



# Annual Programme Report No.1 EEA Grants 2009-2014

## Programme CZ06

### Cultural Heritage and Contemporary Arts

Reporting period: 22.4.2013 – 31.12.2013

Programme Operator: Ministry of Finance Czech Republic

Programme Partner: Ministry of Culture Czech Republic

Donor Programme Partner: Arts Council Norway

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Reporting period: 1.1.2013 – 31.12.2013

Programme Operator: Ministry of Finance Czech Republic

Programme Partner: Ministry of Culture Czech Republic

Donor Programme Partner: Arts Council Norway

## 1. Executive summary

The programme CZ06 is at the start of its realization. It was approved on 22 April 2013 and the Programme Agreement was signed on 31 October 2013. No open calls for proposals within both Programme Areas 16 and 17 were launched till the end of the reporting period and no projects (incl. PDPs) have been realized so far. Both pre-defined projects (PDP 1, PDP 2) are in the stage of finalization in line with the approved Programme Proposal.

The launch conference for the programme will be held on 5 February 2014 and a contact seminar for both Programme Areas will follow on 6 February 2014. Open calls for proposals within both Programme Areas 16 and 17 are expected to be launched in early 2014. The selection procedures shall be in accordance with the Guidelines for Calls – Submission and Evaluation of Applications – Grant Award which were issued by the National Focal Point in November 2013. The Programme Operator implements the information system called CEDR which will serve for the whole programme administration from projects selection to realization phase.

Bilateral relations within the programme are supported at both programme and project levels. Cooperation with DPP – Arts Council Norway runs via e-mails on a daily basis and also thanks to the Cooperation Committee meetings. Besides the central website of the National Focal Point/Programme Operator the Programme Partner created the website [www.norskfondy.cz](http://www.norskfondy.cz) with a bilateral cooperation form allowing the development of bilateral relationships within projects. Furthermore, a conference in the framework of Fund for bilateral relations at national level focused on industrial cultural heritage was held in Ostrava at the beginning of November 2013.

The National Focal Point produced a risk analysis methodology applicable for all Czech programmes and also made by the Programme Operator and Programme Partner within this programme. Among the most significant risks within the programme belong the following: time risk, failure to keep the projects quality and programme implementation set up. Programme Operator gives a great attention to the above stated risks and its mitigating actions. State aid risk also presented a substantial risk until 19 December 2013, the date on which the European Commission positively decided on the state aid issue within this programme.

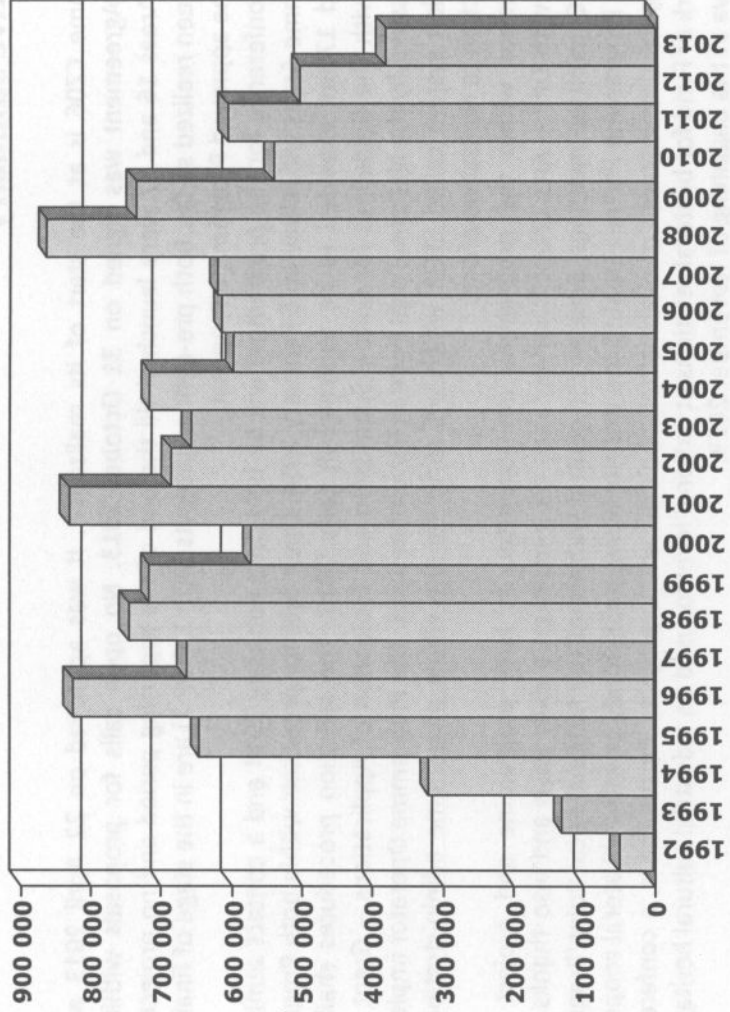
No legislative changes in programme areas are anticipated during the programme implementation. However, main trend in the area of culture influencing both Programme Areas is a long-term insufficient financing provoking an enormous increase in number of potential applicants within the programme. Horizontal concerns and cross-cutting issues are fully supported by the Programme Operator and will be stressed during the project selection.

## 2. Programme area specific developments

Main trend in the area of culture influencing the PA 16 and PA 17 is a long-term insufficient financing of all the cultural areas. There is even a decrease in financing of some cultural areas such as cultural serials. Logically, this trend provokes an enormous increase in number of potential applicants within this programme and a bigger administrative burden within the programme implementation. One of the reasons for unsatisfactory state of financing is insufficient understanding of culture as a “creative industry”, i.e. a specific sector which has got a great impact on the whole society and a significant economic contribution at the same time. In the area of PA 17 we can see a strengthened reflection of social themes.

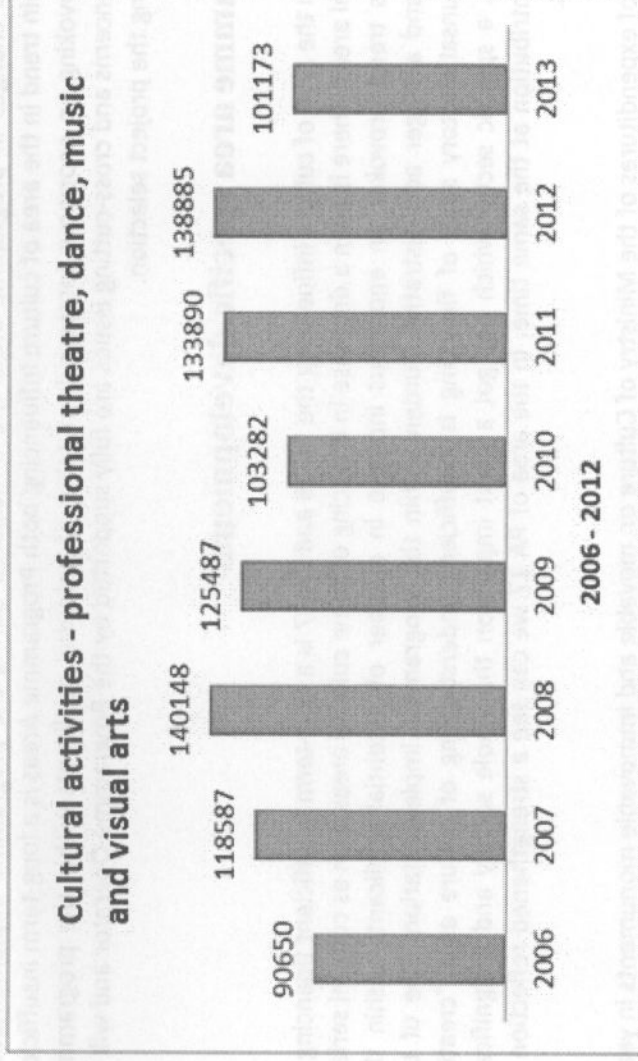
An overview of expenditures of the Ministry of Culture on movable and immovable monuments in years 1992 – 2013 is stated in a diagram No.1 below. The expenditures are showed in thousands of CZK.

Diagram No.1



The diagram No. 2 shows an overview of expenditure of the Ministry of Culture on cultural activities such as professional theatre, dance, music and visual arts in the years 2006 – 2013. The expenditures are in thousands of CZK.

Diagram No.2



The priorities within both Programme Areas 16 and 17 are defined in the concept documents adopted by the PP and stemming from international agreements. No legislative changes are expected during the programme implementation or sustainability period.

The basic concept documents within the PA 16 are following: Act No. 122/2000 Coll., on the protection of museum-type collections, as amended; Regulation of the Ministry of Culture No. 275/2000 Coll., which implements Act No. 122/2000 Coll.; Act No. 499/2004 Coll., on archiving and filing services; Act No. 20/1987 Coll., on state cultural heritage management, as amended; Regulation No. 66/1988 Coll., which implements Act No. 20/1987 Coll., on state cultural heritage management; Act No. 257/2001 Coll., on libraries and the conditions of provision of public librarian and information services; Regulation No. 88/2002 Coll., to implement Act No. 257/2001 Coll.; Government Decree No. 288/2002 Sb., which stipulates the rules of provision of grants for the support of libraries; Concept of development of Czech Libraries for 2011 - 2015 including the internetization of libraries; State cultural policy of the Czech Republic for 2009–2014; Act No. 241/1992 Coll., on the Czech State Fund for Support and Development of Czech Cinematographic Art, as amended; Act No. 273/1993 Coll., on some conditions of production, distribution and archiving of audiovisual works and on a change and amendment to some other acts and regulations, as amended; Act No. 121/2000 Coll., the Copyright Act, as amended; Act No. 499/2004 Coll. on archiving and filing services, as amended; Concept of support and development of Czech cinematographic art for 2011 – 2016; State cultural policy of the Czech Republic for 2009–2014; Strategy for a more efficient support of culture (culture policy) of 2001; Concept of a more efficient support of art for 2007–2013; Concept of a uniform presentation of the Czech Republic of 2005; Concept proposal – digitalization of Czech film works; Recommendation to EU Member States concerning film heritage 2005/865/EC; Communication of the European Committee concerning the evaluation criteria for state support based on the Communication of the Committee on some aspects relating to films and other audiovisual works (Film Communication) of 26 September 2001 (Cinema Communication); Act No. 20/1987 Sb., on state cultural heritage management, as amended; Regulation No. 66/1988 Coll., which implements Act No. 20/1987 Coll., on state cultural heritage management; Convention for Protection of European Architectural Heritage (73/2000 S.m.s.); Convention for Protection of European Architectural Heritage (99/2000 S.m.s.); European Convention on Landscape (13/2005 S.m.s.).

The basic concept documents within the PA 17 are following: Concept of a More Efficient Support of Arts for 2007-2013; Implementation of State Cultural Policy for 2009-2014; Implementation of UNESCO Convention on preservation of non-material cultural heritage (ratified by the CR in 2009).

### 3. Reporting on Programme outcome

Programme's outcomes and outputs were defined in the Programme Proposal and are also stated in the Programme Agreement. There has been no progress towards the expected programme outcomes during this reporting period as no projects (incl. PDPs) were realized during this period.

**Main risks** relating to cohesion (programme) outcomes are described and analyzed in the Annex I. Risks that may threaten programme outcomes are: programme absorption capacity (middle importance), legislation changes (low importance), time risk (high importance) and failure to keep the projects quality (high importance).

**Time risk** belongs to the most significant risks as it also influences all other risks. No open calls have been so far launched and no projects have been so far initiated. The request for programme prolongation submitted by the NFP in early 2013 was rejected by the FMO in May 2013. Owing to the shorter time for programme realization, number of open calls in the programme might be reduced as well as the period of open call announcement will be as short as possible. The PO and the PP strive for immediate publishing of open calls and start of PDPs realization.

**Failure to keep the projects quality** is also a risk of high importance. Shortened time for projects realization might have a bad impact on results quality. The effort of the PO is to issue the PO's manual and launch the open calls as soon as possible in the next year.

**State aid** also presented a high risk during the reporting period till the date of 19 December 2013. On that date after two rounds of additional information requests the European Commission (EC) issued a decision on state aid within the programme. The EC decided that the programme (measure) constitutes a state aid but it is necessary and proportionate for the promotion of culture and heritage conservation and does not affect trading conditions and competition in the Community to an extent that is contrary to the common interest. The PO used a legal assistance in handling of the state aid issue.

### **3.1. Progress on horizontal concerns**

Horizontal concerns such as respect of human rights, multicultural dialogue and integration of national minorities are supported by the Programme Operator within the programme.

Under the Programme Area 16 – Culture heritage restored, renovated and protected – minimum 5% of the allocation for open call will be set aside for Jewish cultural heritage. The multicultural dialogue will be developed to a great extent within the Programme Area 17 – Contemporary art and culture presented and reaching a broader audience.

## **4. Reporting on outputs**

The programme CZ06 was approved on 22 April 2013 and the Programme Agreement was signed on 31 October 2013. No open calls within the PA 16 or PA 17 were launched till the end of December 2013.

Both pre-defined projects – Digital Restoration of Czech Film Heritage (PDP 1) and Industrial Heritage (PDP 2) – are in the stage of finalization in line with the approved Programme Proposal. Verification of the projects by the Programme Operator will follow in the next year.

Small grant scheme (SGS) under the PA 17 will be implemented by the Programme Operator as it was agreed with the Programme Partner. PO prepares management and control structures for SGS and guidelines for applicants and promoters.

## **5. Project selection**

The selection procedures in both programme areas shall be in accordance with the Guidelines for Calls – Submission and Evaluation of Applications – Grant Award which was developed by the National Focal Point in November 2013.

In line with the Guidelines the Programme Partner altogether with the Programme Operator prepared drafts of both texts of the calls for PA 16 and PA 17. In line with the Article 6.3 of the Regulation the Programme Operator informed the National Focal Point and the donors about the calls and provided them with English translation of the text of each call in December 2013. First feedback for the draft of the text of the call under PA17 was provided in December.

Selection criteria specified in both calls within both areas 16 and 17 stress the contribution of projects to the achievement of programme outputs. Furthermore, eligible activities specified in texts of the calls are in line with the outputs and its indicators set in the Programme proposal and the Programme Agreement.

## **Programme Area 16**

Compared to the Programme Proposal, there will be only one call for proposals under the PA16 due to the delay in the preparation phase of the programme. This modification is in line with the signed Programme Agreement. The call for proposals shall be announced in January 2014.

The total amount allocated for the 1<sup>st</sup> open call for applications shall be 393 526 995 CZK, i.e.15 868 024 EUR. All applications shall comply with the objective of PA 16, i.e. enhancement of cultural dialogue and strengthening of European identity by contributing to a greater understanding cultural diversity. Support will be provided in the area of protection, restoration, renovation, suitable presentation and use of movable and immovable cultural heritage (including the heritage of minorities such as for example Jewish and Roma cultural heritage) and public access to this heritage.

Selection criteria foster the submission of project applications supporting cultural diversity and cultural expression of minority groups, including Roma and Jewish culture and heritage. Eligible applicants are those who have legal personality and who are the owners/managers of the respective cultural heritage registered in the Central Register of Cultural Heritage of the Czech Republic (National Heritage Institute) or in the Central Register of Collections or in Libraries registered at the Ministry of Culture of the Czech Republic

## **Programme Area 17**

In line with the Programme proposal and the Programme Agreement there will be two open calls for proposals under the PA17. The first call for proposals shall be announced in January 2014.

The total amount allocated for the 1st open call for applications shall be 40,300,000 CZK, which equals 1,625,000 EUR. All applications shall comply with the objective of PA 17, i.e. strengthening of European cultural identity, cultural dialogue and bilateral relations with Norway, Iceland and Lichtenstein by understanding cultural diversity. Support will be provided in the area of theatre, music, visual arts and film art and the presentation of contemporary arts for the general public aimed at contributing to a greater awareness of cultural diversity, the strengthening of intercultural dialogue and the cultural identity of individuals. All areas will include activities aimed at establishing partner cooperation, exchange of knowledge and best practices and capacity development.

Selection criteria within the open call foster the submission of project applications supporting cultural diversity and cultural expression of minority groups, including Roma and Jewish culture and heritage. Eligible applicants are all legal entities and natural persons, which have legal personality in cultural activities for longer period than three years.

## **6. Progress of bilateral relations**

Bilateral relations at the programme level with the Donor Programme Partner – Arts Council Norway are supported by the meetings of Cooperation Committee and communication via e-mails on a daily basis. There was a Cooperation Committee meeting held in Norway at the end of June 2013 within the reporting period. Main points of discussion were the launch conference and contact seminar followed by the selection procedure, programme agreement conditions, notification process and use of complementary action within the programme.

All projects will be encouraged to cooperate with project partners from donor states. Altogether four bilateral indicators were set within the programme. All the indicators were communicated with and

approved by DPP. The indicators show number of project partnership agreements in civil society, private sector and public sector as well as projects with expected shared results. Programme consists of two measures within Bilateral Fund at Programme Level – measure A and measure B.

#### **Bilateral Fund at Programme Level – Measure A (BFA)**

Programme Operator issued Guidelines for BFA with delegated power to the Programme Partner. Programme Partner is responsible for the operation of the BFA.

Altogether with the DPP the Programme Partner started preparing a contact seminar within PA 16 and 17. The contact seminar for potential partners shall take place in the Czech Republic on 6 February 2014. About 90 participants from the Czech Republic and 40 participants from donor states are expected to join the seminar. Registration has proceeded on the websites of PP – www.norskefondy.cz through a cooperation application form since 19 December 2013. There is a possibility to register both Czech and donor applicants on the above-mentioned websites beyond the contact seminar. Another contact seminar is planned in Norway and its date has not been set yet.

#### **Bilateral Fund at Programme Level – Measure B (BFB)**

Programme Operator finishes Guidelines for applicants and promoters within BFB. Implementation set-up will be sent to the DPP for comments during January 2014. After approval of the first project (most probably a pre-defined project) a permanent call for proposals within BFB will be launched.

Four applications were submitted by the Programme Partner to the Bilateral Fund at National Level but did not succeed.

In October 2013 the Programme Operator took part in a contact seminar in Norway (Stavanger) where the programme was presented to cultural operators in the region. The main interest for cooperation was noted in the programme area 16 and in the area of theatre within the programme area 17.

### **6.1. Complementary action**

The programme disposes of funds designed for complementary actions. No complementary action has been realized so far in the programme within the given period. As it was also discussed at the Cooperation Committee meeting in June 2013 no concrete activities are known. More detailed discussions are foreseen later after the launch of the programme.

### **7. Monitoring**

No monitoring activities were realized during the reporting period. With regard to the status of the programme implementation mentioned in the report the monitoring plan for the next period will be produced in the next year. That is why no monitoring plan is attached to the report.

### **8. Need for adjustments**

With regard to the shortened programme implementation it came to reduction of number of call for proposals within the PA 16 compared to the approved Programme Proposal. There will be just one call for proposals in the PA 16 which is expected to be launched in early 2014 in line with the signed Programme Agreement.



## 9. Risk management

The National Focal Point produced a risk analysis methodology used for all Czech programmes. Programme Operator together with Programme Partner made a risk analysis for this programme and its results are attached to the report in Annex I.

Main risks relating to cohesion outcomes are analyzed under the point 3 – Reporting on Programme outcome. A risk concerning bilateral relations is of middle importance. Ensuring a proper publicity on the websites of PO, PP is an essential step in mitigating the risk. Thanks to the great assistance of DPP – Arts Council Norway and Norwegian Embassy in Prague bilateral contacts are being established.

The most significant risk among operational issues is a **programme implementation set-up**. Management and control structures (Programme Operator's manual) has not been finalized yet till the end of the reporting period but Programme Operator aims to finish it as soon as possible. Other risks of middle importance are: **management and control structures, programme audits/controls** and **information system**. Programme Operator implements an information system called CEDR for the whole programme administration from selection of projects to realization phase. The system has not been fully operational so far. System has been gradually completed and individual parts have been released. The PO strives for quick release of the whole system. As regards programme audits/controls no controls have been carried out yet.

## 10. Information and publicity

The Ministry of Finance as the National Focal Point and Programme Operator for 10 programmes created a central website [www.eeagrants.cz](http://www.eeagrants.cz) / [www.norwaygrants.cz](http://www.norwaygrants.cz) for the EEA/Norway Grants 2009-2014 to ensure the awareness of potential beneficiaries in a transparent manner and involvement of expert public and all subjects in the programme implementation. Information is provided in English and Czech.

The website contains, inter alia, the general information about the EEA Grants 2009-2014 and information on the CZ06 Programme, contact information, etc. Furthermore, the website contains web links to social networks (Facebook, Twitter) which also inform about main activities under the Programme – launch conference, match-making seminar etc.

Besides the central website the Programme itself has its own website on [www.norskefondy.cz](http://www.norskefondy.cz) operated by the Programme Partner. The website contains the general information about the programme, relevant programme documentation and guidelines and also includes updates and news regarding the development of the programme, calls and events. The website includes also a bilateral cooperation form, which allows potential applicants or potential donor state partners to find a right counterpart for the project.

Since the main focus area of the Fund for bilateral relations at national level is a part of the programme area 16 – Industrial cultural heritage - a conference on this topic was organized on November 5, 2013 in Ostrava. 150 participants attended the conference including speakers from the donor countries.

The launch conference for the programme will be held on February 5, 2014 shortly after both calls are announced. The launch conference precedes the contact seminar on February 6, 2014. The launch conference shall provide approx. 170 participants consisting of potential applicants, expert public and all relevant subjects involved in programme realization with abundant information about the programme.

## 11. Cross - cutting issues

### Good governance

The principles of sound administration were incorporated in planning of the programme and will be incorporated in the whole programme implementation. The programme is managed by qualified staff and implemented in line with good governance principles.

The Programme Operator is compliant with the relevant Czech legislation and EU regulations. All the guidelines that are being prepared by the Programme Operator include the transparent procedures and prevent the conflict of interests or corruption practices in selection of projects and also selection of the suppliers.

### Sustainable development

The programme reflects environmental considerations, economic and social sustainability. The programme will support grants with performing an EIA, or carrying out investigative proceedings, if this is required by Act No. 100/2001 Coll., on the evaluation of impacts on the environment, as amended. A project with a negative result of EIA will not be supported.

Overall programme and projects sustainability is 5 years. Selected projects must respect the sustainability and 3E principles. Some projects will also be partially funded by the Programme Partner. Upon projects termination, the promoters will carry on with project activities using its own sources.

The programme was proposed in accordance with social sustainability. The programme will support diversity at the level of cultures, nations and minorities especially within the PA 17 - Contemporary art and culture presented and reaching a broader audience.

### Gender equality


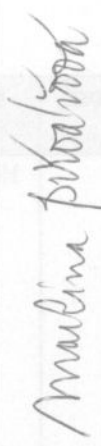
Equal opportunities between men and women in terms of their social and professional development, and equal opportunities regardless of race, ethnicity, religion or world opinion, disability, etc. will be supported within the programme.

## 12. Attachments to the Annual Programme Report

### Annex 1: Risk assessment of the programme

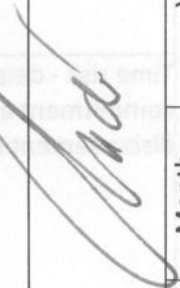
**SIGNATURE:****For Programme Operator**

*I certify that I am duly authorised to sign this Annual programme report and that I have thoroughly reviewed the progress of the programme, reporting on outcomes and outputs, risk management provided in this report and the information are correct and accurate.*

<b>Name</b>	Zuzana Kudelová	<b>Optional second signature</b>				
<b>Position</b>	Deputy Head of the Department of International Relations	Martina Bečvářová				
<b>Organisation</b>	Ministry of Finance of the Czech Republic	Head of the Monitoring Unit Ministry of Finance of the Czech Republic				
<b>Signature</b>						
<b>Date</b>	Day	Month	Year	Day	Month	Year
	11	02	14	10	02	2014

**For the National Focal Point**

*The National Focal Point certifies that the status of reporting of the programme described above is accurate.*

<b>Name</b>	Eva Anderová	<b>Optional second signature</b>				
<b>Position</b>	Deputy Minister of Finance					
<b>Organisation</b>	Ministry of Finance of the Czech Republic					
<b>Signature</b>						
<b>Date</b>	Day	Month	Year	Day	Month	Year
	13	02	2014			

Annex 1: Risk assessment of the programme

Type of objective <sup>1</sup>	Risk	Description of risk in the reporting period	Likelihood <sup>2</sup>	Impact <sup>3</sup>	Importance <sup>4</sup>	Mitigation planned/done
Cohesion (Programme) outcomes: Programme absorption capacity	Programme absorption capacity	It is expected that the absorption capacity of the programme will be sufficient with regard to increased interest of potential applicants. Nevertheless, the absorption capacity might be significantly influenced by high time risk which can lead to lower amount of a good quality projects.	Middle	High	Middle	- appropriate programme publicity on the websites of the PO/PP and in press - a successful launch conference
	Legislation changes	Programme is not directly related to any legislation change implementation. No legislation change related to the programme occurred during this reporting period.	Low	Middle	Low	- timely information on changes in legislation
	Time risk - delay in commitment and disbursement of funds	The time risk in this reporting period is high. The Programme was approved in April 2013 and the Programme Agreement was signed at the end of October 2013. Till the end of December 2013 no open calls were published.	High	High	High	- reduction of number of open calls in the programme - shortening of period for open calls - immediate publishing of open calls and start of PDPs realization
	Failure to keep the projects quality	Nature of projects within the programme requires keeping of specific technological procedures	High	High	High	- immediate publishing of open calls and start of PDPs realization

<sup>1</sup> The risks should be categorised in one of 3 ways, depending on whether it poses a risk to the cohesion objective, the bilateral objective, or is more of an operational issue.

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

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

<sup>4</sup> Importance is counted as Likelihood multiplied by Impact and described as Low, Middle or High according to its scoring gained in the risk analysis (Low: 1-8, Middle: 9-15, High: 16-25).

Type of objective <sup>1</sup>	Risk	Description of risk in the reporting period	Likelihood <sup>2</sup>	Impact <sup>3</sup>	Importance <sup>4</sup>	Mitigation planned/done
		and/or proper preparation of organizationally demanding projects especially those realized in bilateral partnerships. Shortened time for projects implementation might have a bad influence on results quality.				
<b>Bilateral outcome(s):</b>	Bilateral relations	It is expected that there will be many institutions from donor states participating in projects within bilateral fund (A,B) in PA 17. Donor Programme Partner – Arts Council – is actively involved in search for partners.	Middle	Middle	Middle	- support of bilateral relations through the websites of PO and PP, Norwegian Embassy in Prague and DPP – Arts Council Norway
<b>Operational issues:</b>	Management and control structures, programme management	Management and control structures (PO's manual) were at the stage of finalization at the end of the reporting period.	Middle	High	Middle	- immediate finalization of the manual - communication between the PO and the PP
	Programme implementation set up	The PO's manual is at the stage of finalization. Other guidelines and manuals such as guidelines for open calls and applicants, low scale tenders and eligibility of expenditures were issued.	Middle	Middle	High	- immediate finalization of the PO's manual - finalization of other guidelines and manuals such as guidelines for promoters
	Reports and irregularities within programme	There were no irregularities announced during this reporting period.	Low	Middle	Low	- regular programme monitoring
	Programme audits/controls	No audits/controls have been realized so far.	High	Middle	Middle	- set up of internal controls
	Information system	PO produced an information system called CEDR for the programme administration.	Middle	Middle	Middle	- completion and release of the whole information system

Type of objective <sup>1</sup>	Risk	Description of risk in the reporting period	Likelihood <sup>2</sup>	Impact <sup>3</sup>	Importance <sup>4</sup>	Mitigation planned/done
		Nevertheless, the system has not been fully operational so far. The system has been gradually completed and individual parts have been released.				
Corruption risk		Programme implementation set-up is transparent. The PO is the Ministry of Finance.	Low	High	Low	- transparent programme implementation set-up - regular controls