These projects shall focus on the protection of soil and water by the implementation of anti-erosion actions in the landscape that may include, but are not limited to balks, diagonals, trenches or grass strips. Furthermore, in line with the description of the measure, **the measures focus on protecting soil and water by implementing anti-erosion measures that may include but are not limited to balks, diagonals, trenches or grass strips)**

- According to the evidence submitted under Annex 5 (page 2, second paragraph in the chapter 'results') all of the projects were assessed by the independent expert organisation, with expertise in landscape and environmental conservation. This expert organisation confirmed that on an area of 218,2375 ha, wetlands, ponds, watercourse revitalisation, water reservoirs and anti-erosion measures to eliminate the adverse effects of surface runoff (ditches, swales, borders, grass trips and other retention measures) were implemented.

In addition, the Operational Manual for the Provision of Subsidies from the National Recovery Plan, issued by the Land Office (Annex 7), describes the measures to be supported under Target 138. These are detailed in Chapter D.2.2.a) (Projects) and Chapter D.2.5 (Eligible and Ineligible Expenditure) and align with the target and measure descriptions.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C2.6]-I[I4]-T[141]: T2: Reforestation of additional 24000ha of areas by ameliorative and stabilising tree species

Related Measure: C2.6.I4 Building forests resilient to climate change

Quantitative Indicator: Hectares of reforestation

Baseline: 12000

Target: 36000

Time: Q3 2024

1. **Context:**

The measure aims at restoring a stable forest by planting native and heterogeneous species, while aiming for multigenerational and spatial composition of the forest to be resilient to climate change.

Target 141 consists of the reforestation of 24 000 ha of areas by ameliorative and stabilising tree species.

Target 141 is the third and last target of the investment, and it follows the completion of target 139 and milestone 140, related to the amendment to the ministerial decree on forest management and to the reforestation of 12 000 ha of areas which have been positively assessed under the second payment request. This investment has a final expected date for implementation on 30 September 2024.

2. Evidence provided:

	Name of the evidence.	Short description
1	Summary document	Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled
2	Annex 1_1	Report provided by the Ministry of Agriculture with the view to confirming the completion of more than 24 000 ha of reforestation (undated). This report includes a (i) description of the individual species planted and the respective number of hectares covered and (ii) an embedded hyperlink to a territorial plan indicating the conducted reforestation together with an approximate number of trees planted, broken down to individual species
3	Annex 1_2	Excel file titled 'Annex Target confirmation_data" and listing 12 347 applicants, including the area they cover in ha and respective tree species
4	Annex 3 – Independent Report	A copy of the independent completion report issued by the Technical University in Zvolen, the Forestry Faculty, Department of Economy and Politics dated from 10 October 2023

5	Checklist of the regional office and completion report issued by a forester	For a random sample of 60 projects, a checklist of the regional office was requested, containing, among others, the ID of application, the name of the applicant/beneficiary, the year of execution of the planting and compliance with the requirements of the Government Regulation 30/2014. In addition, for each of the 60 units, Czechia provided the completion report issued by a forester containing in particular the area covered (in ha) and the tree species involved.

3. Analysis:

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

Completion report by an independent body for an additional 24 000 ha.

CZ provided a completion report issued by the Technical University in Zvolen in Slovakia, contracted by the Ministry of Agriculture (See Annex 3). This report confirms that 23 771 applications for financial contributions submitted between 2020 and 2023 correspond to the reforestation with ameliorative and stabilising tree species of 30 133,4 ha (see page 48). The independent body report covers slightly more applications than those ultimately listed under target 141. As shown in Annex 1_1 and 1_2b, the final area reforested with ameliorative and stabilising tree species included in target 141 (linked to 12 347 projects) is 29 140,42 ha. This difference is due to the delay in some applications pay off. The selection of the Slovak University as a contractor meets the condition of independent body as the latter receives no financial contribution linked to the reforestation projects assessed (see page 4 of the report).

Native tree species shall be used, unless it can be demonstrated that they are no longer adapted to projected climatic and pedo-hydrological conditions. Also, admixtures of not more than 25% of Douglas fir in mixed stands shall be accepted where allowed by national legislation, excluding Natura 2000 and other protected areas, and if the suitability of Douglas fir for the projected climatic conditions of the site of reforestation can be demonstrated.

According to the Government Regulation No. 30/2014 Coll. only native species are eligible for the support, except for Douglas fir. Douglas fir is only subsidised in the reforestation of forests outside Natura 2000 and special protected areas (see Annex 1 to the Government Regulation No. 30/2014 Coll., table II, footnote 1). The condition for Douglas fir was introduced by an amendment to the Government Regulation No. 30/2014 Coll., which entered into force in January 2022. Since some of the projects supported under target 141 materialised before 2022, additional control system was put in place to ensure Douglas Fir were excluded from Natura 2000 and other protected area. The independent body concludes that admixtures of not more than 25% of Douglas Fir in mixed stands were accepted and that Natura 2000 and other protected areas were excluded (See Annex 3, page 52).

Following the selection of a random sample of 60 units, Czechia submitted the checklist of the regional office containing, among others, the ID of application, the name of the applicant/beneficiary, the year of execution of the planting and compliance with the requirements of the Government Regulation 30/2014. Czechia also provided the completion report issued by a forester containing in particular the

area covered (in ha) and the tree species involved. The evidence provided for a sample of 60 units confirmed that the target of 24 000 ha of reforestation is reached. Based on the confirmation issued by foresters, it was verified that each unit is compliant with the evidence provided by the authorities in Annex 1_2 containing underlying data on individual reforestation actions and total sums (projects marked as B.a.1 (natural renewal) and B.b.1 (artificial renewal). In particular, it was verified that tree species and stands (including area in ha) correspond to the information provided in Annex 1_2. The evidence provided allows to confirm the information contained in both the independent report (Annex 3) and in Annex 1_2. The evidence provided confirmed also that native tree species have been used and that no more that 25% of Douglas fir was supported, also at unit level.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C2.7]-I[I1]-M[148]: Award of the contracts for projects investing in recycling infrastructure by the Ministry of Environment

Related Measure: C2.7.I1 Building recycling infrastructure

Qualitative Indicator: Grant decisions for projects investing in recycling infrastructure by the Ministry of Environment

Time: Q3 2024

1. Context:

The objective of this measure is to support investments into the development of a circular economy in the biodegradable waste management sector. The measure aims to support projects enhancing biodegradable waste recycling capacities and projects aiming at the reintroduction to the soil of compost and of the waste from biogas digesters.

Milestone 148 requires grant decisions issued by the Ministry of the Environment for projects investing in recycling infrastructure projects, consisting of construction and modernisation of composting facilities and support for acquisition of equipment for agricultural entities, operators of composting plants and biogas stations. This milestone also requires the recipients of support for acquisition of equipment to incorporate a minimum of 40 tonnes per hectare over five years.

The milestone will be followed by milestone 149, related to investments in the recycling infrastructure. The investment has a final expected date for implementation on 31 December 2025.

2. Evidence provided:

	Name of the evidence.	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled
2	Annex 1 - Consolidated list of projects	A MS Excel file containing a list of the 315 grant decisions under the Ministry of Environment call. The list includes the application registration number, project name, description, place of realisation, date of the grant decision, and indicates the expected number of tonnes to be generated in a year, and a tracker of contract signatures.
3	Annex 2 - Call for grant requests from the Ministry of Environment, no. 6/2023	The call was open from 1 September 2023 to 2 September 2024, with projects required to complete by 31 October 2025. The call is also available online https://www.narodniprogramzp.cz/dokumenty/detail/?id=3472
4	Annex 3 – Grant Decisions and Grant Contracts, dated between 19 December	315 Grant Decisions in the form of Decision of the Minister listing the decision date and identification number, grant amount, project

	2023 and 3 April 2025 (419 documents)	goal and application dates. The annex also includes Grant Contracts for 104 projects which received the Grant Decision before 9 March 2024, signed by the Ministry and Recipients.

3. Analysis:

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

Grant decisions for projects investing in recycling infrastructure by the Ministry of Environment.

Between December 2023 and April 2025, the Ministry of Environment issued Grant Decisions for 315 grant projects focused on the improvement of the overall system for handling of biodegradable municipal waste, a sub-sector of recycling infrastructure. Each of these decisions signed by the Minister of Environment include the specific objective and goal of the project, the grant amount and the applicable rights and obligation of the addressee of the decision, i.e. the recipient of the support (see Annex 3).

The projects consist of construction and modernisation of composting facilities and community composting facilities.

Czechia submitted grant decisions in relation to 170 projects concerning the recycling infrastructure under Annex 3. The recipients include both private and public operators of composting facilities and community composting stations. These projects fulfil the conditions of the call issued by the Ministry of Environment for projects aimed at the improvement of composting facilities and at the application of compost on agriculture land (see Annex 2, description of Activity C). The supported activity related to investments into increasing capacity of biodegradable waste processing facilities, which includes increasing efficiency and modernisation of existing composting plants and establishment of new community composting facilities. All projects have been issued a Grant Decision fiche, outlining its objectives, deadlines, and allocated grant amounts (see Annex 3). The projects are also summarised in Annex 1.

The investment shall also include support for acquisition of equipment for applying a total of at least 200.000 tonnes per year of compost (digestate or fugate) to Agricultural Land Fund (ALF) for agricultural entities, operators of composting plants and biogas stations.

Czechia submitted grant decisions in relation to the 145 projects concerning the purchase of equipment. These projects fulfil the conditions of the above call issued by the Ministry as defined in section 9 (see Annex 2, description of activities A and B, pages 9-10). 122 projects concern Activity A applicable to agricultural enterprises and 22 project concern Activity B applicable to operators of composting plants and biogas stations. As per the description of the call, the acquisition of equipment had to contribute to increased compost application on Agricultural Land Fund (ALF). The exact contribution of each project is specified in the individual corresponding Grant Decision of the Ministry (see page 4 in the Grant Decision fiches in Annex 3). As confirmed by the individual Grant Decision fiches and summarised in the summary table (see Annex 1), all the projects under activities A and B are expected to jointly contribute 244 199 tonnes of compost to the ALF per year, therefore exceeding the target of this milestone.

Recipients of support for acquisition of equipment shall be required to incorporate a minimum of 40 tonnes of compost per hectare over a 5-year period.

The Ministry's call requires recipients of support for purchase of equipment to apply a minimum of 40 tonnes of compost per hectare over a five-year period. This obligation is also referred to as the 'project sustainability period' throughout the documents (as defined in the call fiche, Annex 2, page 3). Hence, agricultural entities receiving grants under activity A must apply at least 40 tonnes of compost per hectare of agricultural land over the five years following the project completion (see Annex 2, pages 3 and 14). Operators of composting facilities supported under activity B must, prior to submitting their grant application, enter into compost-supply contracts with at least one agricultural entity. These contracts must specify the quantity of compost to be supplied and the corresponding land area (see Annex 2, pages 3 and 15).

The requirement is duly reflected for all relevant projects. For 104 projects where a Grant Decision was issued before 9 March 2024, the requirement concerning the minimum amount of compost to be incorporated is part of a Grant Contract which supplements the grant decision - see page 4 in the Grant Contract fiches in Annex 3). After 9 March 2024, the requirement was directly integrated into the Grant Decision, making the Grant Decision alone sufficient to demonstrate compliance of the remaining 82 projects with this milestone (see page 3 in the Grant Decision fiches in Annex 3).

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C2.9]-R[R1]-M[160]: Amendment to the Water Management Act (Act No. 254/2001 Coll.) aiming at a systemic approach to management of drought and water scarcity.

Related Measure: C2.9.R1 Amendment to the Water Management Act

Qualitative Indicator: Entry into force of the Amendment to the Water Management Act (Act No. 254/2001 Coll.)

Time: Q4 2024

1. **Context:**

The objective of the reform is to amend the Water Management Act, in order to address droughts and water scarcity in a more systematic way. The amendment shall define the framework for prevention and monitoring of droughts, the responsibilities of relevant authorities and control mechanisms. The reform aims to establish regional commissions with a mandate to issue a declaration of "state of water scarcity" and apply corresponding limitations on the use of water in the region, pursuant to droughts management plans.

Milestone 160 concerns the adoption of the amendment to the Water Management Act. The amendment defines the framework for the prevention of droughts and water scarcity by the monitoring of droughts, the establishment of control mechanisms and definition of responsibilities of competent authorities. In addition, regional and a central commission for the prevention, monitoring and management of drought and water scarcity shall be established and regional and national drought plans shall be developed and approved.

Milestone 160 is the only milestone of this reform, related to management of drought and water scarcity. The reform has a final expected date for implementation on 31 December 2024.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the target (including all constitutive elements) was satisfactorily fulfilled
2	Annex 1 – Act No. 544/2020 Coll. of 1 December 2020 amending Act No. 254/2001 Coll., on water and amending certain acts (the Water Act); as amended, and other related acts.	This Act was published in the Official Journal n. 244 on 23 December 2020 and entered into force on 1 February 2021
3	Annex 2 - Resolution of the Government of the Czech Republic of 26 September 2022 No. 819 on the establishment of the Central Drought Commission and approval of its Statutes	Resolution of the Government of the Czech Republic about establishing the Central Drought Commission and approving its statute.
4	Annex 3 - Statute of the Central Drought Commission	Document defining the framework for functioning of the Central Drought Commission

5	Annex 4 - Drought and Water Scarcity Management Plan for the territory of the Czech Republic	The National Drought Plan is a document defining the actions of public authorities of Czechia for occurrence of drought and water scarcity. It was prepared by the Ministry of Agriculture and the Ministry of the Environment in accordance with the Water Act. The plan was published in January 2024.
6	Annex 5 – Regional Drought and Water Scarcity Management Plans	All 14 regional drought plans were approved and published in January 2023.
7	Annex 6 – Print screens of the Online Drought Management System	Print screens demonstrating up-to-date information from the drought forecasting services.
8	Annex 7 – Act No. 254/2001 Coll., on water and amending certain acts	This Act was published in the Official Journal n. 98 on 25 July 2001 and entered into force on 1 January 2002.

3. Analysis:

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

Entry into force of the Amendment to the Water Management Act (Act No. 254/2001 Coll.)

The Act No. 544/2020 Coll. of 1 December 2020 amending Act No. 254/2001 Coll., on water and amending certain acts (Annex 1, hereafter referred to as the Amending Act) was published in the Official Journal, n. 244, and entered into force on 23 December 2020 and became applicable on 1 February 2021.

The amendment to the Water Act defining the framework for the prevention of droughts and water scarcity by the monitoring of droughts […] Furthermore in line with the measure description, **the objective of the reform shall be to amend the Water Management Act, in order to tackle droughts and water scarcity in a more systematic way. The amendment shall define the framework for prevention and monitoring of droughts, the responsibilities of relevant authorities.**

Article 1 paragraph 62 of the Amending Act introduces Title X, titled "Drought and Water Scarcity Management", which defines the framework for the prevention and monitoring of droughts and water scarcity by creating provisions concerning the operational drought management plans (Articles 87b, 87c and 87d) and drought commissions (Articles 87f and 87g). In this title, Article 87i ensures the monitoring of droughts by requiring that the Czech Hydrological Institute shall provide a drought forecast service which will inform the drought authorities about the risk of drought and its further development. As demonstrated by the data extract provided in Annex 6, such a monitoring service is available through the Online Drought Management System (HAMR system) which is co-managed by the Czech Hydrological Institute.

the establishment of control mechanisms

Section 87d paragraph 1 of title X introduced by the Amending Act mandates that the National Drought Plan is drawn up and updated jointly by the Ministry of Agriculture and the Ministry of the Environment. Section 87d paragraph 2 establishes the control mechanism by setting out that the draft of the National Drought Plan and its updates are discussed with regional authorities, basin managers,

the Czech Hydrometeorological Institute, the Ministry of Transport, the Ministry of Health and the Ministry of the Interior. In addition, according to the provisions of Article 87d paragraph 2, the National Drought Plan and its updates are published by the Ministry of Agriculture and the Ministry of the Environment in a way that allows for a remote access.

Article 87c paragraph 1 of title X introduced by the Amending Act sets out that the regional drought plan is drawn up and updated by the regional authority for the territory of the region, in cooperation with the relevant river basin managers and the Czech Hydro Meteorological Institute. The control mechanism is set out in Section 87c paragraph 2 introduced by the Amended Act. According to its provisions, the draft drought plan and its updates are negotiated by the regional authority with the authorities of municipalities with extended competence in its administrative district, the regional authorities of the neighbouring regions, the Police of the Czech Republic, the region's fire rescue service, the competent regional authority, the regional sanitary service, the users of water relevant to the area of the region, the Ministry of Agriculture and the Ministry of Environment. Additionally, the control mechanism is ensured by Article 87c paragraph 2, which specifies that if a waterway used in the territory of the region is of significant importance, the regional authority must also discuss the draft drought plan and its updates with the Ministry of Transport and the State Navigation Administration. Article 87c paragraph 2 also states that the regional drought plan and its update must not conflict with the National Drought Plan and with the drought plans of the other regions. It is also stipulated that the regional drought plan and its updates, after approval by the Ministry of Agriculture and the Ministry of the Environment, are to be published by the regional authority in a way that allows for a remote access.

and definition of responsibilities of competent authorities shall be adopted.

Article 87e paragraph 1 of title X introduced by the Amending Act defines the competent authorities in the field of drought and water shortage management (hereinafter referred to as the Drought Authority). It specifies that they include water authorities listed under Section 104 paragraph 2 of the Water Act (Annex 7) (municipalities; exit offices in the territory of military districts; district authorities; regions; the Ministry of Agriculture and Ministry of Environment as central water authority) and the Central and Regional Drought Commissions established under Article 87g and Article 87f of title X introduced by the Amending Act.

Article 87e paragraph 2 of title X introduced by the Amended Act specifies that the Ministry of Agriculture or the Ministry of Environment shall be the superior administrative authority of the Central Drought Commission and the Regional Drought Commissions within the limits of the powers conferred upon them by the Water Act.

Part 5 of Title X introduced by the Amending Act establishes the responsibilities of the Regional Drought Commission and the Central Drought Commission. Article 87j paragraph 1 of title X introduced by the Amending Act lays out that the Regional Drought Commission decides to declare and lift the state of water scarcity. According to Article 87k paragraph 1 of title X introduced by the Amending Act, the Regional or Central Droughts Commission can for as long as is strictly necessary, issue measures, which among others can introduce limitations or special responsibilities as to the use and management of water. In addition, the Article 87k paragraph 4 provides that the Regional Drought Commission must act in accordance with measures issued by the Central Drought Commission, while paragraph 3 states that in case the Regional Drought Commission issues measures pursuant to paragraph 1, it must notify the superior administrative authority.
Article 87j paragraph 6 introduced by the Amending Act sets out that the Central Drought Commission manages and coordinates individual measures of the Regional Drought Commissions that have an effect beyond the borders of the given region and, pursuant to Section 87k paragraph 1, where

necessary, adopts other measures in accordance with the National Drought Plan. As evidenced by Annex 2, further responsibilities of the Central Drought Committee are specified in Article 2 of its Statute (Annex 3), which approved by the Resolution of the Government of the Czech Republic of 26 September 2022 No. 819.

A regional and a central commission for the prevention, monitoring and management of drought and water scarcity shall be established.

Article 87g introduced by the Amending Act stipulates that the Central Commission on Droughts is set up by the government. As evidenced by Annex 2, the Resolution of the Government of the Czech Republic of 26 September 2022 No. 819 established the Central Drought Commission and approved its Statutes. The composition of the Central Commission is determined by its Statute.

According to Article 87f paragraph 1 introduced by the Amending Act, the governor of the region, as the special authority of the region, establishes the Regional Drought Commission and is its chairman. The other members of the Regional Drought Commission are appointed by the governor of the region from among the employees of the regional office, the managers of the relevant river basins, the Czech Hydrometeorological Institute, the Police of the Czech Republic, the Regional Fire Rescue Service and the Regional Public Health Authority.

Regional and national drought plans shall be developed and approved.

According to Article 87d point 1 of title X introduced by the Amending Act, the National Drought Plan is drawn up and updated jointly by the Ministry of Agriculture and the Ministry of the Environment. As evidenced by Annex 4, the plan was approved and published online in January 2024.
Article 87c point 1 of title X introduced by the Amending Act, sets out that the regional drought plan is drawn up and updated by the regional authority for the territory of the region, in cooperation with the relevant river basin administrators and the Czech Hydro Meteorological Institute. As evidenced by Annex 5, all 14 regional drought plans were approved and published online between 2022 and 2023.

Furthermore, in line with the description of the measure, the reform **shall aim at the establishment of regional commissions with a mandate to issue a declaration of "state of water scarcity" and apply corresponding limitations on the use of water in the region, pursuant to droughts management plans.**

Article 87j paragraph 1 of Title X introduced by the Amending Act lays out that the Regional Drought Commission decides to declare and lift the state of water scarcity. According to Section 87k paragraph 1, the Regional or Central Droughts Commissions can, for as long as is strictly necessary, issue measures, which, among others, can introduce limitations or special responsibilities as to the use and management of water. As stipulated by Section 87b paragraph 2c, these measures are to be taken on the basis of the drought plans.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C3.1]-I[I1]-M[170]: Creation of a digital platform for effective sharing of educational resources

Related Measure: C3.1.I1 Implementation of the revised curriculum and digital skills of teachers

Qualitative Indicator: A digital platform fully operational

Time: Q4 2024

1. Context:

The measure aims at supporting the implementation of the revised curricula and the Framework of Teacher's Digital Skills (DigCompEdu) in schools. The support shall be demand-driven and reach at least 4000 schools. It shall consist of financial support for training of teachers in digital skills and IT literacy as required by the revised curricula; guidance (workshops, webinars, individual counselling) for headmasters, school ICT coordinators, curricula coordinators and IT teachers with a view to help effectively implement the curricula reform; creation by 31 December 2024 of a digital platform providing teachers with access to existing databases with education content (for example online teaching material, webinars or e-learning courses).

Milestone 170 consists of the creation of a digital platform for effective sharing of educational resources, which shall provide teachers with access to existing education content (for example digital educational resources, webinars or e-learning courses). It shall establish links to existing databases of digital education materials.

Milestone 170 is the first step of the implementation of the investment and it will be followed by target 171, related to the number of schools which received support to implement new IT curricula (digital skills of teachers and guidance). The investment has a final expected date for implementation on 31 March 2026.

2. Evidence provided:

	Name of the evidence.	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Annex 1 - Link to the digital platform	PDF document containing the link to the digital platform. The digital platform is available at: https://mojeedu.npi.cz.
3	Annex 2 – Certificate of works completion issued by National Pedagogical Institute	This certificate proves that the digital platform has been completed and is operational (signed on 31 December 2024).
4	Annex 3 – Integrated data	List of exported selections of data representing the content of the databases with existing educational content for teachers

3. Analysis:

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

The digital platform under the responsibility of the Ministry of Education, Youth and Sports shall provide teachers with access to existing education content (for example digital educational resources, webinars or e-learning courses). Furthermore, in line with the description of the measure, **creation by 31 December 2024 of a digital platform providing teachers with access to existing databases with education content.**

The digital platform was created on 31 December 2024 (see Annexes 1 and 2). The Commission services accessed the link provided by the authorities on 20 June 2025 to verify that the platform provides teachers with access to existing education content. This check was completed successfully, confirming that the platform provides teachers with access to existing education content categorised by target groups (such as primary school, secondary school), themes (such as working with diverse groups, teacher qualifications), location and date, and that the existing education content includes digital educational resources, webinars and online courses.

It shall establish links to existing databases of digital education materials.

The digital platform integrates existing databases from the offer of the National Pedagogical Institute of the Czech Republic (NPI) for pedagogical staff. Annex 2 demonstrates the handover of the databases. The NPI databases include the IS HELEN information system, which contains digital education materials such as courses, webinars and workshops, and the methodological portal RVP.CZ, which contains digital education materials such as digital teaching materials and expert articles (see Annex 3).

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C3.3]-R[R1]-M[185]: Entry into force of the amended Employment Act

Related Measure: C3.3.R1 Development of labour market policies

Qualitative Indicator: Provision in the amended Employment Act indicating the entry into force of the amended Employment Act

Time: Q4 2025

1. Context:

The aim of this reform is to promote life-long learning in Czechia through coordinated development of life-long learning programmes in line with the actual and anticipated demand for skills and better targeting of support to the vulnerable groups. This should include people at risk of outplacement and employed people seeking upskilling resulting in an increasing demand for and uptake of further education. Additionally, a database of reskilling and upskilling courses and establishment of at least 14 regional training centres (under the responsibility of the Labour Office) sufficiently equipped to provide life-long learning in the area of digital technologies and Industry 4.0 shall allow for reinforced cooperation with regional vocational schools and a more flexible provision of reskilling courses according to the actual needs of the regional labour market.

Milestone 185 requires entry into force of an amendment to the Employment Act which defines people with special needs disadvantaged in the labour market, better targets these vulnerable groups (e.g. especially the low-skilled, excluded persons or at risk of social exclusion) and improves the matching of retraining courses organised by the Labour Office to jobseekers.

Milestone 185 is the third milestone of the reform, and it follows the completion of milestone 184, related to establishment of the tripartite re-skilling and upskilling committee, and milestone 186, related to establishment of database of reskilling and upskilling courses. It will be followed by target 188, related to establishment of 14 regional training centres to promote Industry 4.0. The reform shall be completed by 31 December 2025.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Annex 1 - Act No. 469/2024 of 18 December 2024, amending certain laws in connection to the adoption of the Act on integration social enterprise	This legislative act amends Act No. 435/2004 Coll., on Employment. In line with national law, it is published in the Official Journal and enters into force on 27 December 2024 and entered into application on 1 January 2025.

3. Analysis:

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

Entry into force of the amended Employment Act. Furthermore, in line with the description of the measure, **the reform consists of a number of systemic measures: a legislative amendment, by 31 December 2025, […].**

Act No. 469/2024 of 18 December 2024, amending certain laws in connection to the adoption of the Act on integration social enterprise, amends the Employment Act and entered into force and into application on 1 January 2025 (Annex 1, Article VI).

The law shall:

- **(i Provide a definition of people with special needs disadvantaged in the labour market**

Act No. 469/2024 defines persons with special needs depending on factors influencing their chances of finding a job (Annex 1, Article I Section 33a(1) and (2)). Under this new provision, the Labour offices newly provide enhanced care to persons depending on their profile which has two different levels depending on the severity of the special needs which disadvantage them in the labour market. The process takes into account characteristics such as age, length of unemployment, health status, care for a child or dependent person, education, use of intervention social services, or homelessness to determine difficulty level in finding employment.

- **better target support to these vulnerable groups (for example especially the low-skilled, excluded persons or at risk of social exclusion)**

The newly established system allows for identifying different vulnerable groups which helps the Labour Offices target the support to them in a more structured, effective and transparent manner. As set out under Act No. 469/2024 [Article I Section 33a(1) and (2)] (Annex 1), excluded persons or at risk of social exclusion are primarily categorised in the second, more disadvantaged, level of profiling [see paragraphs (b), (d), (e), (f), and (g)], which includes persons who are long-term unemployed, without shelter, after the end of a custodial sentence and social prevention service recipients from the past 12 months. Low-skilled individuals are represented both in the first level and second level of profiling, for example persons without secondary education.

The support is subsequently targeted to the persons through the Individual Action Plan for jobseekers as set out under Article I Section 33b of the Act (Annex 1). To this end, Labour Offices elaborate the Individual Action Plan with the cooperation of the job seeker to increase the job seeker's chances of placement on the labour market. The Individual Action Plan contains individual measures and retraining. It is concluded either after 3 months of unemployment for persons that fall within the second level of profiling and young people under 26 years of age or after 5 months of unemployment for persons from the first level of profiling.

The above measures, that include newly introduced framework for better identification of persons from vulnerable groups and prioritising mandatory and better tailored Individual Action Plans for the more vulnerable groups, help better targeting of support activities in comparison to the situation before where this activity of labour offices was regulated on a high level only. These changes help increase effectiveness of Labour Offices and thereby also the chances of job seekers to find employment.

- **improve the matching of retraining courses organised by the Labour Office to jobseekers.**

Act No. 469/2024 (Annex 1) introduces an obligation for the Labour Offices to evaluate and update the Individual Action Plan at least every six months. As the Plan contains retraining courses, its regular updates improve matching of retraining courses organised by the Labour Office to jobseekers through more tailored and individual approach [See Article I Section 33b(3) and (5)]. Under this Act, the job seeker may use, with the approval of the Labour Offices, education programmes organised by the third persons, education providers or social services, for example in identifying the qualification needs or abilities and skills [See Article I Section 33b(5)], which further contributes to better matching of retraining courses organised by the Labour Office by correct identification of individual needs and talents. The introduction of Individual Action Plans, as a novelty, and expansion of the number of stakeholders who can be supported is an improvement in comparison to the previous legislation.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C3.3]-I[I3]-T[196]: T1: Number of low-emission vehicles purchased for social prevention, counselling or home-care services

Related Measure: C3.3.I3 Development and modernisation of social care infrastructure

Quantitative Indicator: Number of vehicles

Baseline: 0

Target: 251

Time: Q4 2024

1. Context:

This investment aims to address the lack of social care infrastructure and the need to support the transition towards community-based social and long-term care in Czechia. Investment into home-based and community-based care settings shall be favoured and the principle of freedom of choice and independent living shall be respected for all investment projects. Furthermore, at least 100 electric vehicles and at most 151 plug-in hybrids shall be purchased for providers of social prevention, counselling or home-care services.

Target 196 requires that at least 251 low-emission vehicles shall be purchased, of which (i) at least 100 battery-electric cars and (ii) at most 151 plug-in hybrid cars.

Target 196 is the first step of the implementation of the investment. It will be followed by milestone 273, related to the amendment of the Social Services Act concerning complaints. Milestone 273 will be followed by target 194 and target 195, related to the construction or reconstruction of social care facilities. The investment has a final expected date for implementation on 31 August 2026.

2. Evidence provided:

	Name of the evidence.	Short description
1	Summary document	Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled.
2	Annex 1 – List of vehicles purchased	A list of vehicles purchased, including, for each vehicle: its category, its use (social prevention, counselling or home-care services), an identifier of the signed purchase contract to purchase the vehicle.
3	Annex 2 – Purchase contracts and tender documents	Purchase contracts and tender documents for 272 vehicles purchased, containing information on beneficiaries, category of a vehicle, its technical specification and price.
4	Annex 3 - The call for proposals 31_22_019 from 9 November 2022	Call for proposals by Ministry of Labour and Social Affairs of projects to be supported describing the conditions of the subsidy.

5	Annex 4 - The call for proposals 31_23_066 from 29 June 2023	Call for proposals by Ministry of Labour and Social Affairs of projects to be supported describing the conditions of the subsidy.

3. Analysis:

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

At least 251 low-emission vehicles shall be purchased. Furthermore, in line with the description of the measure, **at least 100 electric vehicles and at most 151 plug-in hybrids shall be purchased for providers of social prevention, counselling or home-care services.**

Czechia has provided a list of 272 low-emission vehicles (Annex 1) that were purchased for providers of social prevention, counselling or home-care services providers according to calls for proposals (Annex 3, pages 5 and 6 and Annex 4, pages 8 and 9) and as defined in Social Services Act no 108/2006 published in the Czech Official Journal on 6 November 2006 (108/2006 Sb. m. s.). These providers need to maintain their status for the whole duration of the investment (Annex 3, pages 15, 16, 18 and 20, and Annex 4, page 18). Purchase contracts are included in Annex 2.

Following the selection of a random sample of 60 units, Czechia submitted purchase contracts and registration certificates for the battery-electric and plug-in hybrid cars. The evidence provided for a sample of 60 units confirmed that the contracts have been signed by both the relevant administrations and the contractors for the agreed types and numbers of vehicles, therefore, the requirements of target 196 have been met - 272 low-emission vehicles for providers of social services were purchased, thus exceeding the goal of Target 196 (the target under assessment) by 21 units. The contracts included references to the respectable projects and were consistent with the summary information in Annex 1.

(i) of which at least 100 battery-electric cars

As evidenced by the list of vehicles purchased (Annex 1) and by the purchase contracts (Annex 2), 153 battery-electric vehicles were purchased, which exceeds the target of at least 100 such vehicles. The evidence checked for a random sample of 60 units confirmed that this requirement of the target 196 has been met.

(ii) at most 151 plug-in hybrid cars

As confirmed by the list of vehicles purchased (Annex 1) and by the purchase contracts (Annex 2), 119 plug-in hybrid vehicles were purchased. Thus, the maximum number of plug-in hybrid vehicles allowed under this target was not exceeded. The evidence checked for a random sample of 60 units confirmed that this requirement of the target 196 has been met.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C3.3]-I[I3]-M[273]: Amendment of Social Services Act concerning complaints

Related Measure: C3.3.I3 Development and modernisation of social care infrastructure

Qualitative Indicator: Amended Social Services Act

Time: Q4 2024

1. Context:

This measure aims at addressing the lack of social care infrastructure and the need to support the transition towards community-based social and long-term care in the Czech Republic.

The milestone requires that the Social Services Act is amended to establish a social service complaint mechanism for clients and other persons. The complaint mechanism broadly corresponds to the existing health service complaint mechanism.

Milestone 273 is the first milestone of the investment (together with target 196). It will be followed by target 194 and target 195, related to the construction and re-construction of social service facilities. The investment has a final expected date for implementation on 31 August2026.

2. Evidence provided:

	Name of the evidence.	Short description
1	Summary document	Summary document duly justifying how the target (including all the constitutive elements) was satisfactory fulfilled
2	Act No. 38/2025 Coll. of 18 February 2025, amending the Act No. 108/2006 Coll., on Social Services.	This Act was published in the Official Journal and entered into force on 18 February 2025. It entered into effect on 1 March 2025, including the provisions relevant for this milestone (Title X). There is delayed applicability regarding provisions unrelated to this milestone.

3. Analysis:

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

The Social Services Act shall be amended, the amendment shall enter into force and establish a social service complaint mechanism ensuring […]. Furthermore, in line with the description of the measure, **the Social Services Act shall be amended, introducing a complaint mechanism for the clients of social services.**

Czechia adopted Act No 38/2025 Coll. to amends Act on Social Services. The Act was published in the Official Journal and entered into force on 18 February 2025. It entered into application on 1 March 2025 (Title X), with delayed applicability for provisions unrelated to this milestone (Title II, Title IV, Title VI and Title X). The provisions set out below that are relevant to fulfil this milestone entered into application on 1 March 2025. A complaint mechanism is introduced under new sections 99a and 99b of the Act (Article I point 54).

Clients, client's legal guardians and family members have the right to submit complaints concerning social services to their provider.

Under Section 99a, the clients, client's legal guardians and family members have the right to submit complaints against the provider of social services within the time limit of one year since the event triggering the complaint. Such complaints are submitted directly to the provider.

Complainants have the right to be informed how the complaint was resolved.

Under Section 99a, the social service provider is required to inform the complainant in writing about the resolution of his or her complaint within 30 days, subject to extension of additional 30 days where justified.

Complainants have the right to appeal to a body independent of the service provider; and the body shall consider the appeals on both merit and process.

Under Section 99b, the complainants are entitled to submit an appeal against the decision (or lack thereof) of a social service provider to the Ministry of Labour and Social Affairs. The Ministry, as a body independent of service providers, is obliged to review the complaint both on the merit and the process. The Ministry is required to inform the complainant in writing about the resolution of his or her complaint and should it consider that the complaint against the provider is well founded, it shall order the provider to remove the unsatisfactory situation within a specified timeline and inform the Ministry about it or, alternatively, notify another competent authority where appropriate.

Service providers as well as the relevant appeal body or bodies shall keep a record of the complaints received.

Under Section 99a and 99b, both providers and the Ministry shall keep a written record of the complaints received and their resolution.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C3.3]-R[R4]-M[276]: Entry into force of an Amendment to the Act on Social and Legal Protection of Children and other legislation

Related Measure: C3.3.R.4 Reform in the care of the children at risk

Qualitative Indicator: Legal Act

Time: Q4 2024

1. Context:

The reform aims to improve social care services for children at risk, meaning children whose basic needs cannot be satisfied by their own families' resources, by the Entry into force of the Amendment on the Act on Social and Legal Protection of Children and other legislation and by restricting the placement of children below the age of four into institutional care.

Milestone 276 requires the entry into force of amendments to the Act on Social and Legal Protection of Children and other legislation. The goal of the amendments is to, as a general rule, ban the placement of children under the age of four into institutional care, subject to exceptions for time-limited stays, cases when the children require high intensity of care, and when there is an interest in preserving sibling ties. The amendment also aims to abolish specialised institutional care homes for children under four years of age *("Dětské domovy pro děti do 3 let věku").*

Milestone 276 is the only milestone of this reform, with expected completion by 31 December 2024.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled
2	Act No 363/2021 Coll, of 8 October 2021, amending Act No 359/1999 on the Social and Legal Protection of Children (*Zákon o sociálně právní ochraně dětí)*	This Act was published in the Official Journal and entered into force on 8 October 2021. It became applicable as of 1 January 2022. Provisions unrelated to this milestone had delayed applicability on 1 January 2028 and 1 January 2025.
3	Act No 242/2024 Coll., of 10 July 2024, amending Act No 359/1999 on the Social and Legal Protection of Children (*Zákon o sociálně právní ochraně dětí)*	In line with national law, this Act was published in the Official Journal and entered into force on 10 July 2024. It entered into application 1 January 2025.

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

Amendments to the Act on Social and Legal Protection of Children and other legislation shall enter into force,

Czechia adopted two legislative acts which amended the Act No 359/1999 on Social and Legal Protection of Children (*Zákon o sociálně-právní ochraně dětí)*: Act No 242/2024 where provisions concerning the children below 4 years of age, assessed below, entered into force and application on 1 January 2025 (Art. IX) and Act No 363/2021 where relevant provisions, as assessed below, entered into force and application on 1 January 2025.

ensuring that: 1. the placement of children below 4 years of age in institutional care is banned

Children under the age of four can no longer be placed into institutional care, unless there are exceptional circumstances, as assessed below. This is ensured by the amendment to Section 13a of the Act on Social and Legal Protection of Children (see Act No 242/2024, Art. I, Points 16-20). Section 13a provides that only children 'older than four years' can be ordered by courts for temporary removal from the care of their parents or legal guardians and placed into institutional care.

The overall intention is to restrict the placement of young children into institutional care and these provisions started to apply as of 1 January 2025. As of 1 January 2028, the rules restricting the placement of children under the age of four into institutional care will expand to children under the age of seven (see Section 13a read in conjunction of Art. IX of the Act).

subject to the following exceptions: i) stays no longer than (at most) two months;

Act No 242/2024 clarified that there may be exceptional circumstances which derogate from the ban on institutional care for children under the age of four to duly protect and care for these children where necessary. One of the exceptions concerns crisis situations where a child under the age of four requires immediate assistance, allowing children in such cases to be temporarily placed into institutional care. This is ensured by the amended Article 42 of the Act on Social and Legal Protection of Children (see Act No 242/2024, points 62 and 67) which specifies that the period of such immediate institutional assistance cannot exceed two months. Crisis assistance is generally provided on the basis of either a contract with the child's parent or legal guardian with the agreement of responsible authority of social and legal protection of children *(Orgán sociálně-právní ochrany dětí*) or a preliminary court order and does not constitute institutional upbringing.

ii) children in the 3. or 4. intensity-of-care category;

Another exception is that children under the age of four can be placed into long-term institutional upbringing if they require regular high-intensity, namely 3. or 4. intensity of care. This has been established by the amendments to Act No 108/2006 on Social Services (*Zákon o sociálních službách)* through Act No 363/2021, Part Eleven, Section XII, Point 6.

Article 48(2) of the Act on Social Services states that long-term care institutions for persons with health disabilities *(Domovy pro osoby se zdravotním postižením)* can provide services to persons under the age of four only in cases when they have or are expected to reach a III. and IV. degree of dependence on other persons. This is subject to a written confirmation by responsible child protection authority that the child cannot receive the necessary care from its primary or alternative family care. Pursuant to this law, the institutional care for children under the age of four in these facilities will be fully abolished from 1 January 2027 (see Act No 242/2024, Part Eight, Section IX.).

iii) when there is an interest in preserving sibling ties.

Another exception is that children under the age of four may be placed in long-term institutional care if it is in their best interest to preserve ties with siblings. The new Article 42(1) of the Act on Social and Legal Protection of Children, amended through Act No 242/2024 under Point 62, specifies that children under the age of four may remain in institutional care for longer than 2 months in cases when the collective placement with siblings to preserve sibling ties is in their best interest.

2. Institutional care ("Dětské domovy pro děti do 3 let věku") for children below 4 years of age are abolished.

Specialised institutions of care for infants aged three or below (*dětské domovy pro děti do 3 let věku*) had existed in Czechia until 31 December 2024. The institutions have been abolished by the Act No 242/2024 (Article VI, Points 1-3), amending Act No 372/2011 on Health Services (*Zákon o zdravotních službách).* Act No 372/2011 contained the legal basis for care homes for children aged three or below. That legal basis has now been removed together with corresponding provisions in Act No 359/1999 on Social and Legal Protection of Children. Hence, with Act No 242/2024 in force on 1 January 2025, the specialized care home for infants under the age of three ceased to exist as of 31 December 2024. In conjunction with the ban and corresponding exceptions on institutional care for children under the age of four, as assessed above, there are no specialized care institutions for children under the age of four.

Furthermore, in line with the description of the measure, **the reform aims to improve social care services for children at risk, meaning children whose basic needs cannot be satisfied by their own families' resources, by the Entry into force of the Amendment on the Act on Social and Legal Protection of Children and other legislation and by restricting the placement of children below the age of four in institutional care.**

Since the milestone description aligns with that of the measure, the analysis presented above fully satisfies the binding requirement the description of the measure.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C4.1]-R[R3]-T[282]: Number of projects selected for support

Related Measure: C4.1.R3 Financial support for the preparation of projects in line with EU objectives

Quantitative Indicator: Number of award decisions issued

Baseline: 0

Target: 300

Time: Q3 2024

1. Context:

The reform aims to support local and regional authorities in the preparation of project documentation for at least 300 projects in line with EU objectives.

Target 282 concerns the support for preparation of project documentation for 300 projects. A subsidy award decision shall be issued by the subsidy provider (Ministry of Regional Development) for each project.

Target 282 is the only step of the implementation of the reform. The reform has a final expected date for implementation on 30 September 2024.

2. Evidence provided:

	Name of the evidence.	Short description
1	Summary document	Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled.
2	Annex 1 - List of projects selected for support	MS Excel table containing the list of projects selected for support.
3	Annex 2 – 60 Subsidy Award Decisions, dated between 8 July 2024 and 27 March 2025.	Each subsidy award decision, signed by the Ministry of Regional Development, corresponds to a different project selected for support. Each decision contains the implementation timeline, as well as the amount allocated and a brief description of the project objectives.

3. Analysis:

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

The preparation of project documentation for 300 projects shall be supported.

Between 1 November 2023 and 30 April 2024, the Czech Ministry of Regional Development launched five calls for proposals to provide financial support to municipalities and other local and regional

authorities for the preparation of project documentation. As a result of these calls, more than 300 projects were selected and awarded a Subsidy Award Decision (see Annex 1).

The supported activities include the preparation of project documentation such as architectural studies, planning permission applications, building permits, environmental impact assessments, and other necessary preparatory work. These activities are intended to enable municipal, local, and regional authorities to apply to competitive tenders in the future.

Following the selection of a random sample of 60 units, Czechia submitted 60 subsidy award decisions to provide support for the preparation of project documentation. These decisions include references to the measure and project identification, a brief description of the project, the planned implementation start and end dates, and the project's financial plan. The evidence provided for a sample of 60 units confirmed that the requirement of the target has been met – the preparation of project documentation for 381 projects was supported, thus exceeding the goal of Target 282 by 81 projects.

A Subsidy Award Decision shall be issued by the subsidy provider (Ministry of Regional Development) for each project.

Following the selection of a random sample of 60 units, Czechia submitted 60 subsidy award decisions issued by the Ministry of Regional Development. The evidence provided for a sample of 60 units confirmed that the requirement of the target has been met – the subsidy provider (Ministry of Regional Development) issued subsidy award decisions for each project selected for support.

4. Commission Preliminary Assessment: Satisfactorily Fulfilled.

CZ-C[C4.1]-R[R4]-M[287]: Upgrade of the repository system (AIS)

Related Measure: C4.1.R4 The increase of effectiveness and enhancing the implementation of the Recovery and Resilience Plan

Qualitative Indicator: The upgraded repository system (AIS) becomes available to the bodies implementing the RRP

Time: Q3 2024

1. **Context:**

The reform consists of institutional and procedural changes and aims to strengthen the administrative capacity to coordinate and implement the Czech Recovery and Resilience Plan (hereinafter RRP). New full-time equivalent staff shall be hired to support the strategic, analytical, coordination, monitoring, control and communication activities of the bodies involved in the implementation of the Plan, including its coordination and audit. Communication and media campaign as well as new functionalities of the monitoring and reporting system shall also be supported.

Milestone 287 aims for the upgrade of the repository system, which shall be in place and operational. The system shall include, as a minimum, three new elements: a) new milestones and targets and modification of existing milestone/target data; b) new functionalities linked to creation of statistical reports; c) development of the system according to additional reporting requirements.

Milestone 287 is the fourth milestone of the reform. It follows the completion of milestone 284, target 285 and milestone 286 and it is accompanied by target 288 in this payment request. The reform has a final expected date for implementation on 31 December 2024.

2. Evidence provided:

	Name of the evidence.	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Annex 1 – AIS signed Acceptance Protocol	Acceptance protocol signed by the contractor "ASD Software, s.r.o." and the Ministry of Industry and Trade (12 September 2024), demonstrating that the works were carried out according to the requirements.
3	Annex 2a – Modified codebooks of pillars, components, measures, milestones and targets	Screen captures of the updated AIS system, showcasing the new modifications of the RRP milestones and targets (addition of a new pillar, new components and M/Ts and removal of others)
4	Annex 2b – New functionalities linked to the creation of statistical reports	Screen captures of the updated AIS system, showcasing the newly integrated module for generating statistical reports.

5	Annex 2c – Examples of modified functionalities according to additional reporting	Screen captures of the updated AIS system, showcasing some of its functionalities related to the reporting requirements.
6	Annex 2d – Statistical Reports, archived version	Screen captures of the archived version of the external tool aimed at generating statistical reports.
7	Annex 3 – Templates of monitoring reports	Example of the modified PDF templates of Monitoring Reports.
8	Annex 4 – Link to the upgraded repository system	The upgraded repository system (AIS MPO DU) is available at: ais.mpo.gov.cz/AISMPODU2023/Default

3. Analysis:

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

Upgrade of the repository system (AIS).

The AIS MPO DU repository system was upgraded; the new functionalities and modifications were implemented, completed and installed, as described in the acceptance protocol signed by the contractor and the Ministry of Industry and Trade on 12 September 2024 (Annex 1).

The upgraded repository system shall be in place and operational.

The upgraded repository system (AIS MPO DU) is operational and accessible via the designated website which provides a login page for component owners. The Commission services accessed the link provided by the authorities on 19 June 2025 to verify that the upgraded repository system is in place and operational. This check was completed successfully, confirming that the upgraded repository system is in place and operational.

The system shall include, as a minimum, the following new elements:

a) New milestones and targets and modification of existing milestone/target data;

The AIS MPO DU system incorporates the changes to the Czech RRP as of 19 October 2023, through the extension of the code lists in the programme structure of the DU AIS module (see Annex 1). These changes include the addition of the REPowerEU pillar, 11 new components, 49 new measures, and 102 new milestones and targets, along with the removal of four measures and five milestones and targets. Annex 2a provides visual support demonstrating that the codebooks reflect the latest changes.

b) New functionalities linked to creation of statistical reports;

As evidenced by Annex 1, the AIS module of the MPO DU system now includes an extended range of statistical compilations, adjustments to statistical data exports, and an improved search engine for operations and entities, all intended to support more efficient data retrieval and reporting.

The updated AIS MPO DU enables the generation of statistical reports on monitoring reports and common indicator values, replacing the previous external tool, Reporting Suite (Annex 2d). Additionally, two new statistical reports have been introduced for data from completed milestones and

targets (Annex 2b). The “Export Financing” report provides statistical data on the financing of measures under the RRP, detailing public funding and EU funds used. The “Export Entities” section of the Operations Report generates statistical data as required by Article 22(2) sub-paragraph (d) points (i) to (iii) of Regulation (EU) 2021/241 (hereinafter RRP Regulation).

c) development of the system according to additional reporting requirements.

To meet the additional reporting requirements, further developments were made to the AIS MPO DU system, as evidenced by Annex 1. Specifically, the Operations Module Form was updated to support the reporting obligations under Article 22(2) sub-paragraph (d) point (iv) of the RRP Regulation. This update enables component owners to input financial data, including amounts originating from the RRF, other EU sources, and total public funding per operation linked to specific milestones and targets (Annex 2c, page 2). Adjustments were also made to the Monitoring Reports - namely, the Requests for Payment and the Bi-annual Reports - to streamline reporting processes and reduce administrative burden (Annex 1). These adjustments are also reflected in the updated templates for reporting (Annex 3).

The system upgrade includes changes to the Common Indicators Module. This module was updated to allow the collection of data broken down by individual measures, facilitating the monitoring and reporting of common indicator values in line with the RRF reporting obligations (Annex 2c, page 1).
Additionally, the Message Board Module was modified to strengthen communication between the Delivery Unit and component owners. The new functionalities include the ability to reply directly to specific messages and to view the number of attachments associated with each message (Annex 1 and Annex 2c, pages 5 and 6).

Furthermore, in line with the description of the measure, **new functionalities of the monitoring and reporting system shall also be supported.**

New functionalities of the monitoring and reporting system were supported with the upgrades of the AIS MPO DU system described in points a-c in the above analysis.

4. Commission Preliminary Assessment: Satisfactorily Fulfilled.

CZ-C[C4.1]-R[R4]-T[288]: Increasing the number of people working on the Recovery and Resilience Plan by 2024

Related Measure: C4.1.R4 The increase of effectiveness and enhancing the implementation of the Recovery and Resilience Plan

Quantitative Indicator: Full-time equivalent people

Baseline: 338

Target: 470

Time: Q4 2024

1. Context:

The reform aims to strengthen the administrative capacity to coordinate and implement the Czech Recovery and Resilience Plan. New full-time equivalent people shall be hired to support the strategic, analytical, coordination, monitoring, control and communication activities of the bodies involved in the implementation of the Plan, including its coordination and audit. A communication and media campaign as well as new functionalities of the monitoring and reporting system shall also be supported.

Target 288 requires that at least 470 full-time equivalent people (hereinafter "FTE people") shall work on the Recovery and Resilience Plan.

Target 288 is the last step of this reform and is accompanied by milestone 287 in this payment request, related to the upgrade of the repository system (AIS). It follows the completion of milestone 284, target 285, milestone 286, and milestone 287, related to institutional and procedural changes aimed at strengthening the capacity to coordinate and implement the Czech Recovery and Resilience Plan, including an increase in the number of FTE people dedicated to its implementation.

The reform has a final expected date for implementation on 31 December 2024.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary Document	Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled.
2	Annex 1 – List of full time People in RRF	MS Excel table containing the list of RRP supporting staff as of 30 December 2024
3	Annex 2 – 60 job agreements, characteristic fiches and/or contracts (dated between 3 June 2023 and 3 December 2024)	Each job fiche includes a signed agreement with the necessary information to assess target conformity (including, but not limited to, the job description and the FTE). These documents were requested for a random sample of 60 units.

3. Analysis:

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

At least 470 full-time equivalent people shall work on the Recovery and Resilience Plan

According to the evidence provided, Czechia completed 485.09 FTE people (see Annex 1). As of 31 December 2024, a total of 696 individuals were allocated to work on the implementation of the Recovery and Resilience Plan through a combination of full-time and part-time agreements. Therefore, Czechia has completed 485.09 FTE, thus exceeding the goal of Target 288 by 15.09 FTE.

Following the selection of a random sample of 60 units, Czechia submitted 60 job agreements. Each agreement corresponds to one of the 696 individuals assigned to work on the Recovery and Resilience Plan and represents up to 1 FTE. The provided documents (listed in Annex 2) include a job description, a unique staff and/or position ID, the employing institution, full-time equivalent, and employment start and end dates.

The evidence provided confirmed that the requirements of the target have been met for 58 units. For 1 out of the 60 sampled units, Czechia was unable to demonstrate the allocation of 1 individual, representing 1 FTE, to the implementation of the Recovery and Resilience Plan. Of the three documents provided for that unit, none could formally attest the civil servant's agreement to work on the Recovery and Resilience Plan. For 1 out of the 60 sample units, the 0.31 FTE indicated in the list (Annex 1) did not correspond to the maximum 0.2 FTE permitted by the contract. On this basis, a statistical analysis was carried out comparing the reported 485.09 FTE to the actual 483.78 FTE of the sample and taking into account the overachievement of the target of 15.09 FTE for a required 470 FTE people. The conclusion is that there is statistical assurance that Czechia allocated at least 470 FTE people to work on the Recovery and Resilience Plan. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

4. Commission Preliminary Assessment: Satisfactorily Fulfilled.

CZ-C[C4.3]-R[R2]-M[204]: Entry into force of the law on proceedings in cases of judges, prosecutors and bailiffs

Related Measure: C4.3.R2 Strengthening the legislative framework and transparency in the areas of courts, judges, prosecutors and bailiffs

Qualitative Indicator: Provision in the law on proceedings in cases of judges, prosecutors and bailiffs indicating the entry into force

Time: Q4 2024

1. Context:

The aim of this reform is to establish a transparent and uniform system of recruitment and selection of judges and judicial officeholders based on precise, objective and uniform criteria. Furthermore, the reform aims at regulating in more detail the ancillary activities of judges and to streamline court proceedings involving assessors. It also seeks to strengthen the safeguards of disciplinary proceedings for judges, prosecutors and bailiffs by introducing an appeal review.

This milestone requires entry into force of the law on proceedings in cases of judges, prosecutors and bailiffs which introduces an appeal-based instance review of decisions by the Disciplinary Board and other measures namely concerning the composition of the Disciplinary Boards, salaries for civil servants convicted for disciplinary misconduct and settlement of a disciplinary case by agreement.

Milestone 204 is the second and last milestone of the reform, and it follows the completion of milestone 203, related to entry into force of the Courts and Judges Act. The reform shall be completed by 31 December 2024.

2. Evidence provided:

	Name of the evidence.	Short description
1	Summary Document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled
2	Act No. 438/2024 Coll. Of 11 December 2024, amending Act No 7/2002 on proceedings in cases of judges, prosecutors and bailiffs, as amended, and other related acts.	In line with national law, the Act was published in the Official Journal and entered into force on 20 December 2024. It entered into application on 21 December 2024 as concerns the disciplinary boards. The remaining provisions of the law entered into application on 1 January 2025.

3. Analysis:

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

Provision in the law on proceedings in cases of judges, prosecutors and bailiffs indicating the entry into force.

Czechia adopted Act No. 438/2024 Coll., on proceedings in cases of judges, prosecutors and bailiffs on 11 December 2024. Article XIII of the Act (submitted as Annex 1, p. 35) provides that the provisions regarding disciplinary boards (see Art. I points 10 to 25 and Art. IX point 4) entered into force and into application on 21 December 2024 and that the remainder of the law entered into force and application on 1 January 2025.

The law on proceedings in cases of judges, prosecutors and bailiffs shall:

- **introduce an appeal-based instance review of decisions by the Disciplinary Board**

Act No. 438/2024 introduced the right of appeal for judges, prosecutors and bailiffs against the decisions by the Disciplinary Board. The amended Sections 3, 5, 5a, 21 and 21a of the Act now set out the following: the competence of High Courts for disciplinary proceedings in the first instance brought against judges, prosecutors and bailiffs; the competence of Supreme Court and Supreme Administrative Court to decide on the appeals against the decisions of the High Courts, the timeline for the submission of the appeal, conditions of its admissibility and the suspensive effect. This represents an improvement compared to the situation under the previous legislation where only Supreme Court had been competent for disciplinary proceedings without the right of appeal (and with constitutional complaint as the only available legal remedy to challenge the decision of the Supreme Court acting as Disciplinary Board and subject to strict conditions requiring the breach of fundamental rights).

- **shall introduce measures to increase efficiency in proceedings of judges, prosecutors, and bailiffs, namely as regards the composition of the Disciplinary Boards, […]**

Act No. 438/2024 introduced notably the following measures increasing efficiency in proceedings of judges, prosecutors and bailiffs.

In terms of the composition of the Disciplinary Boards: under the new legislation, the number of boards and persons that can act as chairs of the boards, competent to decide on disciplinary proceedings, is higher (as opposed to the previous legislation where only Supreme Court acted as a disciplinary board). New provisions (Sections 5c to 5h of the Act) provide for the exact composition of the Disciplinary boards competent for disciplinary proceedings concerning judges, prosecutors and bailiffs, allowing for a more inclusive participation of different representatives of judiciary, prosecution, attorneys and so on. More boards and chairs mean that cases can be distributed more evenly, reducing bottlenecks and delays that might occur when only one body (the Supreme Court, previously) handled all cases.

To allow for a more efficient handling of the procedure, other measures increasing efficiency include (i) a longer timeline to initiate disciplinary proceedings from 6 to 9 months ensuring sufficient time to prepare a solid case and (ii) the new possibility for a disciplinary board invite the parties to the proceedings to correct deficiencies in the application (see Sections 9 and 9d of the Act).

- **salaries for civil servants convicted for disciplinary misconduct […]**

In terms of the salaries for civil servants convicted for disciplinary misconduct: Act No. 438/2024 clarifies the conditions for salaries of judges and prosecutors convicted for disciplinary misconduct (for example, no salary will be paid following a conviction decision in disciplinary proceedings), increasing efficiency and deterrence. This is set out in Sections 88 and 100 of the Act No. 6/2002 on judges and Section 30 of the Act No 283/1993 on prosecution, amended by Act No. 438/2024. These

new provisions concern only judges and prosecutors as civil servants. Conversely, they do not concern bailiffs who, in their capacity of self-employed persons, are not considered civil servants.

- **and settlement of a disciplinary case by agreement.**

Act No. 438/2024 introduced a new concept allowing for a settlement of a disciplinary proceedings by agreement, a so called 'agreement on guilt and disciplinary measures'. This novelty is set out in amended Sections 9a, 13(2), 17e, 17f, 19a to 19c, and 21(3) (Art. I), 29 (Art. III) 116 (Art. IX) of the Act and increases efficiency by allowing accelerated procedure where judges, prosecutors and bailiffs admit liability and the disciplinary measure.

Furthermore, in line with the description of the measure, **the reform shall be achieved by the following measures:** [...] **entry into force by 31 January 2025 of the law on proceedings in cases of judges, prosecutors and bailiffs**.

Act No. 438/2024, in its entirety, enters into force on 11 December 2024 and into application on 1 January 2025.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C4.3]-R[R4]-M[206]: Entry into force of the law on lobbying

Related Measure: C4.3.R4 Regulation of lobbying

Qualitative Indicator: Provision in the law on lobbying indicating entry into force

Time: Q2 2025

1. Context:

The aim of this reform is to establish a legal framework for lobbying activities in the legislative process, unregulated to this point, to enable public scrutiny of lobbying and thereby to increase transparency of the entire legislative process.

Milestone 206 requires entry into force of the law on lobbying which defines lobbying, requires a register of lobbyists and lobbied persons as well as an obligation to register lobbying subject to sanctions for non-compliance.

Milestone 206 is the only milestone of this reform which has final expected implementation by 30 June 2025.

2. Evidence provided:

	Name of the evidence.	Short description
1	Summary Document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled
2	Act No 168/2025 Coll., of 21 May 2025 on lobbying	In line with national law, it is published in the Official Journal and enters into force on 12 June 2025. It entered into application on 1 July 2025.
3	Act No 169/2025 Coll. of 21 May 2025 which amends certain acts in relation to the adoption of the act on lobbying	In line with national law, it is published in the Official Journal and enters into force on 12 June 2025. It entered into application on 1 July 2025. The Act amends certain provisions related to the operation of state agencies, information services, and rules of procedure of the Chamber of Deputies and the Senate to reflect the new regulation on lobbying.

3. Analysis:

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

The law on lobbying shall:

Czechia adopted Act No 168/2025, on regulating lobbying entered into force on 12 June 2025 upon its publication in the Official Journal and became applicable on 1 July 2025 (see Section 17).

- **shall define lobbying**

The Act No 168/2025 defines the activity of 'lobbying' as well as persons falling within a category of a 'lobbyist' and a 'lobbied person'.

Under Section 2 of the Act, 'lobbying' is defined as an activity with the objective of directly influencing the actions of the 'lobbied person', in particular during the stages of preparation and adoption of legal regulations and other processes at the Czech Parliament, Government, certain administrative authorities and the Czech National Bank. Additionally, the legal definition also set outs certain activities that are not considered 'lobbying' such as exercise of professional activity stemming from the relationship of the person to the public sector in Czechia such as local administration or exercise of civil right, such as petitions and public consultations.

A 'lobbyist', as defined in Section 3, is a person conducting lobbying systematically and registered in the lobbying register. A 'lobbied person', as listed in Section 4, are persons that exercise different political functions such as the President, Member of Parliament or Senate as well as civil servants in the public sector with certain level of seniority or access to decision-makers, except for personnel in the secret services.

- **require setting up a register of lobbyists and lobbied persons**

The Act No 168/2025 requires a lobbying register to be established and administered by the Ministry of Justice under Section 5. The register will list both 'lobbyists' and 'lobbied persons', as per Sections 6 and 7 respectively. The register shall be searchable, including by name, institution, legal document, and unique identification numbers assigned to both 'lobbyists' and 'lobbied persons', thus increasing the transparency of the legislative processes and decision-making in the public sector. This includes public access to the extent specified in the law (see Section 5(2)).

- **introduce an obligation to register lobbying and sanctions for non-compliance.**

Act No 168/2025 requires both 'lobbyists' and 'lobbied persons' to register. 'Lobbyists' are required to notify the Ministry of Justice with a request for registration to gain permission to conduct 'lobbying' (see Section 6). Provided the conditions are fulfilled, the Ministry will proceed with the registration. For instance, the Ministry will consult the register of criminal records to consider whether the requestee is of good repute. 'Lobbied persons' are to be registered by the state institution to which they serve within 15 days of the lobbied person reaching the status outlined in Section 4 (see Section 7).

In case of non-compliance of the law, 'lobbyists' can be fined or restricted in their 'lobbying' activity (see Section 14). For example, the cases of non-compliance include a failure to disclose a continuous 'lobbying' activity or submitting incomplete or false declarations of 'lobbying' activities. 'Lobbyists' can be fined up to 1 million CZK, or 3% of the value of a legal entity's assets or, in more serious cases, be banned from the lobbying activity (see Section 14 (4) and (5)). As per Section 15, the Ministry of Justice is competent for enforcement of compliance under this Act.

Furthermore, in line with the description of the measure, a new law on lobbying shall **be adopted, which shall lay down rules for lobbying activities in order to distinguish between legitimate lobbying activities and undesirable, non-transparent lobbying**.
As set out above, the adopted Act No. 168/2025 lays down the rules for 'lobbying' activities. Specifically, Sections 3, 4 and 5 provide for legal definitions of a legitimate 'lobbying' activity, of a 'lobbyist' and of a 'lobbied person'. Any 'lobbyist' is required under Section 11 to submit a declaration at least twice year about a lobbying contacts made and the objectives that the 'lobbyist' aimed to

achieved; moreover, a ‘lobbyist’ also has to declare that no lobbying contacts were made in the respective period. The ‘lobbyist’ is also required to inform the ‘lobbied person’ in whose interest the ‘lobbying’ is being done (see Section 12). These obligations are subject to sanctions in order to avoid undesirable and non-transparent lobbying.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C4.5]-R[R1]-T[218]: Number of cultural and creative projects supported

Related Measure: C4.5.R1 Legislative reform introducing multi-source financing of cultural institutions and registration of artists

Quantitative Indicator: Number

Baseline: 0

Target: 1000

Time: Q4 2024

1. Context:

The reform consists of the adoption of legislative amendments introducing multi-source financing of cultural institutions and creating a registration system for artists that qualify for state support. The reform also includes setting up a programme of grants to support the cultural and creative sectors, including support for mobility projects, networking and internationalisation, creative learning projects, skills development for cultural and creative sector workers (e.g., digital skills, financial literacy, management skills, individual creative or study projects) and projects promoting links with the educational sector (e.g., hosting of foreign lecturers).

The target consists of a grant scheme supporting at least 1000 cultural and creative projects.

Target 218 is the first step of the implementation of the reform. It is accompanied by milestone 220 in this payment request, related to the entry into force of legislative amendments allowing for cooperative multi-source financing of culture and introducing a registration of artists. The reform has a final expected date for implementation on 31 December 2024.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Annex 1 – List of projects supported by grants from the Ministry of Culture	A list of projects supported by grants under the scheme with the information on relevant calls, project number, project title, beneficiary, period of implementation and project description.
3	Annex 2a – List of calls for grants by the Ministry of Culture	A list of calls for proposals by Ministry of Culture of projects to be supported with the information on the calls, including allocated funds, number of supported projects, descriptions of each call, publication date and links to their publication on the website of the Ministry of Culture.
4	Annex 2b – Calls documentation	Calls for proposals by Ministry of Culture of projects to be supported describing the conditions of the subsidy no. 211, 213, 214, 215,

		216, 217, 311, 312, 313, 314, 315, 316, 317, 318, 411, 412.
5	Annex 3 – Protocols of expert panels meetings evaluating proposals for projects under calls for grants by the Ministry of Culture	Protocols of expert panels meetings evaluating proposals for projects under calls for grants by the Ministry of Culture, including names of experts involved in the evaluation committee and organisations they represent.

3. Analysis:

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

Number of cultural and creative projects supported (1000). Support shall be channelled through a grant scheme. Furthermore, in line with the description of the measure, **the reform also includes setting up a programme of grants to support the cultural and creative sectors**

The Czech Ministry of Culture announced and published on its website 17 calls for proposals of projects to be supported under the grant scheme in the period from 2022 to 2024 (Annex 2a). According to the evidence provided in Annex 1, Czechia supported 1198 cultural and creative projects under these calls.

Following the selection of a random sample of 60 units, Czechia submitted grant decisions for the supported projects. This evidence demonstrates that at least 1000 cultural and creative projects were supported. The grant decisions include references to the supported projects under the respective calls for grants, and demonstrate that the grant decisions were awarded to relevant beneficiaries. The evidence provided for a sample of 60 units confirmed that the requirements of the target have been met – 1198 cultural and creative projects were supported through a grant scheme, thus exceeding the goal of Target 218 by 198.

Supported projects shall include support for mobility projects, networking and internationalisation

Eight calls administered by the Ministry of Culture (no. 211, 214, 215, 216, 217, 314, 315 and 318) supported mobility projects of professionals working in the culture and creative sectors (Annex 2a). The supported activities included presentations by cultural and creative professionals abroad (such as presenting artists and Czech culture at foreign shows and fairs), expert conferences and workshops in the culture and creative sector aiming to develop skills and promote networking, creative residency programmes, traineeships and study visits for professionals abroad (Annex 2b call no. 211 pages 2-3, call no. 214 pages 3-4, call no. 215 pages 4-6, call no. 216 page 4, call no. 217 pages 3-4, call no. 314 pages 4-5, call no. 315 pages 3-4, and call no. 318 page 3). A total of 638 projects were supported under these eight calls (Annex 2a). The evidence checked for a random sample of 60 units confirmed that this requirement of target 218 has been met.

creative learning projects

Three calls administered by the Ministry of Culture (no. 213, 313, 412) supported creative learning projects (Annex 2a). The supported activities included creative learning projects in schools and cultural institutions, projects supporting the coordination of creative learning activities to develop cooperation between schools and universities with cultural institutions, educational activities for educators and cultural and creative professionals, and implementation of conferences, courses and workshops on

creative learning (Annex 2b call no. 213 page 3, call no. 313 page 3, and call no. 412 pages 3-4). A total of 436 projects were supported under these three calls (see Annex 2a). The evidence checked for a random sample of 60 units confirmed that this requirement of target 218 has been met.

skills development for cultural and creative sector workers (e.g., digital skills, financial literacy, management skills, individual creative or study projects)

Two calls administered by the Ministry of Culture (no. 312, 317) supported the development of competencies for cultural and creative sectors workers (Annex 2a). The supported activities included in-person and online learning activities for cultural and creative sector workers on digital skills, financial literacy and management skills, including communication skills, as well as individual creative and study projects (Annex 2b call no. 312 page 2, and call no. 317 page 2). A total of 23 projects were supported under these two calls (see Annex 2a). The evidence checked for a random sample of 60 units confirmed that this requirement of target 218 has been met.

and projects promoting links with the educational sector (e.g., hosting of foreign lecturers)

Three calls administered by the Ministry of Culture (no. 311, 316, 411) supported projects promoting links with the educational sector, such as hosting of foreign lecturers. The supported activities included supporting education projects in master's and doctoral teaching programmes focused on cultural and creative production by hosting foreign lecturers (Annex 2b call no. 311 page 3, call no. 316 pages 3-4, and call no. 411 pages 3-4). A total of 85 projects were supported under these three calls (Annex 2a). The evidence checked for a random sample of 60 units confirmed that this requirement of target 218 has been met.

The target is further specified in the Operational Arrangements, which requires: **The target shall be reached through several calls for proposals administered by the Ministry of Culture and its contributory organisations and Regional Authorities. The support shall be granted either to individuals or to entities organising the trainings.**

The Czech Ministry of Culture announced and published on its website 17 calls for proposals of projects to be supported under the grant scheme in the period from 2022 to 2024 (Annex 2a). All calls were administered by the Ministry of Culture as a leading institution. Furthermore, its contributory organisations co-administered several calls through their engagement in the process of assessing the project proposals in panels of experts, which is a critical step in the grant award process as evidenced by sections on formal checks and evaluation process (Annex 2b). These panels include representatives of, for instance, the National Library of the Czech Republic (Annex 3), whose expertise compliments the projects' evaluation process. Regional Authorities are responsible for administrating grant awards payments for organisations under their control in several calls as evidenced by the sections on implementation and final evaluation of projects (Annex 2b).

Under the calls for proposals of projects published by the Ministry of Culture, support was granted both to individuals and to entities organising the trainings as evidenced by sections on target groups (Annex 2a and Annex 2b (section 1)) and the list of projects (Annex 1).

4. Commission Preliminary Assessment: Satisfactory fulfilled.

CZ-C[C4.5]-R[R1]-M[220]: Entry into force of legislative amendments allowing for cooperative multi-source financing of culture and introducing a registration of artists

Related Measure: C4.5.R1 Legislative reform introducing multi-source financing of cultural institutions and registration of artists

Qualitative Indicator: Provision in the legislative amendments indicating the entry into force

Time: Q4 2024

1. Context:

This reform aims to foster financial stability and sustainability of cultural institutions, and to introduce a formal status and registry of artists allowing for targeted public financial support. It consists of the adoption of legislative amendments introducing multi-source cooperative financing of cultural institutions and creating a registration system for artists that qualify for state support.

Milestone 220 requires the entry into force of legislative amendments which shall allow for multi-source financing of culture, simplify cooperation between cities, regions and the state, strengthen financial sustainability of cultural institutions, and introduce a register of artists.

Milestone 220 is the first step of the implementation of the reform. It is accompanied by target 218 in this payment request, related to the number of cultural and creative projects supported, which is the last target of the reform. The reform has a final expected date for implementation on 31 December 2024.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document (June 2025)	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Annex 1 – Act No. 263/2024 Coll. Of 22 August 2024, on the Public Cultural Institutions and other related acts	This Public Cultural Institutions Act is published in the Official Journal on 12 September 2024 and it entered into force and application on 1 January 2025 (Section 64).
3	Annex 3 – Act No. 79/2025 of 26 February 2025, amending Act No 203/2006 on certain types of support for culture	In line with the national law, Act No. 79/2025 is published in the Official Journal on 25 March 2025 and it entered into force and application on 1 July 2025 (Article III).

3. Analysis:

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

Entry into force of legislative amendments allowing for cooperative multi-source financing of culture and introducing a registration of artists. Provision in the legislative amendments indicating the entry into force. Furthermore, in line with the description of the measure, **it consists of the**

adoption of legislative amendments introducing multi-source cooperative financing of cultural institutions and creating a registration system for artists that qualify for state support.

Czechia adopted two legislative acts:

- Act No. 263/2024 on the Public Cultural Institutions, submitted as Annex 1, which entered into force on 1 January 2025 (Section 64) and allowed for cooperative multi-source financing of culture; and
- Act No 79/2025 amending Act No 203/2006 on certain types of support for culture and other related acts, submitted as Annex 3, which entered into force on 1 July 2025 (Art. III) and introduced a Register of Artists who may qualify for scholarships granted by the Ministry of Culture.

These new provisions represent an improvement compared to the previous framework as they increase legal certainty of in particular cultural institutions and local authorities as well as a level playing field across the regions as same conditions apply to all participants in the area of culture and they better protect the artists negatively impacted during the COVID pandemic.

The legislative amendments shall:

- **Allow for multi-source financing of culture**.

The main novelty of the new legislation in Act No. 263/2024 concerns a new concept of a legal entity of a public cultural institution, as set out in Section 1 (Annex 1), and the rules of its functioning as regards in particular the relationships among the founders and the multi-source financing.

The new rules clarify that where a public cultural institution is co-established by more than one local authority, it must have a foundation deed which defines how the local authorities participate in the financing of the public cultural institution, and the amount of this share or the manner of its determination (see Annex 1, Section 3(1, 2g) of the Act).

In addition, to allow for multi-source financing of culture, two provisions of the Act No. 263/2024 clarify the rules under which cultural institutions may receive funds from public and private sources. Firstly, under Section 10, both the State and local authorities are entitled under specified conditions to conclude public contracts with public cultural institutions to provide subsidies for the main cultural activity. Secondly, Section 26 sets out multi-source revenues for public cultural institutions which include subsidies or contributions from the founder, other subsidies or contributions from public budgets, income from the activities of the public cultural institutions, income from the management of the assets entrusted and income from a public cultural institution's own assets as well as gifts and inheritances as private sources of financing (see Annex 1).

- **Simplify cooperation between cities, regions and the state**.

The Act introduces a clear framework that explicitly enables the establishment and joint financing of public cultural institutions by multiple local authorities and the state. Prior to this amendment, no formal legal tool permitted multi-source cooperative financing, and the Act therefore introduces a new opportunity for cities, regions and the state to cooperate in the financing of public cultural institutions. Section 3 of Act No. 263/2024 (Annex 1) simplifies this cooperation by providing a structured process for co-establishment, specifying that a public cultural institution can be established jointly by multiple local authorities and providing for rules that allow cities and regions to cooperate in founding and financing public cultural institutions. If a public cultural institution is established by multiple self-governing bodies, all of them share the rights and obligations of the founding authority. When a public cultural institution has multiple founders, they conclude a joint funding agreement

outlining each founder's financial contribution and control measures. The funding agreement is set up as multi-annual (see Annex 1, Section 9(2) of the Act), contributing to better planning and predictability of funding.

Act No. 263/2024 allows state-funded cultural institutions to convert into public cultural institutions. If a local authority takes part in this transformation, multiple authorities can become joint funders (see Annex 1, Section 40 of the Act). State-owned assets and funds are transferred to newly established public cultural institutions. Liabilities from previous state-funded institutions are also transferred. The registration process for legal transformation ensures that financial and operational structures are set up before the changes take effect. If financial conditions are not met, the Ministry of Culture can reject registration (see Annex 1, Section 42 of the Act).

- **Strengthen financial sustainability of cultural institutions.**

Act No. 263/2024 contains provisions that strengthen financial sustainability of cultural institutions. This is achieved by requiring reporting obligations on financial performance and evaluation of activities such as in the annual report of a public cultural institution, the rules on handling of property as well as measures to address financial weaknesses (see Annex 1, Sections 30, 32 - 39 of the Act).

Under Section 9, founders are required to finance public cultural institutions in accordance with an approved financial plan. Multiple founders must sign a contract detailing funding amounts, allocation over time, and financial controls (see Annex 1, Section 9 of the Act), ensuring long-term financial planning. Public contracts between local authorities and the State must include, among others, the amount of the subsidy and its distribution per year, the method of calculating the subsidy, and control mechanisms by the State (see Annex 1, Section 10(1)(a-e) of the Act).

Under Section 27, public cultural institutions need to have several financial reserves, including a reserve fund, social fund and property reproduction fund. A public cultural institution may use reserve funds to compensate for loss, pay penalties imposed by public authorities, cover a temporary shortage of funds, increase the fund for the reproduction of assets or increase the social fund (see Annex 1, Section 29(1) of the Act). A public cultural institution can use the resources of the social fund for the benefit of its towns and cities to meet their cultural, social and other needs (see Annex 1, Section 29(2) of the Act). Funds from the reproduction fund may be used by a public cultural institution for acquiring fixed assets, as an additional source of financing for repairs and maintenance of fixed assets, or for repayments of loans for the acquisition of fixed assets, including interest on such loans, among other things (see Annex 1, Section 29(3) of the Act).

- **Introduce a register of artists.**

The Act amending Act No 203/2006 on certain types of support for culture introduces a Register of Artists, which is a public administration information system managed by the Ministry of Culture (see Annex 2, Section 9a of the Act). An artist who has carried out an artistic activity for at least 24 months within a period of three years immediately preceding the date on which an application for registration was submitted can be registered in the Register of Artists, receiving the status of the artist (see Annex 2, Sections 9a and 9b of the Act).

This is an improvement compared to the previous situation, especially during the COVID pandemic, where many artists faced difficulties because of their legal status outside the employment relationship that would have guaranteed regular revenues.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C6.1]-I[I2]-T[234]: Support of rehabilitation care

Related Measure: C6.1.I2 Rehabilitation care for patients recovering from critical conditions

Quantitative Indicator: Number of projects

Baseline: 0

Target: 19

Time: Q4 2024

1. Context:

This investment aims to strengthen rehabilitation care of patients recovering from critical conditions, which increased due to the covid pandemic. This shall be achieved by refurbishments, modernising the equipment in the rehabilitation departments or by improving the organisation of rehabilitation care. Support shall be provided to at least 19 projects focusing on provision of acute inpatient care in intensive care units or follow-up rehabilitation care in healthcare institutions. The aim is for the number of treatments of patients after critical conditions in the rehabilitation care units to increase by 10%.

Target 234 requires that support shall be channelled through a grant scheme with a total allocation of 61 660 000 EUR. At least 19 projects shall be supported to increase the capacity of rehabilitation care for patients after critical conditions in healthcare institutions.

Target 234 is the only target of this investment, related to rehabilitation care for patients recovering from critical conditions. The investment has a final expected date for implementation on 31 December 2025.

2. Evidence provided:

	Name of the evidence.	Short description
1	Summary document	Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled.
2	Annex 1 – Links to the publication of the calls for proposals	Links to the publication of the calls for proposals, including links to any subsequent modifications.
3	Annex 2 – Calls for proposals: • 2a – Call no. 6 • 2b – Call no. 7 • 2c – Call no. 12	Documents for three calls for proposals. For each call two documents are provided: the text of the call and the specific rules.
4	Annex 3 – A list of all chosen projects	A list of all chosen projects with a project name, description and an indication of the period for implementation (including the date of signed decisions on the grant award).
5	Annex 4 – Copies of signed decisions on the grant	Copies of signed decisions on the grant award for 21 chosen projects, demonstrating that the

	award signed by the Ministry of Health regarding: • 4a – Call no. 6 • 4b – Call no. 7 • 4c – Call no. 12	total grant scheme allocation is more than 61 660 000 EUR.
6	Annex 5 – Description of individual projects and their consistency with the CID: • 5a – Call no. 6 • 5b – Call no. 7 • 5c – Call no. 12	Extracts from the relevant parts of the specifications, including technical specifications, of the chosen projects, proving alignment with the description of the milestone and of the investment.
7	Annex 6 – Assessment by an independent expert of the overall impact: • 6a – Confirmation of 10% increase signed by the General Health Insurance Company of the Czech Republic • 6b – Assessment of the overall impact by an independent expert	Assessment by an independent expert and a model study of the overall impact on capacity of treatments of patients after critical conditions, it being understood and expected that the number of treatments of patients after critical conditions in the rehabilitation care units shall increase by 10%.

3. Analysis:

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

Support shall be channelled through a grant scheme with a total allocation of 61 660 000 EUR.

The Ministry of Health rolled out a grant scheme on its website through the launch of three consecutive calls (No. 6, 7 and 12 on 6 January 2023, 30 June 2023 and 31 May 2024 respectively) to invite applications for support for projects aimed at increasing the capacity of rehabilitation care for patients after critical conditions in healthcare institutions (Annex 1). The call No. 6 was modified and republished on 24 January 2023, 14 March 2023 and 5 December 2023 (Annex 2). Total value of the grants awarded, according to the signed decisions on the grant award (Annex 4), amounted to 70 870 655.3 EUR, which exceeds the target value.

At least 19 projects shall be supported to increase the capacity of rehabilitation care for patients after critical conditions in healthcare institutions. Furthermore, in line with the description of the measure, **support shall be provided to at least 19 projects focusing on provision of acute inpatient care in intensive care units or follow-up rehabilitation care in healthcare institutions.**

List of projects in Annex 3 includes all 21 projects in healthcare institutions supported by the grant programme: five from the call No. 6, 13 from the call No. 7 and three from the call No. 12. Thus, the target of 19 projects supported by the grant scheme was exceeded. All supported facilities provide acute inpatient care in intensive care units or follow-up rehabilitation care as evidenced by calls for proposals (Annexes 2a pages 2-3 and 6-7, 2b pages 5-6 and 2c pages 5-6) and descriptions of projects (Annex 5a, Annex 5b and Annex 5c).

Furthermore, in line with the description of the measure, **this shall be achieved by refurbishments, modernising the equipment in the rehabilitation departments or by improving the organisation of rehabilitation care.**

Refurbishments of infrastructure were supported under call No. 6 (Annex 2a pages 5-7) and No. 7 (Annex 2b pages 6 and 7), which is also evidenced by the list of projects in Annex 3 and their descriptions (Annex 5a and Annex 5b). Modernisation of equipment was supported under all calls (Annex 2a pages 5-7, Annex 2b pages 6-7 and Annex 2c pages 5-6), which is also evidenced by the list of projects in Annex 3 and their descriptions (Annex 5a, Annex 5b and Annex 5c). Projects resulted in improvement of organisation of rehabilitation care (Annex 5a pages 4-5, Annex 5b pages 1-3 and Annex 5c page 1). These changes should increase the number of treatments of patients after critical conditions by at least 10% for every project according to the independent assessment of the General Health Insurance Company of the Czech Republic (Annex 6b, pages 12, 16 and 18) and as a result can alleviate increased needs for rehabilitation care (Annex 6b, pages 3 and 19).

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C6.2]-R[R2]-M[237]: Appointment of an institution responsible for coordination of oncological screening programs

Related Measure: C6.2.R2 Supporting and enhancing quality of preventive screening programmes

Qualitative Indicator: National Screening Centre appointed by the government as the body responsible for coordination of cancer screening programmes

Time: Q2 2025

1. Context:

The reform shall focus on enhancing the scope and quality of cancer prevention programmes with the aim to reduce morbidity and mortality of cancer cases, limit the costs of treatment at advanced stages of the disease and increase life expectancy and quality of life. The reform includes the appointment of the National Screening Centre and enhancing existing and creating new screening programmes and their monitoring.

Milestone 237 requires an appointment of an institution responsible for coordination of oncological screening programs.

Milestone 237 is the first step of the implementation of the reform, and it is accompanied by target 239 in this payment request, related to the launch of a new early cancer detection programme. The reform has a final expected date for implementation on 30 June 2026.

2. Evidence provided:

	Name of the evidence.	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Government Resolution No. 359 of 21 May 2025	This resolution adopted by the government appoints the National Screening Centre of the Institute of Health Information and Statistics of the Czech Republic. It is published on the website of the Czech Government: https://odok.gov.cz/portal/zvlady/jednani-detail/2025-05-21/

3. Analysis:

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

Appointment of an institution responsible for coordination of oncological screening programs

Czechia appointed the National Screening Centre of the Health Information and Statistics of the Czech Republic as the body responsible for coordinating health screening programmes in the Czech Republic. This is demonstrated by the Government Resolution No 359 according to which the appointment takes effect on 21 May 2025.

The National Screening Centre shall be responsible for:

- **coordination, planning, monitoring and evaluation of the screening programmes**

Point 1 of the above Government Resolution entrusts the appointed National Screening Centre with a responsibility for the coordination, planning, monitoring and evaluation of health screening programmes.

- **setting-up a predictive system to plan new prevention programmes and estimate their cost-effectiveness and impact in the public health insurance system;**

Point 2 of the above Government Resolution entrusts the National Screening Centre with a responsibility setting-up a predictive system to plan new prevention programmes and estimate their cost-effectiveness and impact in the public health insurance system.

- **building a database for monitoring and evaluation of screening programmes, including setting up a scoreboard of quality indicators**

Point 3 of the above Government Resolution entrusts the National Screening Centre with a responsibility for building a database for monitoring and evaluating health screening programmes, including the creation of a quality scoreboard.

- **piloting new screening programmes**

Lastly, point 3 of the above Government Resolution entrusts the National Screening Centre with a responsibility for piloting new health screening programmes.

Furthermore, in line with the description of the measure, **the measure include: appointment of the National Screening Centre, as the body responsible for coordination of cancer screening programs in the Czech Republic.**

The National Screening Centre - appointed as the body responsible for coordinating cancer screening programmes in Czechia, as stated above - focuses on enhancing the scope of cancer prevention programmes through its responsibilities to coordinate and pilot new screening programmes, as well as to create a predictive system that enables the planning of new prevention programmes. The National Screening Centre also focuses on improving the quality of cancer prevention programmes through its responsibilities to monitor and evaluate them, including building a database and a scoreboard of quality indicators.

4. Commission Preliminary Assessment: Satisfactorily Fulfilled.

CZ-C[C6.2]-R[R2]-T[239]: Launch of the new early lung cancer detection programme

Related Measure: C6.2.R2 Supporting and enhancing quality of preventive screening programmes

Quantitative Indicator: Number

Baseline: 0

Target: 1

Time: Q4 2024

1. Context:

The reform shall focus on enhancing the scope and quality of cancer prevention programmes with the aim to reduce morbidity and mortality of cancer cases, limit the costs of treatment at advanced stages of the disease and increase life expectancy and quality of life. The measures include piloting of new screening programmes, including their verification through population and clinical studies. In particular, an early lung cancer detection programme shall be launched.

Target 239 relates to the launch of an early lung cancer detection programme.

Target 239 is the second target of the reform, and it is accompanied by milestone 237 in this payment request. It will be followed by target 238, related to the coverage of the target population by the colorectal cancer screening programme. The reform has a final expected date for implementation on 30 June 2026.

2. Evidence provided:

	Name of the evidence.	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Annex 1 - Interim evaluation and results of the programme of early seizure of lung cancer in the Czech Republic on data up to 30 September 2024	Data extracts from the website https://www.prevenceproplice.cz/news-detail/cs/19-prubezne-hodnoceni-a-vysledky-programu-v-datech-do-30-9-2024/ accessed on 25 June 2026
3	Annex 2 – Decree No. 482/2021 Coll. of 6 December 2021, amending Decree No. 134/1998 Coll.	This Act was published in the Official Journal and entered into force on 1 January 2022. There is delayed applicability regarding provisions unrelated to this target.
4	Annex 3 - Official Journal of the Czech Ministry of Health on 21 January 2022	Bulletin No. 1/2022 of the Official Journal of the Czech Ministry of Health, published on 21 January 2022, setting up the methodology for implementing the early lung cancer detection programme.

3. Analysis:

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

An early lung cancer detection programme shall be launched

The Early Lung Cancer Detection Programme was officially launched in the Czech Republic with the adoption of Decree No. 482/2021 Coll. by the Ministry of Health (see Annex 2). This decree amends Decree No. 134/1998 Coll., updating the official list of reimbursable medical procedures and their corresponding point values to support the programme's integration into the public health insurance system. Effective from 1 January 2022 (see Annex 2, page 38), the amendment introduces specific medical procedures directly associated with early lung cancer detection (see Annex 2, procedures No 01196, 01197, 25504, 25507, 89663, 89664, 89665, from pages 4 to 33)

An interim evaluation was published on the official website of the programme. The Commission services accessed the link provided by the authorities on 25 June 2025 to verify the content of the page. This check was completed successfully, confirming that the early lung cancer detection programme was launched on 1 January 2022 and, as of 30 September 2024, a total of 39369 people were involved in the programme, with 29757 contacted by a general practitioner, 8846 people coming directly to a pneumological examination and 766 people having received a LDCT examination without a general practitioner or pneumologist (see the data extract of the website, Annex 1).

Furthermore, in line with the description of the measure, the **reform focuses on enhancing the scope and quality of cancer prevention programmes.** The measures include: **piloting of new screening programmes, including their verification through population and clinical studies. In particular, an early lung cancer detection programme shall be launched.**

The launch of the early lung cancer screening programme, as described above, reflects a coordinated set of activities aimed at increasing public awareness and participation in cancer screening. Besides the abovementioned clinical studies (see Annex 2), the "Methodology for the implementation of a population-based pilot programme for early detection of lung cancer" was published in the Official Journal of the Czech Ministry of Health on 21 January 2022 (see Annex 3). This document sets out the pilot programme's objectives, the defined target population (see Annex 3, page 32), the anticipated impact, and the detailed procedures for implementation.

4. Commission Preliminary Assessment: Satisfactorily Fulfilled.

CZ-C[C7.1]-R[R2]-M[302]: Entry into force of the amended legislations

Related Measure: C7.1.R2 Accelerating and digitalizing permitting process for renewables

Qualitative Indicator: Provision in the laws indicating the entry into force

Time: Q3 2024

1. Context:

The reform aims at accelerating and digitalising permitting process for renewables. The legislation shall be amended to set differentiated, binding maximum deadlines for all relevant stages of the procedure based on the capacity of the renewable energy installations.

Milestone 302 requires entry into force of the amended legislation setting out binding maximum timelines for permitting for installations below and above 150 KW.

Milestone 302 is the first step of the implementation of the reform. It will be followed by milestone 303, related to entry into operation of the digital one stop shop. The reform has a final expected date for implementation on 30 June 2025.

2. Evidence provided:

	Name of the evidence.	Short description
1	Summary Document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled
2	Act No. 87/2025 Coll. amending Act No 458/2000 on business conditions and the exercise of state administration in the energy sectors and amending certain Acts (Energy Act), as amended, and other related acts	Legal act known as Lex RES III amending the Energy Act No 458/2000. In line with national law, it is published in the Czech Official Journal (*Sbírka zákonů Česká Republika*) on 31 March 2025. It entered into force on 1 August 2025 (Part Thirteen, Article XVII). It establishes new simplifications for the permitting process for renewable energy projects.
3	Act No. 223/2025 Coll. amending Act No 458/2000 on business conditions and the exercise of state administration in the energy sectors and amending certain Acts (Energy Act), as amended, and other related acts	Legal act known as Lex GAS amends the Energy Act No 458/2000. In line with national law, it is published in the Official Journal (*Sbírka zákonů Česká Republika)* on 30 June 2025. The provisions relevant for the assessment of the milestone enters into force on 1 August 2025. It establishes new legal provisions on the maximum duration of the entire permit granting process, including for small artificial structures
4	Decree No. 248/2024 Coll., amending Decree No. 16/2016 Coll., on the conditions for connection to the electricity system (Decree on connection procedures)	This legislative amendment amends the Decree on connection procedures. In line with national law, it is published in the Official Journal (*Sbírka zákonů Česká Republika*) on 22 August 2024. It entered into application on 1 October 2024.

		It establishes new legal provisions on the connection stage of the permitting procedure.

3. Analysis:

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

Entry into force of the amended legislations

On 4 March 2025, Czechia adopted Act No. 87/2025 Coll. that amends the Energy Act and other acts (hereinafter referred to as Lex RES III). Lex RES III was published on 31 March 2025 and entered into force on 1 August 2025 (Article XVII).

On 30 June 2025, Czechia adopted Act No. 223/2025 that amends the Energy Act (Act No. 458/2000) and other acts (hereinafter referred to as Lex GAS). Lex GAS entered into force on 1 August 2025 (Part Nine, Article XII).

On 14 August 2024, Czechia adopted Decree No. 248/2024 Coll. amending Decree No. 16/2016 Coll., on the conditions for connection to the electricity system (hereinafter referred to as Decree on connection procedures). The Decree on connection procedures was published on 22 August 2024 and entered into force on 1 October 2024.

The legislation shall be amended to:
-Set differentiated, binding maximum deadlines for all relevant stages of the procedure based on the capacity. Furthermore, in line with the description of the measure, **the reform shall set differentiated, binding maximum deadlines for all relevant stages of the procedure based on the capacity of the renewable energy installations.**

Czechia has been progressively amending the Energy Act and other relevant Acts to streamline and accelerate permitting procedures for renewable energy projects based on their capacity. The most recent legislative amendments adopted with the view to fulfilling this milestone, known as Lex RES III and Lex GAS, supplement and must be read together with previously adopted legislation assessed respectively under milestones 301 and 340.

Concretely, new Section 96ba(6) of the Energy Act amended by point 72 of LEX GAS (evidence 3) provides for binding maximum deadlines for the permitting procedures for installations below and above 150 kW capacity as well as solar installations up to 100 kW capacity. This new provision also clarifies that the permitting procedure must include the grid connection in order to ensure that the deadline applies to all relevant stages.

In addition, in order to accelerate the procedures to meet such maximum deadlines, Lex RES III (evidence 2, in force since 1 August 2025) further simplified the relevant permitting procedures for installations up to 100 KW and 250 KW capacities as follows:

- Article XIII, points 35 and 41 of Lex RES III (evidence 3) increased the capacity threshold for requiring a **construction permit for electricity generation** from 50 kW to 100 kW so that whoever wants to build or refurbish a renewable power installation up to the threshold can do so without application for permit (construction permit, zoning permit) or any other statement to any construction authority or any other administrative body. According to this amendment, installations up to 100 KW as well as structural changes to

existing constructions for the production of renewable energy sources up to 100kW are considered as "minor structures" exempted from building permit pursuant to Section 5(2)(a) in conjunction with Section 171 and 197 of the Construction Act and its attachment 1 Point 1(a)(25) and 1(f).

- Article XIII, point 46 of Lex RES III (evidence 3) increased the threshold for **simplified construction procedure** from 100 kW to 250 kW so that whoever wants to build or refurbish a renewable power installation with a total capacity of up to 250kW considered as a "small building" has a faster permitting process (construction permit, zoning permit). According to this amendment read in conjunction with Sections 5 (2)(b), 196(2) and 197 of the Construction Act and its attachment 2 Point 1(m), the faster permitting process by the authorities of up to 30 days, that were previously applicable in relation to installations up to 100kW, now apply by extension to installations up to 250 kW.

- Article I, points 21 and 24 of Lex RES III (evidence 3) raised the threshold for requiring a **license for electricity generation,** making it mandatory only for power-generating facilities with an installed capacity above 100 kW. Accordingly, no license for electricity production in an electricity generating facility with an installed capacity of up to 100 kW inclusive is necessary unless electricity production is intended for consumption at the transfer point of the powerplant or for the sharing of electricity free of charge. In this connection, Article I, point 44 introduced further simplifications by removing the obligation to demonstrate professional competence of applicants for the production of electricity from renewable sources. This amendment also contributes to the potential of accelerating the procedures as concerns in particular the production of renewable energy sources in the case of rooftop installations for households.

- Article I, point 313 amended Section 28(5) of Energy Act by increasing the threshold from 50kW to 100kW (evidence 3). According to this amendment, customers are allowed since 1 August 2025 to connect and operate their own electricity generator facility (such as solar installation in artificial structures) to power grid under simplified procedure. That means that their installations can be connected based on DSO's approval within 30 days if technical requirements are met (Section 16 of the Decree No. 16/2016 as amended by point 21 of Decree No. 248/2024 – evidence 4). In addition, this amendment also concerns installations for storage of electricity.

Lastly, for the connection to the grid, points 9 to 13 of Decree No. 248/2024 amending Decree on connection procedures (evidence 4) set out the connection procedure of installations to the TSO and DSO and the deadlines depend on whether it has to be connected to the transmission or distribution system, the level of voltage, potential connectivity studies and measurement of operation. Therefore, the deadlines can go from 65 days to 155 days. In the case of small-scale installations (such as the ones below 150 kW) given that they are connected to low voltage, time for connection shall be between 65 and 80 days.

For facilities with an installed capacity up to 10.8 kW, Section 3 paragraph 2(f) of the consolidated Decree on connection procedures provides for small-scale installations of up to 10.8kW that no grid connection authorisation is necessary (Point 2 of Decree No. 248/2024 – evidence 4) and the operator must not refuse the connection within 30 days of the notification, unless there are valid reasons to do so.

The duration of the entire permit granting process (including grid connection) shall not exceed 2 years for renewable installations from 150 kW and one year for renewable installations below 150 kW.

New section 96ba paragraph (6) of the Energy Act, amended by point 72 of LEX GAS (evidence 3), provides that permitting procedure for renewable energy installations with electrical capacity of less than 150 kW as well as their connection to the grid shall not exceed 12 months. The authorisation procedure for renewable energy installations with a power output of 150 kW and above and their connection to the grid shall not exceed 24 months.

For solar installations in artificial structures with a capacity equal or below 100 kW, the permit granting process shall not exceed 1 month.

Further, new section 96ba paragraph (6) of the Energy Act amended by point 72 of Lex GAS (evidence 3) also requires that the permitting process for solar installations in artificial structures with a capacity of 100 kW or less shall not exceed one month.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C7.1]-R[R3]-M[306]: Publication of information on grid connection requests and capacities

Related Measure: C7.1.R3 Improving the predictability, transparency and availability of grid connection process

Qualitative Indicator: Publication of information on grid capacity at all voltage levels

Time: Q1 2025

1. Context:

The reform aims to increase the transparency of the grid connection procedure through actions to raise awareness and provide visibility for market participants and network customers. Every month, the three regional Distribution System Operators (DSOs) shall publish a map on their website which includes, for each of their respective areas of operation, information on available grid connection capacities at all voltage levels and publish aggregated anonymized information of accepted and rejects requests.

Milestone 306 relates to the publication of information on available grid capacities at all voltage levels operated by the DSOs, including at low voltage level.

Milestone 306 is the third milestone of the reform, and it follows the completion of milestone 304 related to the entry into force of the grid connection reform and milestone 305 related to the entry of operation of interactive maps published on the websites of the three regional DSOs (E.GD, CEZ and PREdistribuce) displaying information of the available grid capacity for the medium and high voltage and information on connection requests for low voltage. It will be followed by target 307, related to the cumulative additional renewable energy sources connected to the grid. The reform has a final expected date for implementation of 31 August 2026.

2. Evidence provided:

	Name of the evidence.	Short description
1	Summary Document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, including the relevant hyperlinks: 1. For ČEZ Distribuce: https://www.cezdistribuce.cz/cs/pro-vyrobce/volna-distribucni-kapacita-pro-pripojovani-vyroben 2. For EG.D: https://www.egd.cz/volne-kapacity-v-distribucni-soustave-informace-o-zadostech 3. For PREdistribuce: predistribuce.cz/cs/potrebuji-zaridit/vyrobci/mapa-pripojitelnosti-vyroben/

3. Analysis:

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

The digital map shall display information on available grid capacities at all voltage levels operated by DSOs, including at low voltage level.

The Commission services accessed the link provided by the authorities on 24 June 2025 to verify that the digital maps of the three regional DSOs in Czechia (E.GD, ČEZ Distribuce, and PREdistribuce) display information on the available grid capacity at all voltage levels operated by the DSO, including at low voltage. The operational status of the interactive maps and the publication of data on available grid capacity at the medium- and high-voltage levels had previously been verified in the context of milestone 305. For the purposes of assessing the current milestone, the primary focus was placed on the availability of information at the low-voltage level. However, for the sake of completeness, the presence of capacity data across all voltage levels was also reviewed.

The links to where the digital maps are published on the websites of the three regional DSOs referred above.

ČEZ Distribuce publishes an interactive digital map showing the distribution network capacity for low, high and very high voltage levels. For low voltage, the map displays three colour codes (green, yellow and orange) showing whether the connection to the grid is likely to require modifications to the network. The last update of the map was 17 June 2025.

EG.D. publishes maps on free distribution capacity for connection of power-generating plants for all levels of voltage. The map for low voltage presents 2 types of colours as legend (yellow and green) showing the probability for connection for new power-generating facilities. The last update of the map was April 2025.

PREDistribuce publishes information on the possibilities of connection power plants, separately for low, medium and high voltage level. The interactive map for low voltage shows the likelihood for connecting generating facilities and presents three types of colour (green, yellow and red). The last update of the map was 12 June 2025.

The check was completed successfully, confirming that the digital maps for each DSO display the necessary information for all voltage levels and that it can be used. Furthermore, the required features, including for basic navigation such as zoom in and out of the map, were provided and users can interact with it (clickable icons, possibility to click on elements to display information), therefore effectively demonstrating the digital features of the maps.

4. Commission Preliminary Assessment: Satisfactory fulfilled

CZ-C[C7.2]-R[R1]-M[313]: Progress report on investment in IT infrastructure

Related Measure: C7.2.R1 Energy communities

Qualitative Indicator: Publication of the report

Time: Q1 2025

1. Context:

The objective of the reform is to establish a regulatory framework in view of incentivising and facilitation the development of citizens and renewable energy communities.

Milestone 313 relates to a progress report, established by an independent third party, assessing the investments realised by DSOs in metering and billing systems, IT infrastructure as well as the gaps and future investment needs in view of ensuring energy sharing on the basis of the recent legal framework put in place.

Milestone 313 is the second milestone of the reform, and it follows the completion of milestone 312 related to the entry into force of the amended legislation on energy communities. It will be followed by milestone 314, related to the publication of guidelines and template legal documents for the establishment of energy communities. This reform has the final expected date for completion on 31 March 2026.

2. Evidence provided:

	Name of the evidence.	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Report on IT investments infrastructure published by the Ministry of Industry and Trade on 17 April 2025	Independent report assessing the investments realized by DSOs in metering and billing systems, IT infrastructure as well as the gaps and future investment needs in view of ensuring energy sharing Link: https://mpo.gov.cz/cz/energetika/hodnotici-zprava-o-pokroku-v-oblasti-investic-do-it-infrastruktury--287051/

3. Analysis:

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

Publication of a report

Czechia published a report entitled “Assessment report on progress of IT infrastructures investments” on the Ministry’s website on 17 April 2025. The report is published on the Ministry website and available for download.

assessing the investments realised by DSOs in metering and billing systems, IT infrastructure (…) in view of ensuring energy sharing.

Section 2.1 of the report provides an overview of investments carried out between 2020 and 2024 by Distribution System Operators (DSOs) and the Electricity Data Centre (EDC). These funds were allocated to the installation of smart meters at both generation and consumption points involved in energy sharing, as well as to ensuring reliable communication and data transfer from existing IT systems to the EDC and the market operator.

Section 2.2 of the report describes the degree to which metering systems have been implemented and assesses ongoing deployment of smart meters and the status of IT systems for data communication. The Distribution System Operators (DSOs) have the responsibility to install smart meters and the official rollout of smart metering started on 1 July 2024. In view of ensuring energy sharing in Czechia, the DSOs are required to ensure the installation of smart meters at specific categories of connection points such as rooftop solar photovoltaic (PV) systems and connection points participating in energy sharing arrangements by 1 July 2027. Therefore, they are carrying out investments in metering and billing systems and IT infrastructure such as meter reading centers, the installation of data acquisition centers, modifications to IT systems, the establishment of communication links with market operators and the Energy Data Center (EDC) and IT security features. Section 2.3 assesses the current condition of the IT systems related to the implementation of smart metering and electricity sharing. It describes the key components of IT infrastructure, explains the current status of IT infrastructure systems and acknowledges that the significant increase in shared data will require upgrades of the IT solutions to be fully functional in the future (section 2.3.2)

as well as the gaps and future investment needs in view of ensuring energy sharing.

Section 3 highlights the critical challenges, gaps, and shortcomings associated with the implementation of smart metering in Czechia. Section 3.1 presents the expected implementation roll out of smart meters until 2030. Section 3.2 reports on implementation challenges by the DSOs related to system integration, interoperability, and the need to adapt to diverse communication standards. Section 3.3 focuses on key infrastructure constraints, such as the readiness and availability of 5G networks, the technical lifespan and warranty conditions of installed equipment, the reliability of data transmission to customer portals, and the development of data warehouses to support those portals.

Section 4 of the report outlines the future investment needs associated with the nationwide rollout of smart metering in the Czech Republic. The functioning energy sharing requires that all metering points participating in energy sharing must be equipped with meters capable of recording data at 15 min-intervals. Based on the implementation schedules provided by all Distribution System Operators (DSOs), total planned capital investments into smart metering devices are estimated at CZK 8.8 billion for the period 2025–2030.

In parallel, DSOs have also planned investments totalling CZK 858 million during the same period (2025–2030) for the development and expansion of meter reading centers.

In terms of operational expenditure (OPEX), DSOs anticipate cumulative costs of approximately CZK 429.6 million between 2025 and 2030. These costs are primarily related to maintaining communication between smart meters and the respective meter reading centers and IT systems.
For the Electricity Data Centre (EDC), it is currently projected capital expenditure (CAPEX) of approximately CZK 867 million and operating costs (OPEX) of around CZK 641 million for the period 2025–2027. After 2027, expected costs will depend on the final technical specifications and system architecture to still be confirmed.

The report shall be conducted by an independent third party.

The report was conducted by Euroenergy, an independent consulting company specialised on energy sector in Czechia. This company collaborated with distribution system operators, the Ministry of Industry and Trade, the Energy Regulatory Office and the Electricity Data Centre to prepare the report.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C7.2]-R[R2]-M[315]: Report on the need for non-fossil flexibility

Related Measure: C7.2.R2 Energy Storage and Non-fossil flexibility framework

Qualitative Indicator: Publication of the report on the website of the Ministry of Industry

Time: Q3 2024

1. Context:

This measure aims to establish a comprehensive regulatory framework for flexibility services such as energy storage, demand response, and aggregation. The objective is to promote the development of innovative technical, technological and software solutions for energy flows optimisation to ensure integration of renewable energy sources into the grid and enable the electricity system to adjust to the variability of electricity generation and consumption across different time horizons. Furthermore, the reform aims to ensure the participation of energy communities, aggregators, self-consumers, active customers, energy storage assets, and industrial demand response participants in the electricity market, while increasing the overall flexibility of electricity system and decreasing the use of fossil fuels.

Milestone 315 requires publication of a forward-looking report, prepared by an independent third party, on the need for non-fossil flexibility which evaluates market barriers for non-fossil flexibility and proposes mitigation actions, including private and public financing to support the uptake of non-fossil flexibility.

Milestone 315 is the first step of the implementation of the reform. It is accompanied by milestone 316 in this payment request, related to the entry into force of legislation establishing a regulatory framework on energy storage, aggregation and active consumers. It will be followed by milestone 317, related to the publication of the Flexibility Action Plan. The reform has a final expected date for implementation on 31 December 2024.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	A summary document which duly justifies how the milestone (including all constitutive elements) was satisfactorily fulfilled
2	Report on the need for flexibility in non-fossil resources prepared by the Czech Technical University	The report was published in November 2024 on the Ministry of Industry and Trade's website. It is available at https://mpo.gov.cz/cz/energetika/zprava-o-potrebe-flexibility-nefosilnich-zdroju--284778/

3. Analysis:

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

Publication of a forward-looking report on system flexibility need assessment and potential, covering a 5-year period.

The “Report on the need for flexibility in non-fossil resources” was published in November 2024 on the Ministry of Industry and Trade’s website. The report analyses the forward-looking 5-year period of 2025-2030. In Section 3, it assesses the potential and needs for flexibility of the Czech Republic's electricity system to enable its decentralisation and decarbonisation using digital technologies (see Annex 1).

The report shall evaluate and identify barriers for non-fossil flexibility in the market and propose relevant mitigation actions.

Section 2 of the report provides an assessment of the barriers to flexibility. The assessment is based on the framework developed by the Agency for the Cooperation of Energy Regulators (ACER), and it covers issues such as legal barriers to market entry for new entities, the size of bids for daily and intra-day trading, integration of electromobility into the grids, data management, etc. For each identified barrier, the report provides an assessment of the situation in Czechia and proposed mitigation measures.

The report shall also identify relevant financing instruments and sources to support the uptake of non-fossil flexibility via public or private sources.

Section 4 of the report identifies the available financing instruments at national and EU levels to support uptake of non-fossil flexibility. The section is divided into sub-sections on national-level funding and EU programmes, and it covers both grants and financial instruments. The report identifies both public and private sources of financing, and concludes that at the moment there is a limited offer of private financing for non-fossil flexibility.

The report shall be established by an independent third party.

The report was written by a team of co-authors from the Czech Technical University in Prague under the steer of the Energy Regulatory Office, Czechia’s independent energy regulator.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C7.2]-R[R2]-M[316]: Entry into force of the legislative changes

Related Measure: C7.2.R2 Energy Storage and Non-fossil flexibility framework

Qualitative Indicator: Provision in the law indicating the entry into force

Time: Q4 2024

1. Context:

This measure aims to create a regulatory framework for flexibility services, that promotes the development of innovative solutions for optimising energy flows and integrating renewable energy sources. The reform also aims at encouraging participation of various stakeholders, such as energy communities and aggregators, increasing the use of non-fossil flexibility solutions, and creating an open and accessible market for all participants.

Milestone 316 requires entry into force of legislation establishing the framework on energy storage, aggregation, active customers and for flexibility services.

Milestone 316 is the second milestone of the reform, and it is accompanied by of milestone 315 related to the report on the need for non-fossil flexibility also assessed in the same payment request. It is also accompanied by milestone 317, the final milestone of the reform related to publication of the National Flexibility Action Plan that is also assessed in this payment request. The reform has a final expected date for implementation in December 2024.

2. Evidence provided:

	Name of the evidence.	Short description
1	Summary Document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled
2	Act No. 87/2025 Coll. amending Act No 458/2000 on business conditions and the exercise of state administration in the energy sectors and amending certain Acts (the Energy Act), as amended, and other related acts	Legal act known as Lex RES III amending the Energy Act No 458/2000. In line with national law, it is published in the Czech Official Journal (*Sbírka zákonů Česká Republika*) on 31 March 2025. It entered into force on 1 August 2025 (Part Thirteen, Article XVII).

3. Analysis:

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

Entry into force of legislative changes

The Council Implementing Decision required entry into force of amended legislation. On 4 March 2025, Czechia adopted Act No. 87/2025 that amends the Energy Act and other acts (hereinafter referred to

as Lex RES III). Lex RES III was published on 31 March 2025 and most of its relevant provisions under Article I set out below, adopted by Czechia with the view to fulfil this milestone, took effect on 1 August 2025 (Part Thirteen, Article XVII). This applies with exception of one provision under point 205 concerning the storage of electricity which becomes applicable on 1 October 2025 (Part Thirteen, Article XVII (b)). Whilst this constitutes a minimal temporal deviation from the requirement of the Council Implementing Decision, the delay, between the publication of this law and the effective entry into force of the provisions, is considered both very limited and proportional, notably to allow electricity market participants sufficient time to plan on the implementation of the law in view of the technical complexity of energy markets. Moreover, the publication of the law in the official journal provides the necessary legal certainty, and market participants have already received clear regulatory signals, prompting preparatory actions in anticipation of the provisions' application as of August 2025. It is standard practice to allow for a short transitional period between publication and entry into force, particularly in technically complex sectors such as the energy market, to ensure orderly implementation and avoid market disruption. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the reform improving the storage and flexibility in the energy market that this milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Entry into force of legislation establishing a regulatory framework on energy storage,

Under Article I Point 15 of Lex RES III, new legal definitions are introduced in Section 2 paragraph (2) of Energy Act. These include for example the concepts of energy storage defined as a delayed use or transformation of electricity for later use or of energy storage facilities defined as equipment enabling storage and reconversion of electricity. Under Article Point 191 of Lex RES III, operators of electricity storage facilities are newly considered as electricity market participants under Section 22 of Energy Act. Point 21 also simplifies licensing requirements by exempting smaller systems intended for on-site use; only storage facilities over 100 kW and units co-located with other grid-connected facilities are subject to a license from the Energy Regulatory Office (ERÚ).
Lastly, point 205 of Lex RES III amends section 23a and sets out the rights and obligations for energy storage operators. Under new legislation, operators are granted the right to connect to the grid; to buy, store and sell electricity to traders, customer or on markets; to provide flexibility and ancillary services and share electricity across delivery points or via peer-to-peer sharing.

aggregation,

Under Article I points 191 and 336 of Lex RES III, aggregators are newly considered as electricity market participants with specified rights and obligations (through an amendment of Sections 22 and 32 of Energy Act). Read in conjunction with the new definition of aggregation under Point 15 of Lex RES III amending §2(a), an aggregator is a market participant that combines multiple customers or resources consumption, generation or storage to provide flexibility services into energy markets or to system operators. Aggregators are entitled to offer flexibility on the electricity market, to the transmission system operator (TSO) or the distribution system operator (DSO), and are obliged to register with the market operator without needing license from their electricity supplier or DSO. DSOs are under obligation to set forth technical rules for the procurement of flexibility services allowing aggregators to participate under non-discriminatory conditions (Point 260 of Lex RES III amending Section 25 of Energy Act).

active customers,

Lex RES III establishes the concept of active customer functionally by enabling any electricity consumer (household, business, industrial customer) to generate electricity for own use (e.g. rooftop solar), store electricity, sell surplus electricity, participate in demand response (flexibility), do so individually or via

an aggregator, without becoming a licensed supplier or trader. Customers can contract freely with licensed aggregators, provide flexibility services (e.g. load shifting, demand reduction) and use their consumption or storage to support the grid (Points 304 to 308 of Lex RES III amending Section 28 in Energy Act). Under Point 98 of Lex RES III, new consumer protection rights are granted for active customers when joining an aggregator to provide flexibility (see new Section 11cb and 11cc). Customers actively participating in flexibility markets or offering system services also need to comply with obligations of technical nature set out under point 315 of Lex RES III amending Section 28 paragraph (6).

participation of industrial demand response participants to the energy market.

Under Article I, point 15 of LEX RES III, a new legal definition of flexibility is introduced as the ability to intentionally change the electricity flow into or from the grid within a given timeframe compared to the expected baseline, in response to price signals or a system request (adding a new definition under Section 2 paragraph (2)(a) point (25) of Energy Act). This legal definition includes industrial demand response as a recognized flexibility tool. Industrial users are entitled to participate in flexibility markets directly (Section 28 paragraph (4) of Energy Act) or offer their flexibility through licensed aggregators (point 305 of Lex RES III amending Section 28 paragraph (1)(f)). Thus, industrial consumers, which actively operate on the spot markets (individually or via aggregator), are enabled to manage their consumption profile according to price signals or could become providers of auxiliary services.

The amended legislation shall include:

- **Concept of flexibility, which allows services for example storage, demand aggregation and demand response**

Under Point 15 of Lex RES III amending the Energy Act, a new definition of flexibility, as set out above, allows for the ability to control changes in electricity supply or consumption in response to market prices or requests, demand responses. It is interpreted as a form of flexibility through adjusting consumption by customers and aggregators. Moreover, flexibility allows services such as electricity storage, because storage involves taking electricity from the grid (charging) and supplying electricity back to the grid (discharging) in a controlled way. The reference to changes over a time period relative to a scheduled or forecasted supply fits with demand aggregation, where loads are shifted or curtailed from their usual consumption pattern. Therefore, storage facilities qualify because they control the direction and timing of electricity flows, charging or discharging based on signals; and demand aggregation qualifies because it is about controlling and adjusting consumption patterns (loads) in response to market signals or requests.

- **A trading license for energy storage assets operators and aggregators for participating on the energy market**

Point 18 of Lex RES III, amending Section 3 paragraph (1) of Energy Act, includes electricity storage in electricity storage facilities (operating systems like batteries or other storage technologies that can absorb and later release electricity) and aggregation (grouping multiple consumers, producers, or storage units to provide flexibility services as one entity) as electricity-related business activities. Under Point 21, amending Section 3 paragraph (3) of Energy Act, aggregators and energy storage operators are required to obtain a license for energy trading in order to participate on the energy markets, when its roles are not limited to consumption.

- **Definition of the rights and obligations of the operator of the energy storage assets and the demand aggregator in relation with other market participants;**

Under Point 205 of Lex RES III amending Section 23a of the Energy Act, operators of energy storage assets are granted the rights and obligations under the same type of license for energy trading. They can fully participate on energy market, buy and sell energy or provide balancing services as the others. New Section 23a paragraph (1) sets out the rights of operators such as: (i) connect to the grid; (ii) buy, sell and store electricity; iii) provide flexibility and ancillary services; (iv) share stored electricity and (v) participate in aggregation. New Section 23a paragraph (2) sets out the obligations of operators such as (i) licensing if installed capacity is above 100 kW; (ii) registration with market operator; (iii) real time data reporting; (iv) remote control capability with an installed capacity of 100 kW or more; (v) emergency plans with facilities with an installed capacity of more than 10 kW and (vi) accept dispatch/curtailment.

Under Point 336 of Lex RES III amending Section 32 paragraph (1) of Energy Act, the rights and obligations of demand aggregators include offering flexibility aggregation services to electricity market participants as well as flexibility to the electricity market. Additional rights and obligations of aggregators are also provided under new Section 11cb of Energy Act (introduced by Point 98), i.e. by requiring aggregators to clearly inform consumers about clear basic contract conditions or consequences of activating flexibility. Moreover, under Point 304 of Lex RES III amending Section 28 paragraph (1)(e) of Energy Act, the customers are entitled to choose and change the aggregator free of charge.

- **The right and rules for an active consumer to operate a storage asset**

Under Lex RES III (notably by amending Section 28 of Energy Act), several new consumer protection and other rights as well as obligations now apply to active consumers. All customers can operate a storage asset without any limitation. They can provide flexibility (Point 305 of Lex RES III) and operate a storage asset (Point 313 of Lex RES III). The new obligations set out under Point 315 of Lex RES III include maintaining facilities for electricity storage in line with technical norms, following the instructions of the technical control room of the electricity grid, complying with the quality parameters of the electricity supplied.

- **Provisions of contracts on aggregation and operating the energy storage assets**

Energy storage assets and connection points participating on aggregation are physical and legislatively part of electricity network. Therefore, they must fulfil the same condition as the other market participants, especially the agreement with the DSOs, which allows the customer to be connected to the network. The distribution system operator is obliged to connect all applicants, if they fulfil technical conditions and the network capacity is sufficient to provide a connection (Section 25 of Energy Act). From the commercial point of view, the customers are allowed to sign all types of contracts as the other market participants, without any limitation. Contracts between electricity market participants are dealt with in Section 50 of Energy Act. As mentioned above, Lex RES III introduced obligatory provisions in contracts with operators of energy storage assets (points 356 to 358, 360 to 362 of Lex RES III introduce and amend Sections 50 paragraph (2), 50 paragraph (3), 50 paragraph (4) and 50 paragraph [7) of Energy Act). The aggregation contract is mentioned in Section 32 paragraph (2)(e) of Energy Act (amended by point 338 of Lex RES III) where, from the 1 August 2026, it is an obligation of aggregator to provide truthful information connected to aggregation contract. Point 364 of Lex RES III sets out the aggregation contract details by amending Section 50 paragraph (10) of Energy Act.

- **Exclusion of double charging (concerning the electricity from the grid, then delivered back to the grid and consumed by the final customer).**

Exclusion of double charging when calculating the total amount of electricity used to determine the maximum payment for the electricity support component is ensured by Point 82, Part Eight of Lex RES

III (amending Section 28a paragraph (5) of the Act on Supported Energy Sources No. 165/2012). Accordingly, electricity used for storage purposes (charging batteries or other storage) and later sent back to the grid is not counted as "consumed electricity" for the purpose of calculating the electricity support fee. This avoids double-counting the same electricity twice — once when it's withdrawn to store, and again when it's supplied back. All the customers can operate energy storage devices, which enable them to participate on the benefits, which is provided by such a device. The metering and evaluation are possible on the delivery point level or at the level of devices, metered via submetering set out in a new Section 49a of Energy Act (Point 355, Part One of Lex RES III). With this the double charging is excluded.

- **The conditions for energy communities and collective self-consumers to participate to aggregation, storage, electricity distribution, electricity production activities.**

Points 187 to 188 of Lex RES III amends Section20i of Energy Act supplement the provisions introduced under previous legislation with the view to establish energy communities under Section 20b of Energy Act, as assessed under Milestone 312.
Additional rights for energy communities are now included notably in Sections 20i paragraphs (1)(d) to (f) of Energy Act allowing the energy communities to share stored electricity, store electricity in an electricity storage facility operated by the energy community and provide flexibility, either directly or through aggregation. Licensing requirements are also further simplified by exempting energy communities that operate production or storage units up to the capacity of 100kW; this threshold was increased from 50kW (see Point 189 of Lex RES III). Hence, electricity can be delivered to electricity traders or organized markets without additional administrative burden, thereby simplifying participation in the energy market. Energy communities operating its own distribution system are also subject to a more simplified regulatory treatment outside the scope of Section 25b (Point 190 of Lex RES III), implying or exempted.

Furthermore, in line with the description of the measure**, the reform shall ensure the market for non-fossil flexibility solutions is open to all participants coming from other Member States and shall not unduly restrict such participation**.

Under Point 260 of LEX RES III amending Section 25 of Energy Act, the market for non-fossil flexibility solutions is open to all participants, including those from other Member States, and that no unjustified obstacles prevent their participation. Under amended Section 25 paragraphs (15) and (16) of Energy Act, technical requirements for procuring non-frequency ancillary services and flexibility must be approved by the Energy Regulatory Office (ERÚ) only if they enable non-discriminatory participation by electricity producers, storage operators, customers, communities and aggregators. These provision help remove barriers to market entry and ensure that foreign based flexibility providers are treated on equal footing.

Furthermore, in line with the description of the measure, **the legislation shall facilitate market-based commercial energy storage investments and aims to be accompanied by additional financial support schemes to increase energy storage facilities.**

Point 15 of Lex RES III provides legal definitions of energy storage and energy storage facilities (by amending Section 2 of Energy Act) and an environment allowing for electricity to be stored and later re-used or transformed. Private entities can build and operate storage facilities independently from grid operators, promoting open access to the market. Energy storage facilities operators can purchase electricity for storage, sell it, provide ancillary services, participate in flexibility markets (either directly or through aggregators) and share stored electricity across locations (Section 23a), enabling new commercial models. Customers can enter into aggregation contracts with licensed aggregators without requiring the consent of their electricity supplier (Points 205 and 305 of Lex RES III, respectively) and

aggregators can offer flexibility to electricity markets or system operators (Section 32 of Energy Act amended by Point 336 of Lex RES III). Moreover, electricity suppliers cannot discriminate to the detriment of customers participating in flexibility services (Section 30 of Energy Act amended by point 329 of Lex RES III).

In addition to creating a framework facilitating market-based investments to develop energy storage, Lex RES III also provides for rules enabling public support schemes. To this end, a new Section 35 of Energy Act called Capacity Mechanism is introduced (Point 336 of LEX RES III). Storage facilities with capacity above of 100 MW are recognized as being in the public interest. These new rules complement the state guarantees during energy market crisis under Section 19 of Energy act.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C7.2]-R[R2]-M[317]: Publication of the Flexibility Action Plan

Related Measure: C7.2.R2 Energy Storage and Non-fossil flexibility framework

Qualitative Indicator: Adoption by the government of the Action Plan

Time: Q4 2024

1. Context:

This measure aims to create a regulatory framework for flexibility services, that promotes the development of innovative solutions for optimising energy flows and integrating renewable energy sources.

The Action Plan shall define priorities of the developing of non-fossil flexibility, define a target for non-fossil flexibility, and provide an investment trajectory to support flexibility and storage technologies including timelines.

Milestone 317 is the third and last milestone of the reform, and it follows the completion of milestone 315 and milestone 316, related to the report on the need for non-fossil flexibility and the entry into force of legislative amendments establishing a regulatory framework for flexibility services. The reform has a final expected date for implementation on 30 December 2024.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled
2	Resolution of the Government of the Czech Republic No. 431 on the National Flexibility Development Action Plan, published on 11 June 2025 on the Government Portal ((https://odok.gov.cz/portal/zvlady/usneseni/2025/431/)	Resolution of the Government of the Czech Republic of which the Government approves the National Flexibility Development Action Plan and instructs the Minister for Industry and Trade to publish the Action Plan on the Ministry website.
3	National Flexibility Development Action Plan published on 1 June 2026 on the Ministry of Industry and Trade website	National Flexibility Development Action Plan published on the official website of the Ministry of Industry and Trade (https://mpo.gov.cz/cz/energetika/elektroenergetika/elektroenergetika/narodni-akcni-plan-rozvoje-flexibility--288010/)

3. Analysis:

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

Adoption by the government of the Action Plan.

Publication of the Flexibility Action Plan

On 11 June 2025, the Government of the Czechia approved the National Flexibility Development Action Plan through Resolution No 431 and it instructed the Minister for Industry and Trade to publish the Action Plan on the website of the Ministry by 30 June 2025. The Commission services assessed the link provided by the authorities on 26 June 2025 to verify that the National Flexibility Development Action Plan was published by the Ministry of Industry and Trade in its website. This check was completed successfully, confirming that the Action Plan adopted by the government is published in the Ministry website and it is possible to have access as well as to download it.

The Action Plan shall define priorities of the developing of non-fossil flexibility

Non-fossil flexibility refers to the ability of the power system to balance supply and demand using sources and solution that do not rely on fossil fuel such as storage technologies, demand-side response, renewable curtailment management and grid-enhancing technologies. The Flexibility Action Plan (evidence 3) highlights the increasing role of renewable energy sources in the power system, which creates new challenges for balancing and system stability. It stresses the urgency of developing flexible solutions that are compatible with a decarbonised energy system, especially non-fossil-based ones, to replace flexibility historically provided by fossil fuels.
Chapter 3 defines and describes priority areas, including their objectives and measures aimed at supporting the development of flexibility in the country. For each of the priority areas, the objectives and proposed actions for implementing them are identified.
The main priorities areas identified in the Action Plan are:

- To review the Czech legislative framework to ensure the development of non-fossil flexibility sources;
- Data management via the Electricity Data Centre;
- Design of a tariff structure supporting the development of non-fossil flexibility;
- National roll-out of smart metering devices in the Czech Republic;
- Developing and financing new sources of non-fossil flexibility;
- Development of technical flexibility in the Czech Republic;
- Awareness of active customers and potential flexibility providers;
- Monitoring and evaluation of the development of non-fossil flexibility resources.

and define a target for non-fossil flexibility, including demand response and energy storage for the next ten years.

Chapter 2.3 of the Flexibility Action Plan (evidence 3) defines a strategic flexibility target for 2035 that relies on increasing non-fossil flexibility (especially battery storage and demand-side response) and assumes continued grid modernisation.

Chapter 2 of the National Flexibility Development Action Plan assesses the Czech electricity system from the perspective of flexibility and quantifies potential curtailment of renewables generation under a modelling scenario for 2027, 2030 and 2035. The modelled scenario for the action plan looks at demand-side response (DSR) and evaluates their impact on flexibility. It distinguishes between explicit DSR (which involves direct participation of consumers in electricity markets by reducing or shifting consumption upon request – e.g. industrial consumers reducing load on request) and implicit DSR (which involves automatic response to price signal such as dynamic tariffs, increase of heat pumps without the customer being directly involved in the market). In this regard, it action plan defines the following forecast-based targets for demand-side response:

1. Explicit DSR: 90 MW (2027), 150 MW (2030), 190 MW (2035).
2. Implicit DSR: Heatpumps in DSR_ 7.5% (2030) and 10% (2035)

The analysis demonstrated that there are potential risks due to overproduction of renewables during low demand and to reduce risks of shortages. Therefore, it establishes as a target the development of 500MW/1 000MWh of additional battery storage beyond what is already modelled. This capacity is aimed at filling projected gaps in non-fossil flexibility and helping avoid over reliance on curtailment of renewable energy

The Action Plan shall provide an investment trajectory to reach the identified potential and set out public financing and identify suitable private financing sources for supporting flexibility and storage technologies including timelines.

Chapter 4 of the Action Plan (evidence 3) provides an investment trajectory to reach the priorities defined and includes financing sources for supporting flexibility.

The action plan takes into account a study of financial consulting company Lazard's from June 2024 (so called Lazard LCOE+), to provide CAPEX estimates for different storage sizes, operation and maintenance costs and a sensitivity analysis depending on technology cost trends. It identifies a potential investment gap that may not be covered by the market alone and therefore, it justifies the need for public support schemes, especially during early stage of market maturity for flexibility.

The action plan outlines public and private financing sources including State Environmental Fund (SFZP). Ministry of Environment programmes (MZP), other national support under EU Temporary Crisis and Transition Framework (State aid). The action plan aligns financial needs with projected capacity growth over time (10 years) and it assumes gradual deployment of flexibility resources in line with technical readiness and regulatory changes.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C7.2]-R[R3]-M[310]: Entry into operation of the Energy Data Centre

Related Measure: C7.2.R3 Electricity Data Centre

Qualitative Indicator: Launch of the functionalities linked to energy sharing

Time: Q3 2024

1. Context:

The objective of the measure is to set up an Electricity Data Centre (EDC). The creation of the EDC aims to support the creation of new market and activities and to enable energy sharing.

Milestone 310 relates to the start of operation of EDC´s functionalities linked to energy sharing (measurement and data evaluation).

Milestone 310 is the second milestone of the reform, and it follows the completion of milestone 309 related to the entry into force of the legislation establishing the EDC. It will be followed by milestone 311, related to launch of functionalities linked to technical flexibility. The reform has a final expected date for implementation on 30 June 2026.

2. Evidence provided:

	Name of the evidence.	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Notary Commercial Registration of the Electricity Data Centre NZ Serial Number 2BB2SMD	Notary Registration Certificate signed and registered on the 14 November 2023. It is signed by CEPS (the Czech TSO) and the three rgional DSOs in Czechia (CEZ Distribuce, EG.D and PREdistribuce) in order to establish the Electricity Data Centre as public limited company.
3	Licensing Certificate from the Ministry of Industry and Trade signed on 30 January 2025	Licensing Certificate from the Ministry of Industry and Trade confirming the functionality of the Electricity Data Centre in line with Section 15a of the Energy Act.
4	Decision from the Energy Regulatory Office (Ref. No.: 07226-11/2024-ERU) adopting the Order of the Electricity Data Centre (“EDC Order”), approved by the Energy Regulatory Office on 1 August 2024 and effective on 1 August 2024. Annex to the	This decision published by the Energy Regulator describes the process of adoption of the EDC Regulations including the EDC Order as annex to the Decision. The EDC Order details the functionalities of the Electricity Data Centre.

	Decision is the approved "EDC Order"	
5	Data extracts from the EDC platform	Data extracts from the EDC platform for a specific EAN demonstrating that the EDC is operating its functionalities linked to energy sharing.

3. Analysis:

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

The Electricity Data Centre shall start the operation of functionalities

The Electricity Data Centre was registered in the Commercial Registry on 14 November 2023 under number 2BB2SMD with the participation of the representants of CEPS (The Czech TSO) and the three distribution grid operators in Czechia (CEZ, EG.D and PREdistribuce) as demonstrated by the introductory part of the Commercial Registry. Article 1 of the Commercial Registry establishes the name of the Electricity Data Centre as of public limited company – Electricity Data Centre, a.s.

Following its registry, the EDC provided to the Ministry of Industry and Trade all the necessary information for the exercise of their competences under the Energy Act (Section 15a of Act No 458/2000). On this basis, the Ministry of Industry and Trade issued a licensing certificate on 30 January 2025 confirming the that the EDC started its operation on 1 August 2024.

linked to energy sharing (**collection and provision of metering data, registration and data evaluation for the purpose of energy sharing)**.

The Commission services conducted an on-the-spot check on 17 July to verify that the Electricity Data Centre started the operation of its functionalities linked to energy sharing. Czechia showed the EDC platform, which is accessible to all EDC users. Depending on their role, users can perform the following activities: i) collection and management of energy data; ii) registration and management of electricity sharing groups; iii) evaluation of electricity sharing; iv) provision of energy data to market participants as explained in the first page of the EDC platform which matched the data extraction provided as evidence by Czechia.

For the purpose of the on-the-spot check, Czechia demonstrated access to the EDC Platform by logging into the system using an administrator role.

Pursuant to Section 27d of the Energy Act, the EDC has specifics rights and obligations in the context of electricity sharing. The EDC is entitled to access measured and evaluated data on electricity supply and consumption. Its obligations include, among others, registering the assignment of transfer points to sharing groups with the data centre, providing measured and evaluated data to participants, and supplying electricity suppliers with additional information regarding shared electricity.

The functionalities of registration, both from the administrator angle to have an overview of the registration requests as of the user for the registration and access to its profile, data extraction covering registered transfer points involved in energy sharing, as well as data management related to the collection and provision of metering data, data evaluation and provision of energy data to market participants, were verified through the on-the spot check of the evidence held on 17 July 2025. The check was completed successfully, confirming that the Electricity Data Centre started its operations of

functionalities linked to energy sharing (collection and provision of metering data, registration and data evaluation).

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C7.3]-R[R1]-M[318]: One-stop-shop for energy

Related Measure: C7.3.R1 One-stop-shops for energy communities and energy efficiency renovations

Qualitative Indicator: Start of operation of the one stop shop

Time: Q4 2024

1. Context:

The reform establishing one-stop-shops (OSS) for energy communities and energy efficiency renovations shall be implemented by conducting an evaluation of the pilot operation of three regional OSS which provide households, enterprises and the public sector with advice on energy efficiency renovations. The evaluation shall be formalised in a study which draws lessons learned and recommends actions for improvement in the operation of regional OSS. The reform shall also include support measures towards the education and information of municipalities and citizens on the concept and advantages of energy communities, including the creation of OSS to provide technical support on regulatory, technical, financial and organisational aspects.

Milestone 318 concerns set up and entry into operation of one OSS that provides technical support, facilitates access to early finance, and information to set up an energy community. The OSS shall provide guidelines on legislative requirements and template documents to help with the licensing and permitting procedures. Moreover, OSS shall provide support and advice on energy efficiency renovations to households, enterprises, and the public sector.

Milestone 318 is the first step of the implementation of the reform. It will be followed by milestone 319, related to evaluation of the pilot operation of three OSS for energy communities and energy efficiency renovations. The reform has a final expected date for implementation on 31 December 2025.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled, including link to the grant call published on Ministry of Industry and Trade website: https://efekt.gov.cz/cz/dotacni-programy/vyzvy/6-2024-pilotni-projekt-zrizeni-jednotneho-kontaktniho-mista-pro-energeticka-spolecenstvi-a-energeticky-ucinne-renovace, link to the OSS website: https://www.mnpropeks.cz/ and a link to the ministry website on energy communities: https://www.jaksdiletenergii.cz/.
2	Annex 1a – Grant decision from 11 December 2024 issued by the Ministry of Industry and Trade for K-	Grant decision for a pilot project to set up additional OSS for energy communities and energy efficiency renovations.

	EKIS Velké Hoštice, MN propeks, s.r.o.	
3	Annex 1b - Conditions for drawing the K-EKIS subsidy by the Ministry of Industry and Trade	Conditions for the use of the non-investment subsidy are an integral part of the grant decision. They include a detailed list of services to be provided by the OSS for energy communities and energy efficiency renovations.
4	Annex 2a - K-EKIS interim report no. 1 (Q4 2024) and no. 2 (Q1 2025) by K-EKIS Velké Hoštice, MN propeks, s.r.o.	Interim reports describing the progress of OSS to date.
5	Annex 2b - Minutes from an evaluation call on 30 April 2025 between the Ministry of Industry and Trade and K-EKIS interim report no. 1 by K-EKIS Velké Hoštice, MN propeks, s.r.o.	Minutes from an evaluation call on interim report no. 1 according to requirement from Part D, point 5 of the Conditions for Drawing the K-EKIS subsidy.
6	Annex 2c - Registration sheets of consultations provided by K-EKIS Velké Hoštice, MN propeks, s.r.o.	Registration sheets of consultations provided in Q1 2025.
7	Annex 2d - Overview of consultations in Q4 2024 and Q1 2025 by K-EKIS Velké Hoštice, MN propeks, s.r.o.	Overview includes statistics on the telephone and in-person consultations provided in Q4 2024 and Q1 2025.
8	Annex 2e – Invitation for a lecture held in Kravaře on 27 March 2025 about renovations and energy efficiency and photo evidence of events organised	Invitation for a lecture about renovations and energy efficiency and photo evidence of organised events.
9	Annex 3a - *How to share energy* – ebook by the Ministry of Industry and Trade	ebook- *How to share energy*.
10	Annex 3b - K-EKIS Community Energy Methodological Guideline by the Ministry of Industry and Trade	K-EKIS Community Energy Methodological Guideline.

3. Analysis:

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

Set up of and entry into operation of one stop shop (OSS) that provides technical support, facilitates access to early on finance (to contract services or invest in equipment) and information to set up an energy community. Furthermore, in line with the description of the measure, **the reform shall also include support measures towards the education and information [...] on the concept and advantages of energy communities, including the creation of one stop shop to provide technical support on regulatory, technical, financial and organisational aspects.**

The Commission services accessed the link provided by the authorities on 30 June 2025 to verify the grant call published by the Ministry of Industry and Trade on its website. This check was completed successfully, confirming that the call was published on 25 October 2024. On 11 December 2024, MN propeks, s.r.o. was awarded the grant to set-up an OSS in Velké Hoštice (Annex 1a) and operate it under K-EKIS branding. Conditions for the use of the non-investment subsidy are an integral part of the grant decision (Annex 1a, page 1). They contain a detailed list of services to be provided (Annex 1b, pages 3 to 4), including advice and support for energy efficiency renovations, such as technical advice, access to early on finance, information on the establishment of an energy community, and provision of educational activities about them. K-EKIS Community Energy Methodological Guideline (Annex 3b) summarises information that specialised consultants (list of required experts in Annex 1b, page 4) should provide while performing their duties, for example on financing to contract services or equipment investment (Annex 3b, page 3).

The Commission services accessed the link provided by the authorities on 30 June 2025 to verify the OSS website. This check was completed successfully, confirming that it lists details of the available consultancy services, information on opening hours, contacts and how to make an appointment. OSS has carried out phone and in-person consultations as evidenced by the interim report (Annex 2a) evaluated by the Ministry of Industry and Trade on 30 April 2025 (Annex 2b) according to requirement from Part D, point 5 of the Conditions for Drawing the K-EKIS subsidy (Annex 1b, page 9). In total, OSS provided 72 phone, online or in-person consultations in Q4 2024 and Q1 2025 (Annex 2c) and one public lecture (Annex 2e). As evidenced by the registration sheets of the provided consultations (Annex 2c), consultants advised clients on regulatory, technical, financial and organisational aspects of energy communities and energy efficiency renovations.

The OSS shall provide guidelines on legislative requirements and template documents to help with the licensing and permitting procedures.

The OSS is legally bound to provide information on legislative requirements and template documents to assist with licensing and permitting procedures by the conditions of the grant (Annex 1b, page 4). According to K-EKIS guidelines (Annex 3b, page 3) during consultations clients are informed about and assisted with collecting necessary data to fulfil the legislative requirements. Moreover, the OSS provides the template documents to help with licensing and permitting procedures, as well as assists the applicant during the process, as evidenced by the registration sheets of telephone and in-person consultations (Annex 2c).

Additionally, the Ministry of Industry and Trade published an e-book titled *How to share energy* (Annex 3a), which describes step-by-step the process of setting up an energy community and answers to the frequently asked questions. The Commission services accessed the link provided by the authorities on 30 June 2025 to verify that the ministry has also prepared a website on the topic. This check was completed successfully, confirming that the website provides information on energy sharing and energy communities together with accessible links to relevant documents for licensing and permitting. They are used by both the OSS and the public for the purpose of better informing about how to establish energy sharing communities.

The OSS shall provide support and advice on energy efficiency renovations to households, enterprises, and the public sector. Furthermore, in line with the description of the measure, **the reform shall also include support measures towards the education and information of municipalities and citizens on the concept and advantages of energy communities [...].**

The provision of advice and support for energy efficiency renovations for households, businesses and the public sector is a requirement of the grant under its conditions (Annex 1b, page 3). The interim reports on the functioning of OSS (Annex 2a) and the registration sheets of provided consultations (Annex 2c) show that information and educational activities on the concept and advantages of energy communities reached households, enterprises and public sector entities, including municipalities. In total, the OSS provided 72 phones, online or in-person consultations in Q4 2024 and Q1 2025 (Annex 2c) and one public lecture (Annex 2e).

The milestone is further specified in the Operational Arrangements, which requires: **For the purposes of these operational arrangements, "one-stop-shop for energy" shall mean "one-stop-shop for energy efficiency and energy communities."**

Considering the submitted evidence, in particular, Annex 1b, which includes a detailed list of services to be provided, and Annex 3b referencing methodological guidelines for OSS, the K-EKIS provides advice and support in areas of energy efficiency and establishing energy communities.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C7.4]-I[I1]-T[327]: Approval of new Sustainable and Green Transition Strategies by public universities

Related Measure: C7.4.I1 Sustainable and Green Transition Strategies

Quantitative Indicator: Strategies

Baseline: 0

Target: 20

Time: Q4 2024

1. Context:

The measure aims at supporting public universities in the development of strategies for the sustainable and green transition. At least 20 public universities shall approve a Sustainable and Green Transition strategy, which shall establish the vision, priorities and objectives of the universities in the short- and medium-term in the area of green transition, including green skills education.

The target requires that at least 20 public universities shall approve new or extended Sustainable and Green Transition Strategies. The strategies shall formulate the vision, priority areas and objectives necessary to support universities' green transition in the short- and medium-term, including green skills education.

Target 327 is the only target of this investment. The investment has a final expected date for implementation on 31 December 2024.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Annex 1 - Sustainability Strategy of the Academy of Fine Arts in Prague (AVU).	The Sustainability Strategy of the Academy of Fine Arts in Prague (AVU), signed on 12 December 2024. This and all below strategies were prepared by each respective university.
3	Annex 2 – Sustainability Strategy of the Czech Technical University in Prague (CVUT)	The Sustainability Strategy of the Czech Technical University in Prague (CVUT), signed on 10 January 2025.
4	Annex 3 – Sustainability Strategy of the Czech University of Agriculture in Prague (CZU)	The Sustainability Strategy of the Czech University of Agriculture in Prague (CZU), signed on 9 December 2024.
5	Annex 4 – Sustainability Strategy of the Janáček Academy of Performing Arts (JAMU)	The Sustainability Strategy of the Janáček Academy of Performing Arts (JAMU), signed on 18 December 2024.
6	Annex 5 – Sustainability Strategy of the University of South Bohemia České Budějovice (JU)	The Sustainability Strategy of the University of South Bohemia České Budějovice (JU), signed on 11 December 2024.

7	Annex 6 – Sustainability Strategy of Mendel University of Brno (MENDELU)	The Sustainability Strategy of Mendel University of Brno (MENDELU), signed on 13 December 2024.
8	Annex 7 - Sustainability Strategy of Masaryk University (MUNI)	The Sustainability Strategy of Masaryk University (MUNI), signed on 9 December 2024.
9	Annex 8 - Sustainability Strategy of the University of Ostrava (OU)	The Sustainability Strategy of the University of Ostrava (OU), signed on 23 December 2024.
10	Annex 9 - Sustainability Strategy of the Silesian University of Opava (SU)	The Sustainability Strategy of the Silesian University of Opava (SU), signed on 20 December 2024.
11	Annex 10 - Sustainability Strategy of the Technical University of Liberec (TUL)	The Sustainability Strategy of the Technical University of Liberec (TUL), signed on 17 December 2024.
12	Annex 11 - Sustainability Strategy of the University of Hradec Králové (UHK)	The Sustainability Strategy of the University of Hradec Králové (UHK), signed on 11 December 2024.
13	Anne 12 - Sustainability Strategy of Charles University (UK)	The Sustainability Strategy of Charles University (UK), signed on 4 December 2024.
14	Annex 13 - Sustainability Strategy of the Academy of Arts, Architecture and Design in Prague (UMPRUM)	The Sustainability Strategy of the Academy of Arts, Architecture and Design in Prague (UMPRUM), signed on 19 December 2024.
15	Annex 14 - Sustainability Strategy of the University of Pardubice (UPCE)	The Sustainability Strategy of the University of Pardubice (UPCE), signed on 17 December 2024.
16	Annex 15 - Sustainability Strategy of Tomas Bata University (UTB)	The Sustainability Strategy of Tomas Bata University (UTB), signed on 13 December 2024.
17	Annex 16 - Sustainability Strategy of Brno Veterinary University (VETUNI)	The Sustainability Strategy of Brno Veterinary University (VETUNI), signed on 2 December 2024.
18	Annex 17 - Sustainability Strategy for Technical University of Ostrava (VŠB-TUO)	The Sustainability Strategy of the Technical University of Ostrava (VŠB-TUO), signed on 14 November 2024.
19	Annex 18 - Sustainability Strategy of the College of Polytechnics Jihlava (VŠPJ)	The Sustainability Strategy of the College of Polytechnics Jihlava (VŠPJ), signed on 29 November 2024.
20	Annex 19 - Sustainability Strategy for University of Technology and Economics in České Budějovice (VŠTE)	The Sustainability Strategy of the University of Technology and Economics in České Budějovice (VŠTE), signed on 9 January 2025.
21	Annex 20 - Sustainability Strategy for Brno University of Technology (VUT)	The Sustainability Strategy for Brno University of Technology (VUT), signed on 19 December 2024.
22	Annex 21 - Sustainability Strategy of the Academy of Performing Arts in Prague (AMU)	The Sustainability Strategy of the Academy of Performing Arts in Prague (AMU), signed on 1 September 2024.
23	Annex 23 - Sustainability Strategy for Prague University of Economics (VŠE)	The Sustainability Strategy for Prague University of Economics (VŠE), signed on 19 December 2024.

24	Annex 24 - Sustainability Strategy of the University of Chemistry and Technology in Prague (VŠCHT)	The Sustainability Strategy of the University of Chemistry and Technology in Prague (VŠCHT), signed on 7 January 2025.
25	Annex 25 – Sustainability Strategy of the University of West Bohemia in Pilsen (ZČU)	The Sustainability Strategy of the University of West Bohemia in Pilsen (ZČU), signed on 7 January 2025.

3. Analysis:

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

At least 20 public universities shall approve new or extended Sustainable and Green Transition Strategies. Furthermore, in line with the description of the measure**, at least 20 public universities shall approve a Sustainable and Green Transition strategy.**

24 public universities have approved new or extended Sustainable and Green Transition Strategies, as proved by Annexes 1-25. These universities include the following: Academy of Fine Arts in Prague (AVU) (Annex 1), the Czech Technical University in Prague (CVUT) (Annex 2), the Czech University of Agriculture in Prague (CZU) (Annex 3), Janáček Academy of Performing Arts (JAMU) (Annex 4), the University of South Bohemia České Budějovice (JU) (Annex 5), the Mendel University of Brno (MENDELU) (Annex 6), Masaryk University (MUNI) (Annex 7), the University of Ostrava (OU) (Annex 8), the Silesian University of Opava (SU) (Annex 9), the Technical University of Liberec (TUL) (Annex 10), the University of Hradec Králové (UHK) (Annex 11), Charles University (UK) (Annex 12), the Academy of Arts, Architecture and Design in Prague (UMPRUM) (Annex 13), the University of Pardubice (UPCE) (Annex 14), Tomas Bata University (UTB) (Annex 15), Brno Veterinary University (VETUNI) (Annex 16), Technical University of Ostrava (VŠB-TUO) (Annex 17), the College of Polytechnics Jihlava (VŠPJ) (Annex 18), University of Technology and Economics in České Budějovice (VŠTE) (Annex 19), Brno University of Technology (VUT) (Annex 20), Academy of Performing Arts in Prague (AMU) (Annex 21), Prague University of Economics (VŠE) (Anne 23), University of Chemistry and Technology in Prague (VŠCHT) (Annex 24), and the University of West Bohemia in Pilsen (ZČU) (Annex 25).

All strategies have been signed by the Rector of the University, demonstrating that they have been approved.

The strategies shall formulate the vision, priority areas and objectives, necessary to support universities' green transition in the short- and medium-term, including green skills education. Furthermore, in line with the description of the measure, **which shall establish the vision, priorities and objectives of the universities in the short- and medium-term in the area of green transition, including green skills education.**

As evidenced by Annexes 1-25, the strategies for the 24 universities formulate the vision (see for example Annex 1, page 2; Annex 6, page 6; Annex 9, page 7), priority areas (see for example Annex 11, page 6; Annex 13, page 15; Annex 20, page 6) and objectives (see for example Annex 3, page 12; Annex 14, page 8; Annex 24, page 12) necessary to support universities' green transition in the short- and medium-term, including green skills education. The strategies specify the implementation period, demonstrating that they support the universities' green transition, including green skills education, in the short- and medium term (see for example Annex 5, page 7 and Annex 23, page 7 and 14).

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C7.4]-I[I2]-T[328]: Establishment of strategic partnerships by public universities

Related Measure: C7.4.I2 Establishment of strategic partnerships

Baseline: 0

Target: 20

Time: Q4 2024

1. Context:

The measure aims at supporting public universities in the establishment of strategic partnerships with third parties relevant to the green skills education, for example businesses, research institutions or social organisations. It aims to increase the quality and relevance of the new or adapted study programmes under Reform 1, by allowing the universities to involve practitioners in the design of the new courses.

The target requires that at least 20 strategic partnerships between public universities and a third party developing green skills education shall be established.

Target 328 is the only target of this investment. The investment has a final expected date for implementation on 31 December 2024.

2. Evidence provided:

	Name of the evidence.	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Annex 1 – List of supported beneficiaries	List of 20 partnerships between public universities and third parties
3	Annex 2 – Strategic Partnership for Charles University, Faculty of law	Memorandum of cooperation between Charles University, Faculty of law, and Institute of State and Law of AV ČR, v.v.i. The memorandum of cooperation includes the subject matter and relevant provisions, signed on 13 May 2024.
4	Annex 2 – Strategic Partnership for University of Technology in Brno, Faculty of Construction	Memorandum of cooperation between University of Technology in Brno and INFRAM a.s. The memorandum of cooperation includes the subject matter and relevant provisions, signed on 16 December 2024.
5	Annex 2 – Strategic Partnership for Jan Evangelista Purce University in Ústí nad	Memorandum of cooperation between Jan Evangelista Purce University in Ústí nad Labem and ORGREZ a.s. The memorandum of cooperation includes the subject matter and

	Labem, Faculty of Environment	relevant provisions, signed on 28 November 2024.
6	Annex 2 – Strategic Partnership for Jan Evangelista Purce University in Ústí nad Labem, Faculty of Environment	Memorandum of cooperation between Jan Evangelista Purce University in Ústí nad Labem and Orlen UNIPETROL RPA s.r.o. The memorandum of cooperation includes the subject matter and relevant provisions, signed on 4 March 2025.
7	Annex 2 – Strategic Partnership for Jan Evangelista Purce University in Ústí nad Labem, Faculty of Environment	Memorandum of cooperation between Jan Evangelista Purce University in Ústí nad Labem and ČEZ a.s. The memorandum of cooperation includes the subject matter and relevant provisions, signed on 3 April 2025.
8	Annex 2 – Strategic Partnership for Czech Agricultural University, Prague	Memorandum of cooperation between Czech Agricultural University and Urban forests of Hradec Králové, a.s. The memorandum of cooperation includes the subject matter and relevant provisions, signed on 18 March 2024.
9	Annex 2 – Strategic Partnership for Czech Agricultural University, Prague	Memorandum of cooperation between Czech Agricultural University and Heureka Group a.s. The memorandum of cooperation includes the subject matter and relevant provisions, signed on 18 June 2024.
10	Annex 2 – Strategic Partnership for Czech Agricultural University, Prague	Memorandum of cooperation between Czech Agricultural University and association of managers and sustainability managers of.s. The memorandum of cooperation includes the subject matter and relevant provisions, signed on 3 June 2024.
11	Annex 2 – Strategic Partnership for University of South Bohemia in České Budějovice	Memorandum of cooperation between University of South Bohemia in České Budějovice and Czech Tourism Centre – CzechTourism. The memorandum of cooperation includes the subject matter and relevant provisions, signed on 20 November 2024.
12	Annex 2 – Strategic Partnership for University of South Bohemia in České Budějovice	Memorandum of cooperation between University of South Bohemia and University of Economics in Prague, Faculty of Management. The memorandum of cooperation includes the subject matter and relevant provisions, signed on 11 October 2024.
13	Annex 2 – Strategic Partnership for Janáček Academy of Music Arts	Memorandum of cooperation between Janáček Academy of Music Arts and ZO ČSOP . The memorandum of cooperation includes the

		subject matter and relevant provisions, signed on 16 May 2024.
14	Annex 2 – Strategic Partnership for Liberec University of Technology	Memorandum of cooperation between Liberec University of Technology and Lohmann & Rauscher, s.r.o. The memorandum of cooperation includes the subject matter and relevant provisions, signed on 11 July 2024.
15	Annex 2 – Strategic Partnership for Charles University	Memorandum of cooperation between Charles University and Mediate s.r.o. The memorandum of cooperation includes the subject matter and relevant provisions, signed on 23 July 2024.
16	Annex 2 – Strategic Partnership for Charles University	Memorandum of cooperation between Charles University and Sonnetor s.r.o. The memorandum of cooperation includes the subject matter and relevant provisions, signed on 7 August 2024.
17	Annex 2 – Strategic Partnership for Veterinary University of Brno	Memorandum of cooperation between Veterinary University of Brno and State Veterinary Administration. The memorandum of cooperation includes the subject matter and relevant provisions, signed on 26 November 2024.
18	Annex 2 – Strategic Partnership for University of Silesia in Opava	Memorandum of cooperation between University of Silesia in Opava and CIRA Advisory s.r.o.. The memorandum of cooperation includes the subject matter and relevant provisions, signed on 30 April 2024.
19	Annex 2 – Strategic Partnership for University of Ostrava	Memorandum of cooperation between University of Ostrava and Science pioneers Foundation Fund. The memorandum of cooperation includes the subject matter and relevant provisions, signed on 5 December 2024.
20	Annex 2 – Strategic Partnership for Mendel University of Brno	Memorandum of cooperation between Mendel University of Brno and University of South Bohemia, Budějovice. The memorandum of cooperation includes the subject matter and relevant provisions, signed on 22 August 2024.
21	Annex 2 – Strategic Partnership for Mendel University of Brno	Memorandum of cooperation between Mendel University of Brno and University of Naples Federico II. The memorandum of cooperation includes the subject matter and relevant provisions, signed on 24 March 2025.
22	Annex 2 – Strategic Partnership for Mendel University of Brno	Memorandum of cooperation between Mendel University of Brno and Häme University of Applied Sciences. The memorandum of cooperation includes the subject matter and relevant provisions, signed on 9 October 2024.

23	Annex 3 (documents from no. 1 to 20) strategic partnership form for each project	The annexes provide further evidence on the implementation of the partnerships, including their objectives, benefits, how the partnerships develop green skills education, results achieved to date, and final evaluations. All forms are dated between March 2024 and April 2025.

3. Analysis:

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

20 strategic partnerships between public universities and a third party developing green skills education shall be established. Furthermore, in line with the measure description, **at least 20 strategic partnerships shall be formed.**

As evidenced by Annex 2 (from no.1 to 20), 11 public universities have established 20 strategic partnerships with third parties, including businesses, research institutions and social organisations. The partnerships focus on the promotion of green skills and sustainability within universities. The promotion of green skills is reflected in activities such as curriculum development, integration of sustainability topics into teaching and joint research initiatives (Annex 2, No.11). Some partnerships also include the exchange of good practices, cooperation on sustainability strategies, and participation in education events (annex 2, No.12). Each partnership agreement outlines the subject matter and relevant provisions, and is duly signed and dated by the university and the third party. In addition, Annex 3 provides further information on the objectives and benefits of each partnership, including how the partnership develops green skills education.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C7.5]-R[R2]-M[332]: Tax exemptions for promotion of deployment of zero-emission vehicles in the private companies

Related Measure: C7.5.R2 Tax measures in support of zero-emission mobility

Qualitative Indicator: Entry into force of amendments of Income Tax Act

Time: Q4 2024

1. Context:

The objective of the reform is to adjust the tax framework of Czechia to provide a facilitating environment for the uptake of zero-emission road vehicles by private companies.

Milestone 332 requires entry into force of amendments of the Income Tax Act setting out an accelerated depreciation for all zero-emission vehicles of all vehicle categories for private companies. In addition, the Income Tax Act in-kind benefits schemes for company cars are to be based on CO2 emission performance of passenger cars, with zero-emission vehicles receiving the most advantageous treatment.

Milestone 332 is the only milestone of this reform, related to revising the Income Tax Act. The reform has a final expected date for implementation on 31 December 2024.

2. Evidence provided:

	Name of the evidence.	Short description
1	Summary document	Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled;
2	Act No 349/2023 Coll, of 8 November 2023, amending certain acts in connection with the consolidation of public budgets.	This Act was published in the Official Journal and entered into force on 8 November 2023. It became applicable as of 1 January 2024. Provisions unrelated to this milestone have delayed entry between 2024 and 2027.
3	Consolidated version of Act No 586/1992 Coll., the Income Tax Act, including recent amendments	This Act was published into the Official Journal and entered into force on 20 November 1992. It became applicable as of 1 January 1993, with the latest amendments applicable from 1 January 2024.
4	Copy of a Report issued by the Ministry of Finance, dated December 2024	The report describes in detail the functioning of the system of benefits in kind and how its revision ensures a similar level of motivation for employees and employers. It is available on the web of Ministry of Finance https://www.mfcr.cz/cs/dane-a-ucetnictvi/dane/danova-a-celni-legislativa/2024/zprava-ministerstva-financi-k-narodnimu-planu-obno-58131

3. Analysis:

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

Entry into force of amendments of Income Tax Act.

As evidenced by Annex 1, the revision to the Income Tax Act (Act No 586/1992) was adopted through Act No 349/2023 amending certain acts in connection with the consolidation of public budgets (2023 Budget Consolidation Act), adopted by the Czech Parliament on 8 November 2023. Specifically, relevant amendments to the Income Tax Act adopted in Act No 349/2023 (Articles 15 points 13 and 59) came into force via Article 114 on 1 January 2024.

The amended Income Tax Act shall set out an accelerated depreciation for all zero emission vehicles of all vehicle categories (M1 -passenger cars, N1 - light commercial vehicles; N2 and N3 - heavy-duty vehicles, based on UNECE standards) for corporate fleets. Furthermore, in line with the description of the measure, **the reform shall also provide a tax benefit in the form of an accelerated depreciation for all zero-emission vehicles (categories M1, N1, N2, N3) for private companies. The measures shall amend the Income Tax Act to ensure that the possibility of accelerated depreciation is provided solely for zero-emission vehicles until at least 2027.**

As evidenced by Annex 1, point 59 of Article 15 of the 2023 Budget Consolidation Act provides for an amendment to Article 30a of the Income Tax Act, revising means of applying accelerated depreciation for vehicles.

As demonstrated in Annex 2, the amended Article 30a of the Income Tax now extends the initial accelerated depreciation to only zero-emission road vehicles. This means that all categories of vehicles (including UNECE categories M1, N1, N2 and N3) are included, so long as they are zero-emission vehicles. Furthermore, Article 30a shows the validity of the accelerated depreciation extended to zero-emission vehicles bought between 1 January 2024 and 31 December 2028.

In line with the amended Article 30a, the taxpayer may request the accelerated depreciation of such zero-emission vehicles continuously over 24 months, applying depreciation on a straight-line basis up to 60% of the entry price for the first 12 months and on a straight-line basis up to 40% of the entry price for the following 12 months.

The Income Tax Act shall also be revised to change in-kind benefits for company car schemes based on CO2 emission performance of passenger cars. The amendment shall set out a differentiation in the in-kind benefits scheme between zero-emission vehicles and other types of vehicles, with zero-emission vehicles receiving the most advantageous treatment. Furthermore, in line with the description of the measure, **the measure shall revise the Income Tax Act to amend the in-kind benefit for company cars provision by providing a higher level of taxation for both conventionally fuelled vehicles and low-emission vehicles (below 50gCO2/km), while setting out a lower level of taxation for zero-emission vehicles resulting in an advantage for zero-emission vehicles.**

As evidenced by Annex 1, point 13 of Article 15 of Act No 349/2023 amends Article 6(6) of the Income Tax Law, revising the in-kind benefits scheme and introducing a differentiation among different types of vehicles based on their CO2 emission performance (see Annex 2). When an employer provides company vehicles free of charge to its employees for business and personal use, this is considered as income for the employee. For this benefit, the Income Tax, Act No. 586/1992 Coll., provides special tax rules for the valuation of this property benefit, specifically in Article 6(6). The statutory rates are used to calculate the amount of income based on the entry price of the vehicle including VAT. While

the previous version of the in-kind benefits scheme recognised only a distinction between conventionally fuelled vehicles and low-emission vehicles, the amendment has introduced a third category, namely zero-emission vehicles. This is in line with the requirements of the milestone description, as the revision requires a change to in-kind benefits company car schemes based on CO2 emission performance.

The differentiation in tax treatment between zero-emission vehicles on the one hand and low-emission and conventionally fuelled vehicles on the other is equally established in Articles 6(6) of the amended Income Tax Act. Zero-emission vehicles only pay 0.25% of the rate of the vehicle entry price, whereas low-emission vehicles maintained the 0.5% rate of the vehicle price and conventionally fuelled vehicles have a rate on the entry price of 1%, making the zero-emission vehicles the most advantageous.

The amendments shall provide incentives for both employees and employers.

The two amendments to the Income Tax Law, as evidenced by Annex 1 and Annex 2, provide incentives for employees and employers.

Amendment to Article 6(6) of the Income Tax Law (in-kind benefit scheme) gives an incentive to employees who choose to lease or purchase zero-emission vehicles over other types of vehicles. Specifically, the tax rates would be double if the employees purchased or leased a low-emission vehicles, and four times higher if employees purchase a conventionally fuelled vehicle.

Regarding incentives for employers, the amendment to Article 30a gives employers and businesses the option to accelerate depreciation of zero-emission road vehicles of all types. Accelerated depreciations are often used to encourage investment by allowing businesses to write off more of an asset's cost in the early years, leading to tax savings. Under general depreciation rules spelled out in Article 30, employers and business would depreciate the tangible assets in the second depreciation group (which includes road vehicles, as per Annex 2 of the Income Tax Act) over 5 years, whereas under the accelerated depreciation regime available for zero-emission vehicles in Article 30a they would be depreciated over only 2 years.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C7.5]-R[R5]-M[337]: Revising the highway vignette costs

Related Measure: C7.5.R5 Incentivising zero-emission mobility through changes in highway vignette cost and structure

Qualitative Indicator: Entry into force of amendment of the Road Act

Time: Q4 2024

1. Context:

The reform will result in the entry into force of the revision of the Road Act, which will modify the cost structure of the highway vignette for vehicle categories below 3.5 tonnes based on their CO2 performance.

Milestone 337 requires that the annual highway vignette for conventionally fuelled cars and vans increases by no less than 50% compared to the 2022 baseline, while zero-emission vehicles of the said types being exempted from highway vignette fees.

Milestone 337 is the only milestone of this reform, related to a revision of the highway vignette costs. The reform has a final expected date for implementation on 31 December 2024.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled)
2	Act No 349/2023 Coll., of 8 November 2023, amending certain acts in connection with the consolidation of public budgets and amending the Road Act.	The Act amends the Road Act No. 13/1997 Coll. It was published in the Official Journal and entered into force on 8 November 2023. It became applicable as of 1 January 2024. Provisions related to this milestone have delayed applicability from 1 March 2024.
3	Reasoned Report issued by the Ministry of Transport as part of revision of the Road Act.	Report by Ministry of Transport detailing the reasoning for the revision of the cost structure of the highway vignette for various emission categories of M1 and N1 vehicles.
4	Consolidated version of Act No. 13/1997 Coll., the Road Act, of 23 January 1997	The consolidated version of the 1997 Road Act, including amendments that came into force on 1 March 2024. The Act was first published in the Official Journal and entered into force on 23 January 1997. It became applicable on 1 April 1997.

5	Website of the Official e-shop with vignettes for the Czech Republic	https://edalnice.cz/en/price-list/index.html

3. Analysis:

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

Entry into force of amendments to the Road Act

As evidenced by Annex 2, the revision of Act No 13/1997 (Road Act) was adopted through the Act No 349/2023 amending certain acts in connection with the consolidation of public budgets (2023 Budget Consolidation Act). The revision was adopted by the Czech Parliament on 8 November 2023. The amendments to the Road Act came into force on 1 March 2024, as evidenced by Article 114(C) of the 2023 Budget Consolidation Act.

to modify the highway vignette fees and the cost structure of the highway vignette for vehicle categories below 3.5 tonnes (M1- passenger cars, N1 - light commercial vehicles based on UNECE standards), based on their CO2 performance. The amendments shall ensure a tax differentiation between conventional and low-emission vehicles below 50gCO2/km, and zero-emission vehicles of type M1 and N1, with zero-emission vehicles of the said types being exempted from highway vignette fees.

Article 32(5) and Article 32(9) of the 2023 Budget Consolidation Act result in changes to the Road Act which modify the highway vignette fees for vehicles of class M1 and N1 based on UNECE standards (cars and vans below 3.5 tonnes), based on their CO2 performance of vehicles while exempting zero-emission cars and vans from highway vignette fees. The amended Article 20(a)(1)(o) of the Road Act exempts vehicles powered/fuelled solely by hydrogen or electricity (zero-emission vehicles of type M1 and N1) from highway vignette fees, irrespective of which time-based vignette option is chosen.

The amended Article 21(5-6) of the Road Act differentiates between conventionally fuelled vehicles (petrol, diesel), biomethane/CNG vehicles, and low-emission vehicles such as plug-in hybrids (cars and vans meeting the requirement of vehicles below 50g CO2/KM). This differentiation means that biomethane/CNG car and vans have to pay 50% of the highway vignette fees compared to conventionally fuelled vehicles, whereas plug-in hybrids only have to pay 25% of the highway vignette fees.

[…] The amendment shall also ensure an increase of the annual highway vignette for M1 and N1 conventionally fuelled vehicles by no less than 50% compared to 2022 baseline. Furthermore, in line with the description of the measure, **the reform shall result in an increase of the annual highway vignette for M1 and N1 conventionally fuelled vehicles by no less than 50% compared to the 2022 baseline.**

As is evidenced by Annex 4, namely Article 21(3) of the amended Road Act, the Act sets a baseline of 2300 CZK for conventionally fuelled cars and vans below 3.5 tonnes, applicable from year 2024 onwards. As is evidenced by Annex 3 (page 2 of the Reasoned Opinion to the revision of the Road Act),

the baseline annual highway vignette cost for conventionally fuelled vehicles of category M1 and N1 (cars and vans below 3.5 tonnes) between 2012 and 2022 had been set at 1500 CZK. Compared to 2022, the annual highway vignette in 2024 has increased by 53.3% compared to the 2022 baseline.

The revised provision also introduces an automatic adjustment mechanism which accounts for the annual percentage increase or decrease in the aggregate average annual consumer price index for households, as well as the annual percentage change in the length of motorways in operation. The Commission services accessed the link provided by the authorities on 1 July 2025 to verify the price of the annual highway vignette in 2025. The 2025 price for annual highway vignette for conventionally fuelled cars and vans has been set at 2440 CZK, therefore this has resulted in the annual highway vignette in 2025 increasing by 62.6% compared to the 2022 baseline. This check was completed successfully, confirming that that the reform shall result in an increase of the annual highway vignette for M1 and N1 conventionally fuelled vehicles by no less than 50% compared to the 2022 baseline.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C7.7]-R[R1]-M[342]: Publication of methodologies and templates by the Ministry of Environment

Related Measure: C7.7.R1 Single Environmental Opinion

Qualitative Indicator: Publication of guidance

Time: Q4 2024

1. Context:

The objective of the measure is to introduce a Single Environmental Opinion and support its implementation by the Czech administration to simplify and streamline the environmental permitting process, including for renewable energy projects while taking into account the environmental interests of nature and landscape conservation and the requirements under EU law as well as other international legal requirements on public participation and access to justice in environmental matters. The support to the implementation shall consists of the recruitment of additional staff to draft and implement binding methodological guidelines to support administrative bodies affected by the introduction of the Single Environmental Opinion.

Milestone 342 concerns the publication of methodical guidance on the Single Environmental Opinion (SEO) for state administration, consisting of instructions, templates and guidance on processing the SEO issued separately or combined with an Environmental Impact Assessment by competent authorities.

Milestone 342 is the third and last milestone of the reform, and it follows the completion of milestone 340 and target 341, related to entry into force of the Single Environmental Opinion legislation and recruitment of additional technical staff respectively. The reform has a final expected date for implementation on 31 December 2024.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled
2	Annex 1 – Methodological guidance ref. no. MZP/2023/280/769 of the Ministry of Environment on SEO issued on 30 September 2023	Methodological guidance addressed to different competent authorities on the implementation of the single environmental opinion into the administrative practice, including guidance on the changes in processes and competencies, and relevant application and decision templates.
3	Annex 2 – The Official Journal of the Ministry of Environment, No. MZP/2023/080/455, October 2023 issue	The Official Journal of the Ministry of Environment which informed about the new Methodical guidance and circulated the Methodical guidance in its annex.
4	Annex 3 – Internal Directive of the Ministry of	Internal directive on the implementation of the single environmental opinion, outlining how the

	Environment ref. no. MZP/2023/140/717 of the Ministry of Environment issued on 13 December 2023 on the SEO	Ministry of Environment will carry out its competencies within the scope of the Single Environmental Opinion, including the division of competencies and coordination with other state agencies.
5	Annex 4 – Explanation and comparison of a stand-alone SEO and EIA-SEO (undated)	A word document explaining the difference and advantages and disadvantages between the process of a stand-alone Single Environmental Opinion and SEO integrated with an Environmental Impact Opinion

3. Analysis:

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

The Ministry of Environment shall publish the methodological guidance for the state administration,

On 30 September 2023, the Ministry of Environment published the 'Methodological guidance on the implementation of the single environmental opinion into the practice of administrative authorities' *("Metodický pokyn k zavedení jednotného environmentálního stanoviska do praxe správních orgánů",* see Annex 1) and is available to all involved state authorities. The guidance was also circulated in the October 2023 issue of the Ministry's Official Journal (see Annex 3 and 4). Additionally, the guidance is also intended as a source of information for SEO applicants for the sake of legal certainty as it outlines all the necessary requirements for a successful assessment (see Annex 1, pages 28-32, and page 73).

that contains:
1) instruction and, templates for the procedure where binding opinion of EIA is combined with SEO

Chapter 20 of the guidance outlines the procedure for a joint SEO and EIA process (see Annex 1, pages 47-52). This includes information on the competent authorities, required documentation, procedural steps from application to the publication of a final decision and applicable timelines. Both the application and the final opinion must fulfil the requirements of both SEO and EIA (see Annex 1, pages 49-53), and therefore the guidelines and templates on page 73 for a standalone SEO, as assessed below, are also applicable here (see Annex 1, pages 28-32, and page 73).

This chapter also contains guidance on potential procedural issues in the joint SEO and EIA procedure governed by the different legislation applicable (i.e. Act No. 148/2023 on Single Environmental Opinion and Act No. 100/2001 on Environmental Impact Assessment respectively) and clarifies which provisions take precedence (see Annex 1, page 47).

2) instruction for the procedure when the SEO is issued separately, i.e. when the EIA takes place first and the SEO is issued afterwards.

Chapters 8 through 19 of the guidance contain instructions for procedures where, upon the applicant's request, the SEO is issued separately from the EIA. Where these two procedures are conducted separately, the SEO can only be requested once the EIA has been concluded. This is due to the fact that, although the SEO is not a formal follow-up procedure under the Act No. 100/2001 on the EIA Section 3(g), the documentation required for the SEO must already reflect the outcomes and conditions of the EIA, such as permission under the Construction Act (see Annex 1, page 49).

These guidance chapters describe the various requirements and their objectives, administrative processes, conclusion, and follow-ups from a standalone SEO (see Annex 1, pages 20-46). This includes the requirements, submission, and control of the application (Chapter 8 and Chapter 11), timelines for competent authorities to issue their opinion (Chapter 10), guidance on relevant opinions and procedures under different legal procedures (Chapter 9), validity and extension of SEO (Chapter 12), potential changes to the application and reviews of the SEO (Chapters 14-15), and compliance and corrective measures (Chapter 16). Annex 4 of the guidance includes a schematic diagram of the SEO process to explain the administrative steps (see Annex 1, page 72).

3) guidance describing the governance, structural changes, allocation of competences and guiding the work of different state authorities.

Chapters 3 to 19 of the guidance provide detailed information on the governance and structural changes brought about by the introduction of the SEO. The SEO replaces up to 26 administrative acts and procedures in environmental protection, as listed in annex 1 to the guidance and guided by its provisions (see Annex 1, pages 16 and 56).

Chapter 3 (see Annex 1, pages 9-15) clarifies the competences of all involved state authorities. These include the Ministry of the Environment, regional, municipal, district, and military area authorities. The allocation of competence among the authorities is dependent on the degree of impact of the SEO subject matter (see Annex 1, pages 9-14). While the Ministry of Environment is the central authority for the SEO, setting out common methodological approach and coordinating the approach across the competent authorities, it also assesses SEOs with the highest degree of impact on environmental protection and those subject to inter-state assessment. Most SEOs are in the regional authorities' remit.

The guidance provides suggestions to facilitate SEO management across the state institutions in an effective and timely manner (see Annex 1, page 14). For example, this includes recommendations concerning the allocation of SEO applications to officials, taking into account their expertise.

The methodologies shall include also templates including the SEO application.

The annexes of the guidance include templates for the SEO application and final opinions (either positive or negative) of competent authorities (see Annex 1, pages 73-79). For cases of a joint SEO and EIA application, the SEO forms a part of or an attachment to the EIA documentation (see Annex 1, page 49). For easier access for both applicants and competent authorities, the templates can be downloaded directly from the Ministry's website.

Furthermore, in line with the description of the measure, Czechia shall **draft and implement methodological guidance to support administrative bodies affected by the introduction of the Single Environmental Opinion (e.g., regional authorities, municipalities).**

The Methodical guidance was drafted by the Ministry of Environment and published on its website on 30 September 2023. It is implemented as demonstrated by its publication in the October 2023 issue of the Ministry's Official Journal. As set out above, the guidance supports all authorities competent in the SEO process, including by providing templates and suggestions on the organisation of work relevant to the SEO processes, including staff arrangements and qualification.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C7.7]-R[R2]-M[344]: Framework supporting the renewable acceleration areas

Related Measure: C7.7.R2 Renewable acceleration areas

Qualitative Indicator: Entry into force of legislative act on the designation of renewable acceleration areas

Time: Q4 2024

1. Context:

The objective of the measure is to support the accelerated deployment of wind and solar energy sources in specific designated locations called renewables acceleration areas, with a total capacity of at least 3000 MW. The reform includes the publication of a methodology and the adoption of a legislative framework for the designation of renewable acceleration areas as well as strengthening of administrative capacity for the implementation of the reform.

Milestone 344 consists of the entry into force of a legislative act which shall establish the process for designating renewables acceleration areas within the corresponding necessary areas for solar and wind technologies, with simplified permitting procedures for projects located in these areas.

Milestone 344 is the second milestone of the reform, and it follows the completion of milestone 343. Milestone 344 is accompanied by target 345 in this payment request, related to technical assistance for the designation of renewables acceleration areas. It will be followed by target 346, related to the designation of renewables acceleration areas for wind and solar energy development.

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

2. Evidence provided:

	Name of the evidence	Short description
1	Summary Document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled
2	Act No 249/2025 on Accelerating the use of certain renewable energy sources an on amendments to related acts (Act on Accelerating the Use of Renewable Energy Sources)	Legal act establishing the framework for the designation of the renewable acceleration areas (hereinafter referred as ZOZE Act). In line with national law, it is published in the Czech Official Journal on 25 July 2025. It enters into force on 1 August 2025 (section 43, part seven).
3	Government Resolution No 272/2024	Government Resolution No 272 of 24 April 2024 establishing a basic procedure for defining necessary areas for Czechia's contribution to the overall European Union target for renewable energy sources by 2030 and acceleration areas for renewable energy sources. The Government Resolution includes the mandate from the Government to the responsible Ministries to submit a proposal to update the Spatial Development Policy.

4	Government Resolution No. 64/2025	Government Resolution No 64 of 29 January 2025 approving amendment No 9 to the Spatial Development Policy of Czechia
5	Communication from the Ministry of Regional Development of 18 February 2025 on the approval of Amendment No 9 to the Spatial Development Policy of Czechia	Communication of the Ministry of Regional Development on the approval of Amendment No. 9 to the Spatial Development Policy of the Czech Republic published on 28 February 2025 in the Official Journal. The new version of the Spatial Development Policy of Czechia that includes the definition of necessary areas is published in the Ministry of Regional Development website and the wording is binding from 1 March 2025 (uplne_zneni_pur_cr_zavazne_od_01-03-2025-final-pdf)

3. Analysis:

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

Entry into force of legislative act on the designation of renewable acceleration areas. Furthermore, in line with the description of the measure, the reform includes […] **the adoption of a legislative framework for the designation of renewable acceleration areas**

On 2 July 2025, Czechia adopted Act No. 249/2025 that establishes the framework for the designation of renewable acceleration areas. ZOZE was published on 25 July 2025, and it takes effect on 1 August 2025 (section 43, part seven).

The legislative act shall establish the process for designating renewables acceleration areas within the corresponding necessary areas for solar and wind power technologies.

Section 1 of the ZOZE Act (evidence 2) regulates the procedure for designating necessary areas (section 1(a)) and acceleration areas (section 1 paragraph (b)). Under Section 4 paragraph (1) of the ZOZE Act, renewables acceleration areas must be located within the corresponding necessary areas and designated for the same type of renewable energy source. The process for defining necessary areas is governed by Section 3, which states that these areas are designated by the government through the Spatial Development Policy.

As the first step for the designation of renewables acceleration areas, Government Resolution No 272 of 24 April 2024 (evidence 3) approved the procedure for defining the necessary areas and updating the Spatial Development Policy. On 29 January 2025, Czechia adopted an amendment to the Spatial Development Policy (Government Resolution No. 64/2025 approving amendment No 9 to the Spatial Development Policy – evidence 4 and 5), introducing two new categories of necessary areas:

1. Areas necessary for Czechia's contribution to the EU 2030 renewable energy target in the field of solar energy development.
2. Areas necessary for Czechia's contribution to the EU 2030 renewable energy target in the field of wind energy development.

An acceleration area shall be defined at national, regional or municipal level and it shall be defined in a way that renewable projects in the area have low environmental impact.

Pursuant to Section 5 paragraph (1) of the ZOZE Act (evidence 2), acceleration areas are defined as areas or corridors in necessary areas of the corresponding type. They can be defined at three levels: areas of national importance will be defined according to the Territorial Development Plans; areas of regional importance will be defined according to the principles of spatial development principles; and areas of local importance will defined by spatial plans. According to the Building and Construction Act, those principles/plans are prepared for the country, region and local/municipal levels respectively (Section 76 (1), 77 (1), 80 (1) of the Building Act).

Under Section 4(2) of the ZOZE Act, an acceleration area must be designated in such a way that renewable energy projects within it do not have a significant impact on the environment.

An acceleration area is designed within a necessary area, which is itself designed based on the availability and potential of renewable energy sources, estimated energy demand as well as availability of relevant energy infrastructure.

Pursuant Section 3, paragraph 2 of the ZOZE Act (evidence 2), the definition of a necessary area shall be based on:

- the availability of energy from a renewable source and the potential of renewable energy generating facilities (section 3, paragraph 2(a));
- the estimated energy demand (section 3, paragraph 2(b));
- the availability of relevant energy infrastructure, including grids, energy storage facilities and other flexibility instruments or the potential to build or upgrade such infrastructure (section 3, paragraph 2(c));

Each area shall include information on area (km2) and estimated installed capacity (MW) for wind and solar.

For the purpose of defining acceleration areas, the ZOZE Act (evidence 2) is considered a special regulation in relation to the Building Act (Section 36). Once an acceleration area is designated, it is formalised through a zoning measure (Section 6), a specific legal planning instrument used to regulate land use and development within that area.

A zoning measure is issued for each acceleration area at the same administrative level at which the area was originally defined (Section 6).

According to Section 7, the zoning measure must include: information on the area of the acceleration area and an estimate of the installed capacity of the projects for the use of renewable energy sources located in the acceleration area (section 7, paragraph 3).

The legislative amendments shall introduce specific simplified permitting applying to renewable energy installation within such renewables acceleration areas, resulting in easier procedures and shorter deadlines.

Title III of the ZOZE Act (evidence 2) establishes the procedures for permitting renewables projects within the acceleration areas. The first step in the permitting procedure is for the project promoter to request a Single Environmental Opinion (hereinafter referred to as “SEO”). The request for the SEO must be submitted to the competent authority along with all necessary information to assess the project´s compliance with the conditions and mitigation measures specified in the zoning measure. Additionally, the project promoter may propose further measures to avoid, mitigate or compensate

for potential environmental impacts of the renewable energy project (section 26 of the ZOZE Act). The fact that an investor knows that a project in a renewable acceleration area has to be compliant with a zoning measure results in an easier procedure.

If the project complies with the zoning measures conditions, a SEO is issued and that is the necessary document for the promoters to continue to the next steps of the permitting process (section 25, paragraph 1). If the project does not meet the conditions or mitigation measures set out in the zoning measure, an individual impact assessment is required or the application is rejected by the competent authority (section 25, paragraph 2). The overall deadline for a competent authority to issue a decision on the application for a permit in an acceleration area must not exceed 60 days (section 31 of the Act).

Since a strategic environmental impact assessment has already been conducted for acceleration areas (see requirement below), individual environmental impact assessments are expected to not be necessary for a significant number of projects. Therefore, the key factor that simplifies and expedites the permitting procedure within renewable acceleration areas, compared to projects outside these areas, is the elimination of the individual Environmental Impact Assessment (hereinafter referred to as “EIA”) requirement making the process faster with shorter deadlines.

A strategical environmental assessment (SEA) shall be carried out at the level of the area and establish a mitigation measures rulebook, exempting individual projects within the area from carrying out individual environmental impact assessment (unless there is evidence from the screening by the relevant authority that the individual project is highly likely to have significant adverse effects on the environment).

When preparing a zoning measure for a renewable acceleration area, a Strategic Environmental Assessment (hereinafter referred to as “SEA”) must be conducted in accordance with national Czech legislation (Section 11 of the Act). The zoning measure shall include a rulebook outlining mitigation measures and conditions that must be met for permits related to renewable energy projects within the acceleration areas (Section 7, Paragraph 1b).

Since zoning measures for acceleration areas are required to consider the results of the SEA, Part Three of the ZOZE Act introduces amendments to the Environmental Impact Assessment Act. These amendments incorporate the concept of zoning measures that specify conditions and mitigation requirements under the Act on Accelerating the Use of Renewable Energy Sources (section 39, points 10 and 11).

If the project complies with the zoning measures conditions, a SEO is issued and that is the necessary document for the promoters to continue to the next steps of the permitting process (section 25 paragraph 1). On the other hand, according to section 25 paragraph 2, if a project fails to comply with the conditions or mitigation measures set out in the zoning measure (therefore aligned with the SEA), the competent administrative authority shall issue a dissenting statement, a binding opinion, or reject the application for a decision. Conversely, as a general rule, projects that meet the conditions specified in the zoning measure are exempt from undergoing an individual Environmental Impact Assessment.

Section 28 of the ZOZE Act governs the screening process for applications to determine whether a renewable energy project within an acceleration area requires an individual EIA and the issuance of a binding EIA opinion. This covers the cases where there is evidence that the individual project is highly likely to have significant adverse effects on the environment. The criteria for this assessment are detailed in Section 28, paragraph 1. Pursuant to Section 28, paragraph 5, the competent authority must issue its decision within 45 days from the submission of the application for a SEO or from the date additional information is requested. For renewable energy projects below 150 kW, this deadline is shortened to 30 days.

At planning level, the renewables acceleration areas shall be subject to the public participation.

A zoning measure that defines the conditions for implementing renewable energy source plans within a renewable acceleration area is issued in accordance with the Construction Act. Consequently, when preparing a zoning measure to designate an acceleration area, the standard spatial planning procedures outlined in the Construction Act must be followed (refer to Section 12, paragraphs 2 to 4 of the ZOZE Act – evidence 2).

This procedural framework aligns with the Czech Building Act, which broadly governs public participation in spatial planning processes and is explicitly referenced to in the draft law as applicable to territorial measures. Furthermore, Section 12, paragraph 1 of the ZOZE Act (evidence 2) mandates that the zoning measure and all related documentation be reviewed at a joint meeting and a public hearing, where all interested parties are given the opportunity to express their views. At this stage, citizens, stakeholders, and other interested parties may submit comments, objections, and suggestions regarding the proposed boundaries, conditions, and mitigation measures.

The legislative amendments shall provide for project acceptance measures that may include, but are not limited to financial participation measures.

The ZOZE Act (evidence 2) amends the Act on Supported Energy Sources (Section 39, Part Four) to introduce a fee for electricity generated by wind power facilities. The revenue from this fee will be allocated to the municipalities where the wind power plants are located. This amendment aims to incentivise municipalities to support renewable energy projects, particularly in light of common local opposition to wind developments. Importantly, this fee-based revenue does not preclude municipalities from negotiating additional contractual arrangements with investors. Section 22a designates the operator of a wind power generation facility as the fee payer. Section 22c defines the fee base. Section 22d sets the fee rate. Section 22f stipulates that the municipal authority is responsible for administering the fee. If a project spans multiple municipalities, the fee will be administered by the authority of the municipality with the largest administrative jurisdiction. Section 22g outlines the budgetary allocation of the fee revenue.

4. Commission Preliminary Assessment: Satisfactorily fulfilled

CZ-C[C7.7]-R[R2]-T[345]: Technical assistance for the designation of renewables acceleration areas

Related Measure: C7.7.R2 Renewable acceleration areas

Quantitative Indicator: Number of staff

Baseline: 0

Target: 4.5

Time: Q4 2024

1. Context:

The objective of the measure is to support the accelerated deployment of wind and solar power in specific locations called "renewables acceleration areas", with a total capacity of at least 3 000 MW. The reform includes the publication of a methodology and the adoption of a legislative framework for the designation of renewables acceleration areas as well as strengthening of administrative capacity for the implementation of the reform.

Target 345 requires that four full-time staff and one half-time staff shall be recruited for the implementation of the renewable acceleration areas.

Target 345 is the third target of the reform. It follows the completion of milestone 343, related to the publication of the methodology for designating renewable acceleration areas, and it is accompanied by milestone 344 in this payment request, related to the framework supporting the renewable acceleration areas. It will be followed by target 346, related to the designation of renewables acceleration areas for a total combined capacity of at least 3 000 MW. The reform has a final expected date for implementation on 30 September 2025.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	A summary document which duly justifies how the target (including all constitutive elements) was satisfactorily fulfilled
2	Annex 1 – List of recruited staff	An MS Excel file containing a list of the four full-time staff and one half-time staff recruited for the designation of renewables acceleration areas. The file includes the Staff ID number, the position identifier, the date when the position was filled, and the unit and department at the Ministry of Environment or Nature Conservation Agency where the recruited staff work.
3	Annex 2 – Job characteristic fiches, signed by the employee and the employer	Five job characteristic fiches which contain the department and unit at the Ministry of Environment or Nature Conservation Agency where the position is located, the position identifier number, the staff ID number, and a

		description of the job including the performed activities, and professional requirements. The job characteristics fiches are signed by the employee (signature is hidden for privacy protection), and the employee's manager. The job characteristic fiches for the positions at the Ministry of Environment are also signed by the Director of the Department of Human Resources and Civil Services of the Ministry of Environment.

3. Analysis:

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

Four full-time staff and one half-time staff shall be recruited for the implementation of the renewables acceleration areas. Furthermore, in line with the description of the measure**, as well as strengthening of administrative capacity for the implementation of the reform.**

Annexes 1 and 2 demonstrate that four full-time staff and one half-time staff were recruited to support the implementation of the renewables acceleration areas, and therefore strengthen the administrative capacity. Three staff were hired in January and March 2024 and two in January 2025.

Annex 1 specifies the position identification number, department and unit of each position, the FTE equivalence, and the date of hire. The job characteristic fiches (Annex 2) confirm the staff ID number, the position identifier, the department and unit, and provide examples of the activities the recruited staff perform.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

Loan support

CZ-C[C2.10]-I[I1]-M[264]: Implementing Agreement

Related Measure: C2.10.I1 Concessional loan facility

Qualitative Indicator: Entry into force of the Implementing Agreement

Time: Q3 2024

1. Context:

This measure consists of a public investment in a Facility for the provision of concessional loans in order to incentivise private investment and improve access to finance in Czechia's affordable housing sector. The Facility operates by providing concessional loans directly to the private sector as well as to public sector entities engaged in similar activities. The State Investment Support Fund will manage the Facility as the implementing partner and it will support the renovations of existing residential housing units, renovations of buildings into residential housing units, acquisitions of housing units and constructions of new housing units.

Milestone 264 requires entry into force of the Implementing Agreement for the concessional loan facility between Czechia and the State Investment Support Fund.

Milestone 264 is the first step of the implementation of the investment. It will be followed by target 265 and milestone 266, related to the entry into legal financing agreements with final beneficiaries and transferring funds to the State Investment Support Fund, respectively. The investment has a final expected date for implementation on 31 August 2026.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled
2	Addendum 1 to the Summary Document	A table listing milestone requirements and identifying parts of the Implementing Agreement that fulfil them.
3	Implementing Agreement of 5 November 2024	This Implementing Agreement was concluded and signed by the Czech Ministry of Regional Development and the State Investment Support Fund. It is publicly available in the contract register since 13 November 2024. (https://smlouvy.gov.cz/smlouva/30964900)
4	Amendment 1 to the Implementing Agreement of 2 June 2025	This amendment of the Implementing Agreement between Czech Ministry of Regional Development and the State Investment Support Fund is publicly available in the contract register since 5 June 2025. (https://smlouvy.gov.cz/smlouva/30964900.

5	Act No 126/2024 Coll., of 21 May 2024, amending the Act No 211/2000 Coll., on the State Investment Support Fund, and other laws	This Act was published in the Official Journal and entered into force on 21 May 2024. It entered into effect on 1 July 2024 (Title VI). (https://www.e-sbirka.cz/sb/2024/126).
6	Red Flags Methodology of the Recovery and Resilience Facility	Red Flags Methodology of the Recovery and Resilience Facility, a methodological instruction prepared by the Ministry of Industry and Trade for the Recovery and Resilience Facility

3. Analysis:

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

Entry into force of the Implementing Agreement.

The Implementing Agreement entered into force on 13 November 2024 (p. 37 of the agreement). This is in line with Art. 25(2) point (1), under which the agreement needs to be signed by the Ministry of Regional Development and State Investment Support Fund and published in the contract register to enter into force. The amendment of the Implementing agreement entered into force on 5 June 2025.

In the text below, all articles and annexes (including "Annex 1") refer to the latest, amended, version of the Implementing Agreement.

Furthermore, in line with the description of the measure, **this measure shall consist of a public investment in a Facility for the provision of concessional loans in order to incentivise private investment and improve access to finance in Czechia's affordable housing sector.**

Art. 4(2) of the agreement stipulates that the implementing partner is obliged to use the funds for the provision of loans. In Art. 2(1), a "loan" is defined as a "concessional loan". Under Art. 5, read together with the Annex 1 (section 7) of the agreement, the basic parameters of the support concern a financial product whereby the investors' own investment must be at least 10% of eligible costs as a condition for receiving the concessional loan – thus incentivising private investment.

Improved access to finance in Czechia's affordable housing is ensured by Art. 6 of the agreement whereby CZK 4.5bn are allocated for the investment. Article 6 must be read in conjunction with Art. 11.1 of the agreement point (h) which requires the recipient of support to respect the conditions of "Affordable Housing" defined as "renting apartments for affordable rent" or "rent up to 90% of the usual rent in the same location or the usual rent of similar apartments in the same location" in line with Section 11a and 11b of Act. No. 126/2024 Coll.

Furthermore, in line with the description of the measure, **the Facility shall operate by providing concessional loans directly to the private sector as well as to public sector entities engaged in similar activities.**

Art. 5 read in conjunction with Annex 1 (section 6) requires that eligible final beneficiaries of the support are all legal entities, both private and public, established in the EU are eligible for support as long as they fulfil the basic conditions set in the individual calls for projects (e.g., no arrears, bankruptcy, criminal proceedings) (see page 44).

Furthermore, in line with the description of the measure, **on the basis of the RRF investment, the Facility aims at initially providing at least EUR 170 460 000 of financing.**

The Council Implementing Decision states that "on the basis of the RRF investment, the Facility aims at initially providing at least EUR 170 460 000 of financing". In light of the contextual interpretation of this requirement from the Council Implementing Decision, it is interpreted that the financing aimed for is not the targeted investment volume, but a value comprising both the financing initially provided and management fees. As such, the financing aimed shall be interpreted together with the requirement assessed below (i.e., "In order to implement the investment into the Facility, Czechia and the State Investment Support Fund shall sign an Implementing Agreement that shall include the following content: […] 3. The amount covered by the Implementing Agreement, the fee structure for the implementing partner"). The total amount of the Facility and the fee structure are assessed in the point below. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Furthermore, in line with the description of the measure, **the Facility shall be managed by the State Investment Support Fund as the implementing partner.**

The State Investment Support Fund is the implementing partner in the section dedicated to the agreement's parties (page 2).

Furthermore, in line with the description of the measure, **the Facility shall include the following product line: concessional loans.**

Under Art. 2(1) and 4(2), the implementing partner is obliged to use the funds for the provision of loans, defined as a "concessional loan".

Furthermore, in line with the description of the measure, **in order to implement the investment into the Facility, Czechia and the State Investment Support Fund shall sign an Implementing Agreement that shall include the following content:**

1) Description of the decision-making process of the Facility: The final investment decision of the Facility shall be taken by an investment committee or other relevant equivalent governing body and approved by a majority of votes from members who are independent from the government.

Art. 9 describes the decision-making process of the facility. The implementing partner shall establish an investment committee in charge of final investment decisions, which are approved by a majority of investment committee members. One of the selection criteria for the members of the committee is independence from the government.

2) Key requirements of the associated investment policy, which shall include
2) a) The description of the financial product(s) and eligible final beneficiaries.

Art. 5 states that Annex 1 defines the basic parameters of the support. Section 7 of Annex 1 describe the financial product, covering 15 aspects of the product including, for example, the purpose of the product, the recipient's equity requirements, and the minimal and maximal amount of the support.

Section 6 of Annex 1 defines the eligible final beneficiaries. All legal entities, both private and public, established in the EU are eligible for support as long as they fulfil the basic conditions set in the individual calls for projects (e.g., no arrears, bankruptcy, criminal proceedings).

2) b) The requirement that all investments supported are economically viable.

Art. 8(1) stipulates that every supported project must be positively assessed on the criterion of "Economic Viability". Art. 8(4) lists the activities the implementing partner conducts to assess "Economic Viability", including, for example, the conduct of a financial rating of the applicant and the evaluation of the project from the point of view of investment return, construction risks and legal risks.

2) c) The requirement to comply with the 'Do no significant harm' (DNSH) principle as set out in the DNSH Technical Guidance (2021/C58/01). In particular, the investment policy shall exclude the following list of activities and assets from eligibility: (i) activities and assets related to fossil fuels, including downstream use, (ii) activities and assets under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks, (iii) activities and assets related to waste landfills, incinerators and mechanical biological treatment plants. Furthermore, the investment policy shall require compliance with the relevant EU and national environmental legislation of the final beneficiaries of the Facility.

Art. 8.2 point (3) stipulates that the implementing partner can only support projects which comply with the DNSH Technical Guidance (2021/C58/01). Art. 11(1) point (g) stipulates that the support contract between the implementing partner and the recipient shall oblige the recipient to apply DNSH principles in line with the requirements above.

Annex 2 contains the DNSH methodology which excludes, in Art. 1(1), the activities and assets related to fossil fuels, including downstream use; in paragraph 1.2, activities and assets under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks; and in paragraph 1.3 activities and assets related to waste landfills, incinerators and mechanical biological treatment plants.

Art. 11(1) point (i) stipulates that the final beneficiary is obliged to conduct all activities in line with EU and Czech law.

2) d) The requirement that final beneficiaries of the Facility shall not receive support from other Union instruments to cover the same cost.

Art. 11(1) point (m) stipulates that the support contract between the implementing partner and the recipient shall forbid that the same costs are covered from other EU Funds.

2) e) The requirement that all renovations supported include energy efficiency renovations.

Art. 8(2) point 2 stipulates that the implementing partner can only support projects which are focused on energy efficient renovations. Art. 8(3) then specifies which evidence should be used to prove the energy efficiency of the renovations, for example energy certificates.

3) The amount covered by the Implementing Agreement, the fee structure for the implementing partner and the requirement to reinvest any reflows according to the investment policy of the Facility unless they are used to service loan repayments of the Recovery and Resilience Facility.

The amount covered by the implementing agreement is CZK 4.5 bn to be allocated for the investment from the Ministry to the implementing partner in line with Art. 6 of the agreement. The fee structure for the implementing partner is set out under Art. 23 of the agreement and corresponds to the

maximum rate of 7% of the total amount of investment, i.e. a ceiling of CZK 315 million. Lastly, under Art. 18(1) of the agreement, all reflows shall be reinvested in line with the conditions set in the Council Implementing Decision or to repay loans under the Recovery and Resilience Facility.

4) Monitoring, audit, and control requirements, including:

4) a) The description of the implementing partner's monitoring system to report on the investment mobilized.

Art. 13(4) and (11) of the agreement requires the implementing partner to establish an effective monitoring and control system for the prevention and elimination of conflict of interest, fraud, corruption and double funding in line with the Red Flags Methodology, incorporated into the internal regulations (evidence no. 6). Art. 13(11) further stipulates that the implementing partner is obliged to incorporate the Red Flags Methodology into its internal regulations.

In line with Art. 14(1) of the agreement, the implementing partner must prepare a progress report for the Ministry every six months. The required content of the Progress Report is set out in Annex 3 of the agreement and includes information on the implementing partner's activities and communication, a list with the loan portfolio and a financial report.

4) b) The description of the implementing partner's procedures that will ensure the prevention, detection and correction of fraud, corruption, and conflicts of interests.

Art. 13 sets out the implementing partner's obligations for control and audit purposes. This includes, for example, implementing partner's cooperation during controls (Art. 13(1)), openness to controls and the obligation to provide documents (Art 13(2)), obligation to inform about external audits and provide information from external audits (Art. 13(3)), establish its own effective monitoring and control system (Art. 13(4)), inform about conflict of interest (Art. 13(5)), have internal rules on processes for avoiding the conflict of interest of employees and external collaborators (Art. 13(6)). Under Art. 21(1) the implementing partner is required to control the implementation of supported projects.

4) c) The obligation to verify the eligibility of every operation in accordance with the requirements laid out in the Implementing Agreement before committing to finance an operation.

Under Art. 10(6), the implementing partner is required to verify before concluding the contract its eligibility in accordance with the requirements of agreement.

4) d) The obligation of carrying out risk-based ex-post audits in accordance with an audit plan of the State Investment Support Fund. These audits shall verify i) that the control systems are effective, including the detection of fraud, corruption, and conflict of interests; ii) compliance with the DNSH principle and the State Aid rules; and iii) that the requirement that final beneficiaries of the Facility have not received support from other Union instruments to cover the same cost is respected. The audits shall also verify the legality of the transactions and that the conditions of the applicable Implementing Agreement are being respected.

Under Art. 13(14) sub-paragraphs (a) to (c) and paragraph (15) of the agreement, the implementing partner is required to carry out ex-post risk-based audits in accordance with its audit plan. In accordance with the referred article, these audits shall verify that the control systems are effective, including the detection of fraud, corruption, and conflict of interests; the compliance with the DNSH principle and the State Aid rules; that final beneficiaries of the Facility have not received support from

other Union instruments to cover the same cost and that verify the legality of the operations and that the conditions of the applicable Implementing Agreement are being respected.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C2.10]-I[I2]-M[267]: Implementing Agreement

Related Measure: C2.10.I2 Subordinated loan facility

Qualitative Indicator: Entry into force of the Implementing Agreement

Time: Q3 2024

1. Context:

This measure consists of a public investment in a Facility for the provision of subordinated loans to incentivise private investment and improve access to finance in Czechia's affordable housing sector. The Facility operates by providing subordinated loans directly to the private sector as well as to public sector entities engaged in similar activities. The National Development Bank will manage the Facility as the implementing partner and it will support the acquisitions, renovations of existing residential housing units, renovations of buildings into residential housing units and constructions of new housing units.

Milestone 267 requires the entry into force of the Implementing Agreement for the subordinated loan facility between Czechia and the National Development Bank.

Milestone 267 is the first step of the implementation of the investment. It will be followed by target 268 and milestone 269, related to the entry into legal financing agreements with final beneficiaries and transferring funds to the National Development Bank, respectively. The investment has a final expected date for implementation on 31 August 2026.

2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled
2	Addendum 1 to the Summary Document	A table listing milestone requirements and identifying parts of the Implementing Agreement that fulfil them.
3	Implementing Agreement of 5 November 2024	This Implementing Agreement was concluded and signed by the Czech Ministry of Regional Development and the National Development Bank. It is publicly available in the contract register (https://smlouvy.gov.cz/smlouva/30988100) since 14 November 2024.
4	Amendment 1 to the Implementing Agreement of 31 March 2025	Amendment to the Implementing Agreement was concluded by the above parties and is publicly available in the contract register (https://smlouvy.gov.cz/smlouva/32813124) since 7 April 2025.
5	Amendment 2 to the Implementing Agreement of 4 June 2025	Amendment 2 to the Implementing Agreement was concluded by the above parties and is publicly available in the contract register (https://smlouvy.gov.cz/smlouva/32813124) since 5 June 2025

6	Statutes of the National Development Bank	The Statutes were signed on 23 May 2024. (https://www.nrb.cz/o-nas/o-nrb/ostatni-informace/stanovy-narodni-a-rozvojove-banky/)
7	Internal decree of the National Development Bank, of 15 December 2023, on a Red Flags Methodology	This is an internal decree of the National Development Bank. It entered into force on 15 December 2023 (p.1). It entered into effect on 22 December 2023 (p.1).

3. Analysis:

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

Entry into force of the Implementing Agreement.

The Implementing Agreement entered into force on 14 November 2024 (p. 32 of the agreement). This is in line with Art. 23(2) point (1), under which the agreement needs to be signed by the Ministry of Regional Development and the National Development Bank and published in the contract register to enter into force. The two amendments of the Implementing agreement entered into force on 7 April and 5 June 2025.

In the text below, all articles and annexes (including "Annex 1") refer to the latest, amended, version of the Implementing Agreement.

Furthermore, in line with the description of the measure, **this measure shall consist of a public investment in a Facility for the provision of subordinated loans in order to incentivise private investment and improve access to finance in Czechia's affordable housing sector.**

Art. 3(2) point (a) stipulates that the implementing partner is obliged to use the funds for the provision of subordinated loans.

Art. 2(1) sets that Annex 2 defines the basic parameters of the support. Section 7 of Annex 2 describes the financial product, particularly that the investors own investment must be at least 10% of eligible costs. As private investment is necessary for receiving the subordinated loan, private investment is incentivised.

Concerning improved access to finance in Czechia's affordable housing, Art. 5(2) specifies that CZK 2.5bn are allocated for the investment. The provision of additional funds as subordinated loans shows that access to finance has been improved. That this concerns affordable housing is shown by Section 1 of Annex 2 which states that the aim of the investment is to support increase the supply of affordable housing.

Furthermore, in line with the description of the measure, **the Facility shall operate by providing subordinated loans directly to the private sector as well as to public sector entities engaged in similar activities.**

Art. 3(2) point (a) stipulates that the implementing partner is obliged to use the funds for the provision of subordinated loans.

Art. 2(1) sets that Annex 2 defines the basic parameters of the support. Section 4 of Annex 2 defines the eligible final beneficiaries. All legal entities, both private and public, established in the EU are eligible for support as long as they fulfil the basic conditions set in the individual calls for projects (e.g., no arrears, bankruptcy, criminal proceedings).

Furthermore, in line with the description of the measure, **on the basis of the RRF investment, the Facility aims at initially providing at least EUR 94 770 000 of financing.**

The Council Implementing Decision states that "on the basis of the RRF investment, the Facility aims at initially providing at least EUR 94 770 000 of financing". In light of the contextual interpretation of this requirement from the Council Implementing Decision, it is interpreted that the financing aimed for is not the targeted investment volume, but a value comprising both the financing initially provided and management fees. As such, the financing aimed shall be interpreted together with the requirement assessed below (i.e., "In order to implement the investment into the Facility, Czechia and the National Development Bank shall sign an Implementing Agreement that shall include the following content: […] 3. The amount covered by the Implementing Agreement, the fee structure for the implementing partner"). The total amount of the Facility and the fee structure are assessed in the point below. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Furthermore, in line with the description of the measure, **the Facility shall be managed by the National Development Bank as the implementing partner.**

The National Development Bank is identified as the implementing partner in the section dedicated to the agreement's parties (page 2).

Furthermore, in line with the description of the measure, **the Facility shall include the following product line: subordinated loans.**

Art. 3(2) point (a) stipulates that the implementing partner is obliged to use the funds for the provision of subordinated loans.

Furthermore, in line with the description of the measure, **in order to implement the investment into the Facility, Czechia and the National Development Bank shall sign an Implementing Agreement that shall include the following content:**

1) Description of the decision-making process of the Facility: The final investment decision of the Facility shall be taken by an investment committee or other relevant equivalent governing body and approved by a majority of votes from members who are independent from the government.

Art. 7(2) describes the decision-making process of the facility: the investment decisions are taken by the Bank's board and the board's decisions are governed by its Statutes (evidence no. 6). Art. 21(1) of the Statues states that the board takes decisions by a majority of votes. Art. 19(1) of the Statutes stipulates that board members must always act in the best interest of the bank and Art. 19(2) forbids anyone from giving orders to the board, thus showing their independence from anyone, including the government.

2) Key requirements of the associated investment policy, which shall include
2) a) The description of the financial product(s) and eligible final beneficiaries.

Art. 2(1) sets that Annex 2 defines the basic parameters of the support. Section 7 of Annex 2 describe the financial product, covering 19 aspects of the product including, for example, the purpose of the product, the recipient's equity requirements, and the minimal and maximal amount of the support.

Section 4 of Annex 2 defines the eligible final beneficiaries. All legal entities, both private and public, established in the EU are eligible for support as long as they fulfil the basic conditions set in the individual calls for projects (e.g., no arrears, bankruptcy, criminal proceedings).

2) b) The requirement that all investments supported are economically viable.

Art. 7(1) stipulates that every supported project must be positively assessed as economically viable.

2) c) The requirement to comply with the 'Do no significant harm' (DNSH) principle as set out in the DNSH Technical Guidance (2021/C58/01). In particular, the investment policy shall exclude the following list of activities and assets from eligibility: (i) activities and assets related to fossil fuels, including downstream use, (ii) activities and assets under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks, (iii) activities and assets related to waste landfills, incinerators and mechanical biological treatment plants. Furthermore, the investment policy shall require compliance with the relevant EU and national environmental legislation of the final beneficiaries of the Facility.

Art. 9(1) point (3) stipulates that the implementing partner can only support projects which comply with the DNSH Technical Guidance (2021/C58/01). Art. 7(13) point (g) stipulates that the loan contract between the implementing partner and the final beneficiary must oblige the final beneficiary to follow DNSH rules.

Annex 3 contains the DNSH methodology which excludes, in Art. 1.1, the activities and assets related to fossil fuels, including downstream use; in paragraph 1.2, activities and assets under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks; and in paragraph 1.3 activities and assets related to waste landfills, incinerators and mechanical biological treatment plants.

Annex 3, the last sentence of the paragraph preceding point 1, states that the implementing partner shall contractually bind all final beneficiaries to conduct all activities in line with EU and Czech environmental legislation.

2) d) The requirement that final beneficiaries of the Facility shall not receive support from other Union instruments to cover the same cost.

Art. 7(13) point (I) stipulates that the loan contract between the implementing partner and the final beneficiary shall forbid double financing from public funds.

2) e) The requirement that all renovations supported include energy efficiency renovations.

Art. 8.2 paragraph 2 stipulates that the implementing partner can only support projects which are focused on energy efficient renovations. Art. 8.3 then specifies which evidence should be used to prove the energy efficiency of the renovations, for example energy certificates.

3) The amount covered by the Implementing Agreement, the fee structure for the implementing partner and the requirement to reinvest any reflows according to the investment policy of the Facility unless they are used to service loan repayments of the Recovery and Resilience Facility.

Art. 5(2) specifies that CZK 2.5 bn are allocated for the investment and will be provided from the Ministry to the implementing partner.

Art. 20 and Art. 7(12) specify the fees for the implementing partner, in particular the maximum rate of 10%.

Art. 1(1) defines the "Loan drawdown end date" (*Datum ukončení čerpání úvěru*) as the latest date, across all beneficiaries, on which the last final beneficiary fully draws their loan. The Czech authorities use this date as a cut-off point before and after which the use of the repaid funds changes. Art. 17(1) stipulates that funds repaid before this date shall be reused to provide further loans in line with the Implementing Agreement unless they are used to repay loans under the Recovery and Resilience Facility. Art. 17(3) stipulates that the principle repaid after this date shall be used in line with the Implementing Agreement.

4) Monitoring, audit, and control requirements, including:

4)a) The description of the implementing partner's monitoring system to report on the investment mobilized.

Art. 12(1) point (b) stipulates that the implementing partner shall ensure ongoing monitoring of investments in line with internal procedures.

Art. 13(1) requires the implementing partner to prepare for the Ministry, every half a year, a Progress Report. Annex 4 stipulates the contents of the Progress Report, including, for example, the implementing partner's activities and communication, a list with the loan portfolio and a financial report.

4) b) The description of the implementing partner's procedures that will ensure the prevention, detection and correction of fraud, corruption, and conflicts of interests.

Art. 8(10) obliges the implementing partner to implement a monitoring and controls system for the prevention and correction of fraud, corruption, and conflicts of interests. Art. 10(6) states that the implementing partner will follow the red flags methodology, an internal decree of the National Development Bank (evidence no. 7).

4) c) The obligation to verify the eligibility of every operation in accordance with the requirements laid out in the Implementing Agreement before committing to finance an operation.

Art. 7(7) obliges the implementing partner to verify the eligibility of every contract in accordance with the requirements laid out in the Implementing Agreement before concluding the contract.

4) d) The obligation of carrying out risk-based ex-post audits in accordance with an audit plan of the National Development Bank. These audits shall verify i) that the control systems are effective, including the detection of fraud, corruption, and conflict of interests; ii) compliance with the DNSH principle and the State Aid rules; and iii) that the requirement that final beneficiaries of the Facility have not received support from other Union instruments to cover the same cost is respected. The audits shall also verify the legality of the transactions and that the conditions of the applicable Implementing Agreement are being respected.

Art. 12(1) point (c) obliges the implementing partner to carry out ex-post risk-based audits in accordance with its audit plan. Furthermore, in subpoint (1), it requires that these audits shall verify that the control systems are effective, including the detection of fraud, corruption, and conflict of interests); in subpoint (2) that the DNSH principle and the State Aid rules are complied with; in subpoint (3) that the requirement that final beneficiaries of the Facility have not received support from other Union instruments to cover the same cost is respected; and in subpoint (4) that the legality of the transactions and that the conditions of the applicable Implementing Agreement are being respected.

4. Commission Preliminary Assessment: Satisfactorily fulfilled.

CZ-C[C2.10]-I[I3]-M[270]: Implementing Agreement

Related Measure: C2.10.I3 Co-investment facility

Qualitative Indicator: Entry into force of the Implementing Agreement

Time: Q3 2024

1. Context:

This measure consists of a public investment in public-private co-investment Facility aiming to improve access to affordable housing in Czechia. The Facility operates by investing directly into real estate. The National Development Investment Company will manage the Facility as the implementing partner.

The milestone consists of the entry into force of the Implementing Agreement for the concessional loan facility between Czechia and the National Development Investment Company.

Milestone 270 is the first step of the implementation of the investment. It will be followed by target 271 and milestone 272, related to the entry into legal financing agreements with the co-investment facility and transferring funds to the National Development Investment Company, respectively. The investment has a final expected date for implementation on 31 August 2026.

2. Evidence provided:

	Name of the evidence.	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled
2	Annex 1 to the Summary Document	A table listing milestone requirements and identifying parts of the Implementing Agreement that fulfil them.
3	Implementing Agreement	This Implementing Agreement was concluded and signed by the Czech Ministry of Regional Development and the National Development Investment Company. It is publicly available in the contract register (https://smlouvy.gov.cz/smlouva/30989528) since 14 November 2024.
4	Amendment 1 to the Implementing Agreement	Amendment to the Implementing Agreement was concluded by the above parties and is publicly available in the contract register (https://smlouvy.gov.cz/smlouva/33263348) since 14 May 2025.
5	Internal decree of the National Development Bank,	This is an internal decree of the National Development Bank. It entered into force on 15

	of 15 December 2023, on a Red Flags Methodology	December 2023 (p.1). It entered into effect on 22 December 2023 (p.1).

3. Analysis:

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

Entry into force of the Implementing Agreement. Furthermore, in line with the description of the measure, **Czechia and the National Development Investment Company shall sign an Implementing Agreement that shall include the following content:**

The Implementing Agreement entered into force on 14 November 2024 upon signature by the Ministry of Regional Development (thereinafter "Ministry") and the National Development Investment Company (thereinafter "implementing partner") signed the Implementing Agreement on 5 November 2024 and it was published in the contract register on 14 November 2024 (evidence no. 3, p. 46). It was amended on 29 April 2025 with effect to 14 May 2025 (evidence no. 4).

In the text below, all articles and annexes (including "Annex 1") refer to the latest version of the Implementing Agreement, i.e. the original text (evidence no. 3) as amended by the Amendment to the Implementing Agreement (evidence no. 4).

Furthermore, in line with the description of the measure, **this measure shall consist of a public investment in a public-private co-investment Facility.**

Art. 2(3) point (1) subpoint (a) obliges the Ministry to invest funds into a Holding Fund. Art. 3(1) point (2) stipulates that the funds in the Holding Fund shall be used only for the purposes of implementing this financial instrument and Art. 3(2) point (3) allows the implementing partner to provide funds from the Holding Fund to a Fund. Art. 1(1) defines the Fund as a fund containing funds from the Holding Fund (i.e. public funds) and from Co-investors (i.e. private funds).

Furthermore, in line with the description of the measure, **the Facility shall operate by investing directly into real estate.**

The Council Implementing Decision required that the Facility shall operate by investing directly into real estate. Art. 4 states that Annex 2 defines the investment strategy. According to Annex 2, the purpose of the Holding Fund is to establish a Fund, acting as an intermediary, that invests in real estate.

Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, this set up does not change the ultimate objective of the measure, i.e. investment into real estate.

Furthermore, Art. 5, in particular Art. 5(1) point (2), obliges the implementing partner to select financial intermediaries in an open, transparent, and non-discriminatory manner. Art. 10(2), in particular Art. 10(2) point (3), obliges the implementing partner to conduct controls of the financial intermediary and co-investor before signing an Operational Agreement with them.

Additionally, Art. 8 obliges the implementing partner to sign an Operational Agreement with the financial intermediary. The Operational Agreement requires, in particular, that the financial intermediary invests funds in line with the investment policy (Art. 8(1) point 2 subpoint (c)), which includes the DNSH principle and maintains a framework for the prevention, detection and correction

of fraud, corruption and conflict of interest which shall be, mutatis mutandis, the same as the one of the implementing partner (Art. 8(1) point 2 subpoint (i)). Art. 3(2) point (6) also obliges the financial intermediary to establish an appropriate internal collective decision-making body (for example, an investment committee) which shall be independent from both investors and the government.

As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the investment that the target represents. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

On the basis of the RRF investment, the Facility aims at initially investing at least EUR 39 574 000.

The Council Implementing Decision states that "on the basis of the RRF investment, the Facility aims at initially providing at least EUR 39 574 000 of financing". In light of the contextual interpretation of this requirement from the Council Implementing Decision, it is interpreted that the financing aimed for is not the targeted investment volume, but a value comprising both the financing initially provided and management fees. As such, the financing aimed shall be interpreted together with the requirement assessed below (i.e., "In order to implement the investment into the Facility, Czechia and the National Development Investment Company shall sign an Implementing Agreement that shall include the following content: […] 3. The amount covered by the Implementing Agreement, the fee structure for the implementing partner"). The total amount of the Facility and the fee structure are assessed in the point below. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Furthermore, in line with the description of the measure, **the Facility shall be managed by the National Development Investment Company as the implementing partner.**

The National Development Investment Company is identified as the implementing partner in the section dedicated to the agreement's parties (page 3 of evidence 3).

Furthermore, in line with the description of the measure, **in order to implement the investment into the Facility, Czechia and the National Development Investment Company shall sign an Implementing Agreement that shall include the following content:**

1) Description of the decision-making process of the Facility: The final investment decision of the Facility shall be taken by an investment committee or other relevant equivalent governing body and approved by a majority of votes from members who are independent from the government.

Art. 3(2) point (5) states that all decisions linked to the implementation of the Fund's investment strategy, i.e. investments into real estate, are given to the financial intermediary and the Ministry does not take part in these decisions. Art. 3(2) point (6) obliges the financial intermediary, who is to be selected by a procurement procedure, to establish an appropriate internal collective decision-making body (for example, an investment committee) with all members independent from the government.

2) Key requirements of the associated investment policy, which shall include
2) a) The requirement that all investments supported are economically viable.

Art. 4 states that Annex 2 defines the investment strategy. The second bullet of the second subsection of section 3 of Annex 2 stipulates that only investments that the financial intermediary has assessed as economically viable shall be included in the Fund.

2) b) The requirement to comply with the 'Do no significant harm' (DNSH) principle as set out in the DNSH Technical Guidance (2021/C58/01). In particular, the investment policy shall exclude the following list of activities and assets from eligibility: (i) activities and assets related to fossil fuels, including downstream use, (ii) activities and assets under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks, (iii) activities and assets related to waste landfills, incinerators and mechanical biological treatment plants. Furthermore, the investment policy shall require compliance with the relevant EU and national environmental legislation of the final beneficiaries of the Facility.

Art. 4 states that Annex 2 defines the investment strategy. Bullets four and five of section three of Annex 2 stipulate that all Fund investments shall comply with the 'Do no significant harm' (DNSH) principle. Art. 1(1) defines "DNSH" as being in line with the DNSH Technical Guidance (2021/C58/01).

Art. 2(1) stipulates that the parties to the Implementing Agreement shall comply with the relevant EU and national legislation. Furthermore, section nine of Annex 2 stipulates that Annex A is an integral part of Annex 2. The second introductory paragraph of Annex A recalls that implementing partner shall contractually pass on any obligations it is bound by to other parties.

2) c) The requirement that final beneficiaries of the Facility shall not receive support from other Union instruments to cover the same cost.

Art. 6(1) point (1) subpoint (m) states that the implementing partner is responsible for ensuring that final recipients do not cover the same costs from the investment as covered from other EU Funds.

2) d) The requirement that all renovations supported include energy efficiency renovations.

Art. 4 states that Annex 2 defines the investment strategy. Section nine of Annex 2 stipulates that Annex A is an integral part of Annex 2. Art. 4(2) of Annex A states that all renovations shall be energy efficient.

3) The amount covered by the Implementing Agreement, the fee structure for the implementing partner and the requirement to reinvest any reflows according to the investment policy of the Facility unless they are used to service loan repayments of the Recovery and Resilience Facility.

Art. 2(3) point (2) sets the amount covered by the Implementing Agreement as CZK 1 000 000 000 million.

Art. 17(1) defines the implementing partner's fee structure. It consists of an implementation fee (described in Art. 17(2)), a regular fee (described in Art. 17(3)) and the coverage of exceptional expenses linked to the enforcement of rights and other costs (described in Art. 17(4)). Furthermore, Art. 8(1) point (2) subpoint (d) sets that the financial intermediary also has a right to a fee, the value of which will be part of the participants' offers in the public procurement procedure for selecting the financial intermediary.

Art. 7 stipulates that any reflows shall be reinvested according to the investment policy of the Facility unless they are used to service loan repayments of the Recovery and Resilience Facility or to cover fees.

4) Monitoring, audit, and control requirements, including:

4) a) The description of the implementing partner's monitoring system to report on the investment mobilized.

Art. 11(1) point (1) obliges the implementing partner to ensure continuous monitoring and control of the Fund, including the implementing partner's participation in control bodies of the Fund and the co-investors' control mechanisms. Art 11(1) point (2). further obliges the implementing partner to execute ex-post controls of the financial intermediary, including the control of the financial intermediary's control systems.

Art. 12 obliges the implementing partner to quarterly prepare for the Ministry a Progress Report until the Fund receives its target funds. Thereafter, the implementing partner is obliged to prepare such a report every half a year. Annex 3 stipulates the contents of the Progress Report, including, for example, the funds and transfers related to the Holding Fund, the implementing partner's activities (including control and monitoring) and the assessment of the implementation.

4) b) The description of the implementing partner's procedures that will ensure the prevention, detection and correction of fraud, corruption, and conflicts of interests.

Article 10.2.3 obliges the implementing partner to implement procedures ensuring the prevention, detection and correction of fraud, corruption and conflicts of interest in line with the red flags methodology, an internal decree of the National Development Bank (evidence no. 5).

Article 8 obliges the implementing partner to conclude an operational agreement with the financial intermediary, which establishes the concrete conditions the financial intermediary must fulfil in line with the investment strategy. In Article 8.1.2(j), this includes also the strategies and processes for the prevention, detection and correction of fraud, corruption, and conflicts of interests.

4) c) The obligation to verify the eligibility of every operation in accordance with the requirements laid out in the Implementing Agreement before committing to finance an operation.

Article 8 obliges the implementing partner to conclude with the financial intermediary an operational agreement reflecting the investment strategy set out in Annex 2 and sets the concrete conditions for executing it. Article 8(1) point (2) subpoint (n) includes the obligation to verify the eligibility of every operation in accordance with the requirements laid out in the operational agreement before committing to finance an operation.

4) d) The obligation of carrying out risk-based ex-post audits in accordance with an audit plan of the National Development Investment Company. These audits shall verify i) that the control systems are effective, including the detection of fraud, corruption, and conflict of interests; ii) compliance with the DNSH principle and the State Aid rules; and iii) that the requirement that final beneficiaries of the Facility have not received support from other Union instruments to cover the same cost is respected. The audits shall also verify the legality of the transactions and that the conditions of the applicable Implementing Agreement are being respected.

Art. 11(1) point (1) and point (2) obliges the implementing partner to carry out risk-based audits of the financial intermediary, including the legality of transactions and the verification that the Implementing Agreement and Operational Agreement is being respected. These audits shall include the effectiveness of the control systems, including the detection of fraud, corruption, and conflict of interests (Art. 11(1) point (2) subpoint (a)); that the DNSH principle and the State Aid rules are complied with (Art. 11(1) point (2) subpoint (b)); and that the requirement that final beneficiaries of

the Fund's investment have not received support from other Union instruments to cover the same cost is respected (Art. 11(1) point (2) subpoint(c)).

4. Commission Preliminary Assessment: Satisfactorily fulfilled.