



Annual Programme Report No.2

Norway Grants 2009-2014

**Programme CZ09 – Czech-Norwegian Research
Programme**

Reporting period: 1.1.2014 – 31.12.2014

Programme Operator: Ministry of Education, Youth and Sports

Programme Partner: N/A

Donor Programme Partner: Research Council of Norway

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1. Executive summary

Support granted under the Programme entitled the Czech-Norwegian Research Programme (CZ09) (herein after referred to as "Programme") is designated for promoting bilateral cooperation projects in basic and applied research and experimental development in selected thematic fields (Social Sciences and Humanities, Health, Environment). At least one Czech and one Norwegian partner have to take part in each project.

The Programme proposal was submitted in February 2012, on 25 February 2013 the Programme was approved by donors. In the following period the Ministry of Education, Youth and Sports as the Programme Operator followed all required steps of procedure which enabled launch of the Open Call for project proposals on 29 November 2013. All necessary formal requirements were successfully fulfilled, namely signing of the Programme Agreement (PA) between the Norwegian Ministry of Foreign Affairs and the Ministry of Finance of the Czech Republic on 31 October 2013 and Memorandum on Implementation of the Czech-Norwegian Research Programme between the Ministry of Finance of the Czech Republic as the National Focal Point and the Ministry of Education, Youth and Sports as the Programme Operator on the 26 November 2013.

The Call for proposals 2013 was launched on 29 November 2013 and closed on 3 February 2014. After closing the Call the submitted project proposals were formally checked and evaluated by international independent experts during the period February and June 2014.

The best rated projects were recommended for the financial support and confirmed at the Programme Committee meeting which took place on 11-12 June 2014. Afterwards the recommendation of the Programme Committee was fully endorsed and approved by the Programme Operator (MoEYS). The results of the Call were announced on 15 July 2014. The Programme Operator issued the project contracts on 12 September 2014. The projects realization started immediately, at the latest till 12 November 2014.

In October 2014 the Programme Operator sent first payments to project promoters amounting to 82,740,000 CZK. The payments included the implementation support (from the Regranting budget heading) and project preparatory costs (from the Fund for bilateral relations).

As a result of previous negotiations of beneficiary states with the donors and the FMO, the implementation period for research programmes was extended - the prolongation of eligibility of expenditures originally set to 30 April 2017 was extended till 31 December 2017. The amendment of Annex I. to the Programme agreement was issued and accepted on 29 October 2014 (in the DoRIS).

During the reported period, the reallocation of additional funds – savings from not utilized allocation of the CZ08 Programme (*Carbon Capture and Storage CZ08 in the following areas: Pilot Studies and Surveys on CCS Technology*) amounting 2,016,377 € i.e. 53,433,991 CZK (exchange rate 26.5 CZK/€) to the CZ09 Programme was negotiated and approved by the Norwegian donor. The process of reallocation was so far completed at the level of amendment of Memorandum of Understanding between the CR and the Norwegian Ministry of Foreign Affairs.

On 11 December 2014 the Programme Operator accepted the reallocation including confirmation of national co-financing via an official letter addressed to the NFP (MoF).. The additional grant requires the national co-financing (MoEYS) of 25 million CZK. The additional funds together with MoEYS contribution

shall serve for regranting only (i.e. support to selected research projects from the reserve list) without increasing expenses for the Programme management. The amendment to the PA is expected in early 2015. The completion of evaluation of project proposals from the open Call was postponed by 2 months due to very high number of submitted proposals for which it endeavoured to ensure high quality, objective and independent evaluation by mostly international experts. This had an impact on rescheduling of project launches. The project promoters were informed about the situation forthwith.

2. Programme area specific developments

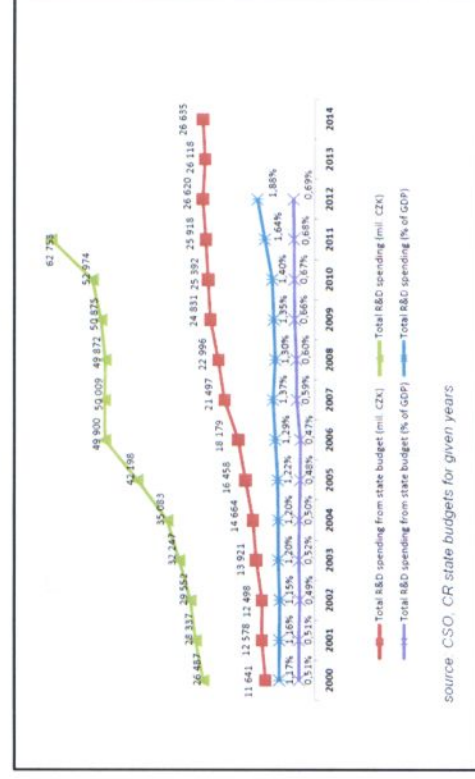
The Programme is designed for promoting bilateral cooperation projects in basic and applied research and experimental development in three priority areas: Health, Environment and Social Sciences and Humanities aiming at enhanced science and research cooperation between Czech and Norwegian entities.

Programme is currently the only programme promoting the bilateral research and development cooperation between Czech and Norwegian partners. From the enormous interest indicated in the number of proposal in the Call 2013 it has been more than evident that the Programme addressed a huge potential of cooperation among Czech and Norwegian entities with a capacity for achieving quality outputs.

In accordance with the overall objectives of the Norwegian Financial Mechanism 2009-2014 the Programme thus helps to reduce economic and social disparities via scientific activities, the aim of bilateral research cooperation being enhanced excellence and competitiveness of the Czech Republic.

Support of such cooperation is fully in line with the conclusions and recommendations of the current strategic documents, mainly National Research, Development and Innovation Priorities and Implementation of National priorities on Research, Development and Innovation and for the period 2009 – 2015 with perspective till 2020.

Figure 1 – Total state budget R&D&I spending in 2000 to 2014 in the Czech Republic



The Czech Republic state budget R&D expenditure was growing continually till 2012 although growth rate started decelerate substantially after the economic crisis. R&D belongs to one of the main government priorities for which government was increasing expenditure even in the period of the

economic crisis, i.e. in the period of reducing public spending in many other areas. After slight decrease in 2013 the R&D&I spending in the years to come should approach the level reached in 2012.

However, the state budget R&D spending is not the only public source for this area. Gradually since 2007 the EU structural funds have been growing in importance. It applies especially to operational programme "*Research and development for innovation*" and partly also to operational programmes "*Education for competitiveness*" and "*Entrepreneurship and innovation*". Within these three operational programmes, for research and development till 2015 it is allocated more than 100 billion CZK from the EU funds.

3. Reporting on outputs

Despite the initial phase of implementation of the Programme/projects,, the Programme Operator (PO) can estimate the contribution of selected projects to the planned Programme outputs.

The single outcome of the Programme is the *Increased research cooperation between Norway and the Czech Republic*. This outcome is broken down into three main outputs: (1) International research cooperation projects expressed in number, (2) Suitable conditions and environment for young researchers (Number of female researchers and PhD and Post docs students involved in cooperating projects) and (3) Number of Internationally refereed scientific publications.

- In total there were 389 applications for projects. 389 projects included donor partners.
- 6 applications were found ineligible.
- 19 proposals were selected for funding.
- Total amount applied for was 7,827,671 000,- CZK (€ 295,384,000 €) vs. amount available 433,548,000,- CZK (16,360,301€ e.g. 13,088,241 € Programme + 3,272,060 € national-co-financing)). All available allocation was fully spent.
- The Programme committee fully endorsed the ranking order.
- 7 proposals were put on the reserve list¹. Up to 5 of them are likely to be funded in case funds are transferred from programme CZ08.
- Out of the 19 proposals selected:
 - 19 have Norwegian partner/partners
 - 1 has apart from a Norwegian partner a partner from Switzerland (not supported from the programme).

After the proposals selection the negotiation stage on financial issues began in August 2014. All project promoters accepted the amounts of the grant recommended by Programme Committee and approved by PO. In total, 19 projects were supported, whereby the allocation of the Call has been spent.

The data of selection results were recorded into national R&D system *Public Tenders in Research, Development and Innovation (VES)* on 3 September 2014. As well as the recording of data of the selected projects to the national Central Register of Research, Development and Innovation (CEP) was completed during October 2014.

¹ Referred to as R1, R2, R3, etc. in the list

The project contracts were issued and signed by PO on 12 September 2014.

The representatives of the NFP and the FMO have been continually informed on the progress of the selection process, were invited to participation at the decision session of the Programme Committee and the *summary of results of the Call* was sent to the Financial Mechanism Office in Brussels on 28 September 2014.

(1) Compared to the targeted 40 projects, 19 projects were selected and supported within the realized Open Call in 2014 whereby the regranting allocation was spent. According to the Programme agreement at least 20% of the Call allocation was dedicated to the selected projects from the priority area Social sciences and Humanities. In November 2014 one project promoter from the area of Social Sciences withdrew from the Project contract so the number of running cooperation projects is now 18. The PO will substitute the withdrawn project by a project from the reserve list from the same area. After the replacement, a slightly lower part of allocation - 19,7% - will be maintained to the projects from the area in question. This situation is currently discussed with FMO.

It is clear that support to the expected 40 cooperating projects cannot be achieved. The reason is that the project promoters' requested in their applications nearly the upper limit of the single grant – i.e. 1,000,000€.

(2) As for the other stated outputs (20 female researchers and 20 PhD or post docs students) involved in the projects, the planned indicators in the supported projects allow to report that the target values shall be achieved very probably.

(3) The number of internationally refereed scientific publications cannot be estimated in this early stage of implementation. The bilateral research potential in the supported projects is relevant to achievement of the planned results.

The targeted number of cooperating research institutions by country is 50. The actual number is 57.

The above mentioned indicator values referring to Programme outputs shall be seen as currently estimated figures and they will vary (increase) due to the reallocation of the 2,016,377 € to the Programme which results in support of additional projects from the “reserve list” recommended by the Programme Committee and approved by PO.

The first advance payments of 82,740,000 CZK to projects including the grants from the Fund for bilateral relations (project preparatory costs) were transferred by PO to the project promoters' bank accounts on 27 October 2014 according to the Programme schedule.

In 2014 the Programme underwent two audits carried out by the NFP and the PO. The NFP audit was launched on 05 August 2014 and completed on 1 December 2014. And later the internal audit of PO was launched on 26 August 2014 and finished on 9 October 2014.

Both Audits confirmed proper and correct settings of management and control systems at CZ09.

On 5 September 2014 PO also received the report called *Opinion verifying compliance of the management and control systems* by Audit Authority NFP prepared for FMO confirming the setting of the management and control systems at PO.

4. Reporting on Programme outcome(s)

The single outcome of the Programme - *Increased research cooperation between Norway and the Czech Republic* – is composed of three outputs (see section 3.). The indicator of the Programme Outcome is the number of cooperating research institutions by country involved in supported projects and its target value is 50. – With respect to the documentation of supported projects, the actual number of cooperating institutions is 57 in total.

In course of 2014 the PO provided proper administration of the Call for proposals which had been opened in late 2013 and which main load (evaluation and selection of projects) came into the first half of 2014.

The closing deadline of the Call was 3 February 2014. Basic information on the Call is described in section 3. The detailed specific developments in this reporting period of the Programme implementation in time order are described in details in Annex No 5.

The risk that the management and control structure of CZ09 is faultily established was partially eliminated by two audits (mentioned above) carried by the internal MoEYS auditor and Audit Authority of NFP. Administrative burden of the programme activities is quite high in comparison with two FTEs contracted for the management. PO is planning to hire a new employee.

The risk of accidental non-functionality of information systems has really occurred (e.g. the EC database of experts was not accessible, etc.). However, this particular risk was overcome and shall no more occur – the PO shall no longer use the system because it was needed only for the proposals evaluation phase.

4.1. Progress on horizontal concerns

The Programme CZ09 contributes positively towards multicultural understanding, sharing best practice and knowledge in research and development area between Norway and the Czech Republic through bilateral science and research cooperation projects which also involve activities aimed at supporting specific target groups such as young researchers (Ph.D. students and postdocs, and the involvement of researchers who have returned from maternity leave). Their mobility closely linked to the projects is supported as well.

All these horizontal issues are emphasised during all information activities in relation to the public and potential applicants, and later to project promoters and project partners. So the project proposals as well as the selected projects already content the target groups in the research teams. PO prefers direct communication with the project promoters and Donor Programme Partner.

5. Project selection

The Call for proposals was announced on 29 November 2013 and the on-line system for the Call was opened on 29 November 2013 at 2 o' clock p.m. The Call remained open until 3 February 2014. The proposals evaluation period began on 4 February 2014 and finished on 10 June 2014. During this period the PO was mainly searching for international independent experts – potential evaluators, collecting individual and consensus reports on evaluation of projects and verifying the received reports. There were 389 proposals submitted in the Call, 6 proposals did not meet eligibility criteria and therefore they

were rejected from the evaluation process. In the next stage 383 project proposals were evaluated by international independent experts and then they were submitted to the Programme Committee (PC) recommendation for PO to decide on support. The selection committee was composed of 5 voting members; CICERO, Oslo, University of Tromsø, Charles University, Prague, Masaryk University, Brno, Institute of Organic Chemistry and Biochemistry ASCR, Prague, Czech Technical University, Prague, Centre for Global Changes Research ASCR, Brno] and 6 observers; [Research Council of Norway, Ministry of Finance Czech Republic (National Focal Point), Royal Norwegian Embassy in Prague, FMO Brussels.

On 11 and 12 June 2014 the Programme Committee meeting took place under presence of regular PC members including the DPP and Observers (NFP, FMO, and the Norwegian embassy) at the premises of PO. The meeting was dedicated to the selection of project proposals to be supported. At the meeting PO presented the process of evaluation and results in the form of the report recording principally:

- the list of proposals passing all thresholds with the consensus score
- the list of proposals having failed one or more thresholds,
- the list of proposals having been found ineligible during the evaluation
- the list of evaluators involved

On the basis of the PC recommendation the Minister approved awarding of the grant to 19 project proposals and 7 project proposals in the reserve list with a good quality which cannot be currently supported due to spending the Call allocation. In total 357 project proposals cannot be supported.

Link to the results at: <http://www.msmt.cz/vyzkum-a-vyvoj/czech-norwegian-research-programme-cz09-announcement-of-the>.

The agreed minutes were signed by the chairman of the PC on 20 June 2014.

The results of the Call were announced according to the schedule at PO website on 15 July 2014.

Next administrative steps have been realized in consequence to the projects approval (see Annex 4).

The proper implementation of projects started in early November 2014, according to the updated Programme schedule.

6. Progress of bilateral relations

In this reporting period several events took place at the programme level which contributed to developing of bilateral relations between the Programme Operator and the Donor:

- a) The PO organized an information meeting promoting the Programme with the aim to encourage submission of project proposals in the open Call in the city of Brno, the Czech Republic – 21/01/2014.
- b) The PO staff participated in the *Seminar on Research and Innovation in the Kingdom of Norway* held in Prague on 22/09/2014. In the margins of this event a bilateral meeting between the representatives of Research Council of Norway and PO took place.

PO representatives participated in two actions (above a, and b,) organised by other organisation to promote the Programme CZ09 and Norway grants.

The Seminar on Research and Innovation in the Kingdom of Norway in Prague arranged by the Academy of Sciences of the Czech Republic on 22/09/2014 was associated to the bilateral relations in the research and development between Norway and the Czech Republic. PO had a floor to present its perspective in the programme. The seminar was financed from the Bilateral fund at national level.

On 9 December 2014 the PO also organised an event with project promoters which included the guidelines how to promote projects and the FM. The action was aimed at presenting a periodic annual report on scientific and financial issues and other obligations of project promoters towards the PO according to Annex 12 of Regulation and pursuant the project contracts. A considerable part of it was devoted to discussion and knowledge sharing, and questions and answers. 60 participants attended the meeting.

Representatives of the Research Council of Norway – Donor Programme Partner, the Royal Norwegian Embassy in Prague and the NFP were invited for attending these events.

Apart for the above mentioned events, issues regarding the Programme implementation were discussed on daily basis between the representatives of the Programme Operator and the Research Council of Norway.

At the level of projects the project promoters and partners were reimbursed the costs associated with seeking partners, development of partnerships and preparation of the application. Four project promoters (of 14 PP) that represent four projects (of 19 selected projects) requested the lump sums from Fund for bilateral relations. The range of the demanded grant was from 20,000 CZK to 128,000 CZK. The total amount paid from the Fund for bilateral relations, Measure I (preparatory costs) was 404,000 CZK.

At the next Programme Committee meeting the question of the Measure II within the Fund for bilateral relations will be discussed and plans for the Call taken. It is envisaged, that the Call will be announced in 2015 and first payments sent in 2016 at the latest.

6.1. Complementary action

The first complementary action, organised by Programme Operator, was planned to be held in the September 2014 in Prague and should have included a meeting with representatives from other beneficiary states and the DPP (Research Council of Norway) as well as observers (such as Norwegian embassy, National focal point etc.). The objective of this event was to discuss implementing research programmes, share Programme Operators' experience and analyse the first phase of implementation. However, due to the highly demanding evaluation and selection process, the personnel changes at the PO and the shift of completion of the Call to 15 July 2015 the complementary action did not take place in this term.

For the same reason the PO absented from the Programme Operators Workshop in Brussels, Belgium. Complementary actions will be proposed in close collaboration with the Programme Committee, Donor Programme Partner in the upcoming implementation period.

7. Monitoring

In 2014 the monitoring was carried out at the level of the Programme because the Programme underwent two audits – by the internal PO auditor (MoEYS) and by the NFP. In the case of the internal PO audit, the internal control and management system obtained grade 2 (out of 4 scale range, 1 being the best mark), the audit by NFP accessed the PO internal management and control system as faultless.

Regarding monitoring at the projects level, in general monitoring activities consists of Interim and Final Reports on every project, peer review proceedings and on-site inspections. Details on monitoring are specified in the Programme Operator's Manual.

PO sent the 2nd Interim Financial Report to the Financial Mechanism Office in Brussels on 13 November 2014. It was also delivered with the proposed expenditure request in number of 28,000 euro. FMO approved the 2nd IFR.

PO will collect first periodic annual project reports from the project promoters which will content scientific and financial progress statements by 31 January 2015.

Besides the periodic reporting/monitoring via regular reports the PO intends to start the monitoring activities in the first half of 2015. The monitoring plan shall reflect the fact of shift of the projects launch (November 2014, see section 4) and will come into effect in mid 2015. As a result of these facts it is not possible to fill the monitoring plan according project specific requirements of Annex 2 of APR at this moment.

Nevertheless, during the preparatory phase (evaluation and selection of projects) the PO has applied some general principles of monitoring/control via focus on eligibility of applicants, check whether the funds allocated to the projects will be in correspondence to planned activities, results/outputs, to be spent economically and efficiently.

8. Need for adjustments

The allocation of financial support for Czech-Norwegian Research Programme CZ09 has been increased (see part 1. Executive summary).

Funds amounting to 2,016,377 € i.e. 53,433,991 CZK (exchange rate 26.5 CZK/€) have been reallocated from the CZ08 programme titled *Carbon Capture and Storage CZ08 in the following areas: Pilot Studies and Surveys on CCS Technology*. This reallocation has been approved by Norwegian Ministry of Foreign Affairs.

On 11 December 2014 MoEYS sent an official letter to the NFP – the Ministry of Finance of the Czech Republic - accepting the reallocation from the programme CZ08 to CZ09 and confirming the obligatory national co-financing to additional funds. The additional grant requires 25 million CZK as co-financing from the state budget (MoEYS). The MoEYS is willing to use all reallocated funds together with MoEYS contribution for institutional support of selected research projects from the reserve list without increasing expenses for Programme management. The Memorandum of understanding of implementation of Norwegian Financial Mechanism 2009-2014 was already amended on 12 December 2014 to reflect the reallocation.

Consequently, amendments of the Programme Agreement and Memorandum on Implementation of Programme CZ09 between the Ministry of Finance of the Czech Republic and MEYS will follow in early 2015. The PO has already sent on the draft amendments of the Programme Agreement to the NFP.

In relation to the above mentioned, the PO needs to obtain the NFP / FMO approval to release/modification of the original condition regarding the obligation to spend at least 20% of regranteeing allocation to Social Sciences projects. The quality reserve projects to be supported are from other areas, and the origin of funds (i.e. the environmental Programme CZ08) shall lead to environmental research as well. This update of the PA text shall be negotiated in early 2015.

After this the PO can begin negotiations with the reserved project promoters and issue project contracts. Nevertheless, it has to be expected, that these projects will be given shorter period for realization and adequately decreased budgets.

9. Risk management

The PO – the Ministry of Education, Youth and Sports – duly updated the Risk Analysis of the Programme and sent the document to the National Focal Point on 21 August 2014. The identified risks were reconsidered and updated and the document was reported as a part of the Strategic Report CR.

There were no serious threats which influenced negatively the Programme implementation during the reporting period. The personnel of the top management at PO were stable. But a few changes at PO programme staff which were solved in a short time happened during the year.

There were no political disturbances during the periodic year in the Czech Republic and Norway. There were no changes in the national law which would effect the Programme. Only the eligibility of applicants had to be checked again due to issuing Regulation EC 651/2014 on 17 June 2014 and new European

Framework for state aid for research and development and innovation (2014/C 198/1) which came into force on 1 July 2014.

No new risks have been identified.

The mentioned data are included in Annex 1 Risk assessment of the programme. The reported risks were also reviewed by both programme audits (i.e. the internal MoEYS and NFP audits) in 2014.

10. Information and publicity

During the reporting period the Programme Operator provides information on the Programme and the Financial Mechanism to broad public in the Czech Republic and runs information service to the applicants and the project promoters, and their partners. For example, the PO attended an information seminar to inform potential applicants about the Call requirements at Mendel University in Brno on 21 January 2014. The PO participated also in a round table at the *Seminar on Research and Innovation in the Kingdom of Norway* organised by the Czech Academy of Sciences in Prague to discuss bilateral cooperation in the research area between Norway and the Czech Republic and to share experience about the programme implementation, held on 22 September 2014.

PO also informs all stakeholders as well as the public about the progress of the CZ09 implementation, relevant documents, and information sources.

The webpage dedicated to the Programme CZ09 both in Czech and English has been established and serves duly for providing all relevant information and useful links.

In this reporting period the Programme Operator undertook the following informational and promotional activities:

- a) The information seminar on the Call for proposals in the city of Brno on 21/01/2014;
- b) Participating in the event called *Seminar on Research and Innovation in the Kingdom of Norway* in Prague on 22/09/2014.
- c) Organising the information meeting with the project promoters on 09/12/2014 in Prague;
- d) Entering the data on the announced call (subject of the call, financial allocation, the competition and evaluation periods etc.) in the R&D&I IS;
- e) Managing the webpage dedicated to the Programme both in Czech and English providing all relevant information and useful links – 12 contributions per year;
- f) Displaying FAQ on the PO webpage as a part of information action;
- g) Giving articles on CZ09 news in Newsletter MEYS on European issues – 2 contributions;
- h) Permanent information support to the project promoters and project partners (personal, telephones, mails).
- i) Providing information about selected projects to NFP - <http://www.eeagrants.cz/cs/programy/norske-fondy-2009-2014/cz09-cesko-norsky-vyzkumny-program/cz09-schvalene-projekty>.
- j) Uploading the information about the supported projects was uploaded in DoRIS to be displayed on the official website <http://eeagrants.org/programme/projectoverview/CZ09/PA23>.

11. Cross - cutting issues

A. Good governance

The PO (MoEYS) takes all measures necessary to guarantee due and efficient management of funds from the Norwegian Financial Mechanism, in accordance with the Regulation and Annex 12. The PO (MoEYS) draws up a set of its internal documents (e.g. Guide for Applicants), guidelines for applicants /project promoters (e.g. announcements displayed on PO web; or direct instructions in e-mails to the principal investigators) and guidelines that govern all its activities and management (e.g. regular meetings with the project promoters).

The Call for proposals launched within the framework of the Programme was operated in a transparent manner (e.g. information services ensured and events organized, transparent and full information provided). The rules of the open Call, especially the eligibility conditions and evaluation criteria/thresholds, were specified in the Call documents (Guide for Evaluators). All necessary documents were presented on Programme Operator's webpage and publicized to all potential applicants involved.

The evaluation of project proposals was organized as an international process done by independent and qualified experts from all over the world (very few from the Beneficiary and Donor states) thus the potential conflict of interest was eliminated to negligible extend. The eligibility of proposals was checked carefully against clearly set conditions. The proposals were selected by the PO after Programme Committee recommendation thus the decision process was fully transparent and recorded. The results were presented on PO website. The feedback was sent to all the applicants.

The Programme Operator had drawn up procedures ensuring monitoring of a good governance rules also on a project level. These procedures are fully described in the Programme Operator's Manual, in Guidelines for Applicants and incorporated in Project contracts.

All relevant materials were prepared in a close cooperation with Research Council of Norway, National focal point and the Programme Committee and the final versions of all documents were approved by all these bodies.

All procedures both on a programme and project level are specified in details in the Programme Operator's Manual.

Neither of the finished audits identified any issue in contradiction to the facts stated above.

B. Environmental considerations

The thematic fields of the Programme are closely related to the necessity to be aware of the importance and implications of environmental protection. Project partnerships with Norwegian entities that are environmentally friendly in their cross-cutting activities will contribute to raising awareness about the importance of environmental protection.

The following examples illustrate the environmental benefits provided by supported projects:

The Project No. 7F14287 *SOURCE-TERM DETERMINATION OF RADIONUCLIDE RELEASES BY INVERSE ATMOSPHERIC DISPERSION MODELLING* develops methods for determining the source term of an

accidental release of hazardous substances into the atmosphere which is suitable for both real-time application (e.g. for emergency preparedness) and assessment of environmental damages.

The Project No. 7F14316 *STRUCTURING EFFECT OF SUBMERGED MACROPHYTES ON TROPIC RELATIONSHIPS AND DISTRIBUTION OF FISH IN DEEP LAKES* targets at detailed understanding of the structuring effect the submerged macrophytes have on fish communities in deep lakes.

C. Economic sustainability

The projects can have a multiplication effect and can strengthen local competitiveness and economy as well as bilateral relations between the Czech Republic and Norway. The projects are prepared with the current state of Czech science and economy in mind and also with regard to the most pressing needs of the target group.

D. Social sustainability

Social sustainability of the Programme will be achieved by supporting a diverse target group in terms of age and gender (e.g. young researchers, involvement of female researchers). The Programme will also have a long-term benefit for individuals, social groups, society, etc. Ethical issues were taken in consideration in the evaluation.

In particular, the Project No. 7F14058 *GOVERNANCE, SOCIAL INVESTMENTS AND SOCIAL INNOVATION IN CARE SERVICES IN THE CZECH REPUBLIC AND NORWAY* is focused on retired people and an improvement of policies concerned senior care. The main research objective of this project is to study the degree to which these strategies adopted by relevant actors are mutually compatible and effective in responding the increasing demand for care services in times of economic austerity after the crisis.

E. Gender equality

Science is a part of everyday life and women should naturally be involved. As a result of a historical diversification of roles in society the social experience of women is often different from that of men, even though their roles seem to have converged over the past decades. Due to their often different social experience, women are able to come up with solutions and ideas that present another perspective and thus increasing women's involvement may positively influence our society. Gender balance issues are taken into consideration both during drafting of the Programme and its implementation. The Programme aims at increasing participation of female researchers including involvement of researchers who have returned from maternity leave.

When project proposals were assessed, principles of equality of men and women and equal access of women and men to education were followed. Individual applications were assessed regardless of the applicant's gender and both genders were represented in evaluating and decision making bodies. Provision of information, administrative support and other contacts with applicants was not affected by the applicant's gender.

12. Attachments to the Annual Programme Report

Annex 1: Risk assessment of the programme

Annex 2: Monitoring plan 2015

Annex 3: List of projects for communication purposes or as examples of best practices

Annex 4: Overview on supported projects and projects from the “reserve list”

Annex 5: Detailed overview on PO steps in 2014

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.

Name	PhDr. Marcel CHLÁDEK, MBA				Optional second signature		
Position	minister						
Organisation	Ministry of Education, Youth and Sports						
Signature							
Date	Day	Month	Year	Day	Month	Year	
	10	02	2015				

For the National Focal Point

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

Name	Ing. Zuzana KUDELOVÁ				Optional second signature		
Position	Head of the Department of International Relations				Ing. Martina BEČVÁŘOVÁ Head of the Monitoring Unit		
Organisation	Ministry of Finance of the Czech Republic				Ministry of Finance of the Czech Republic		
Signature							
Date	Day	Month	Year	Day	Month	Year	
	13	02	2015	13	02	2015	

Annex 1: Risk assessment of the programme

Type of objective ²	Risk	Description of risk in the reporting period	Likelihood ³	Impact ⁴	Importance ⁵	Mitigation planned/done
Cohesion (Programme) outcomes:	Programme absorption capacity	Interest of applicants was very high (389 proposals submitted/19 supported). The rate of the successful selection was 4,96%.	1	5	5	The overflow of project proposals in comparison to the Call allocation resulted in selection only projects of the best quality. – The risk is fully eliminated.
	Legislation changes	At present there is no running or expected change of legislation with any impact on principal rules of Programme implementation (namely regarding the Act No 130/2002). On 1 July 2014 the new EC regulation and European Framework on public support came into force.	2	3	6	Potential legislation changes are mentioned in relevant manuals, guides and project contracts. In case of any needs relevant adjustments can be done immediately and with no serious impact on implementation.
	Time risk - delay in commitment and disbursement of funds	The period for eligibility of costs within the Programme is laid down in Regulation. The period has been extended till 31 Dec 2017.	2	5	10	Conditions for disbursement of eligible cost at the projects level are specified in individual Projects Contracts . The Promoters

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

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

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

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

Type of objective ²	Risk	Description of risk in the reporting period	Likelihood ³	Impact ⁴	Importance ⁵	Mitigation planned/done
	Specific programme risk	The administrative load of PRG management proved to be a risk in the reported period as the evaluation process of the Call was very demanding due to the overflow of submitted applications (387/19). - The varying administrative load as well as personal changes cannot be totally eliminated, but it is possible to minimise the impact.	5	5	25	A documented Programme management system and processes are included in the Programme Operator's Manual. Obligation for reporting of such changes will be incorporated in Project contracts. Programme Operator ensures mutual replacement of individual Programme administrators
Bilateral	Bilateral relations	Some bilateral relations have been already established and launched, the cooperation mainly follows up the contacts established in the previous programming period	2	3	6	PO fully supports the cooperation; presentation of news on progress in CZ09 on website, participation in Programme Operators' workshops; consultations with the Programme partner are provided.
	Operational issues:	Management and control structures, programme management	3	5	15	Detailed procedures are described in relevant chapter of the Programme Operator's Manual

Type of objective ²	Risk	Description of risk in the reporting period	Likelihood ³	Impact ⁴	Importance ⁵	Mitigation planned/done
	Programme implementation set up	Text of Call, Programme Operator's Manual, Guide for Evaluators, Guide for Applicants, Project Proposal form were prepared, approved and applied	3	4	12	Manual and Guides fully reflect requirements of Regulation and its Annex 12. There are clear links between each other. The guidelines were completed, approved and are being duly applied. No problem is expected.
	Reports and irregularities within programme	No irregularities so far	1	4	4	Procedures on identification, reporting and solving of irregularities is implied in specific chapter of Programme Operator's Manual. Project Promoter is obliged to report on irregularities in the contract.
	Programme audits/controls	Programme was approved on 25 February 2013. Internal audit is operated by PO once a year.	4	3	12	In August 2014 an audit of systems by NFP and PO was set. Both audits confirmed correct setting of management and control systems. Audit and control system is described in detail in Programme Operator's
	Information system	On the basis of Act No 130/2002	4	3	12	Obligation for storing of

Type of objective ²	Risk	Description of risk in the reporting period	Likelihood ³	Impact ⁴	Importance ⁵	Mitigation planned/done
		relevant information is stored in the R&D&I IS. The on-line submission system (Data storage Open KM) is used for electronic submission of project proposals.				relevant data into R&D&I IS is incorporated in Project Contracts. All relevant data are stored in accordance with Regulation and national legislation.
	Corruption risk	Programme Operator does all steps in transparent manner and in accordance with accepted rules and principals. PO avoids conflicts of interest, uses information systems. Decisions on funding issues are accepted step by step and separately.	1	4	4	Individual procedures are specified in detail in relevant guides and manuals. All relevant data will be published on Programme Operators' website. According to Regulation PO informed on evaluation results all applicants.

Annex 2: Monitoring plan

Project no.	Name of the project	Planned date of on-site monitoring visit /review	Note
7F14156	Tissue engineering of genetically competent corneal/conjunctival cells for subsequent grafting in human medicine / <i>Příprava geneticky stabilních buněk rohovky a spojivky pro transplantace v humánní medicíně/</i>	2 nd quarter of 2015	On-site visit
7F14208	Human, Agricultural, and Climatic Impact on Ecological Rules: macroecological analysis of palaeobiological datasets / <i>Vliv zemědělství na fungování a stabilitu společenstev: makroekologická analýza paleobiologických dat/</i>	3 rd quarter of 2015	On-site visit

Annex 3: List of projects for communication purposes or as examples of best practices

Project no.	Name of the project	Note
N/A		All the project have just started (November 2014). The relevant examples of best practice shall be reporting starting with APR3.

Annex 4 – Overview on supported projects and projects from the “reserve list”

Overview on selected /reserve projects:

Project	Title	Project Promoter	Partner	Donor partner	Budget € (total project costs)
1	Phosphorylation-mediated signalling in DNA damage response and cancer	Institute of Molecular Genetics of the ASCR, v. v. i.	Palacký University in Olomouc	Oslo University Hospital,	968 943
2	3D yeast colony genomics: A model for cancer progression and development of drug resistance in biofilms	Charles University in Prague	Institute of Microbiology of the AS CR	Oslo University Hospital	958 038
3	Source-Term Determination of Radionuclide Releases by Inverse Atmospheric Dispersion Modelling (STRADI)	UTIA - Institute of Information Theory and Automation AS CR	EPFL - École polytechnique fédérale de Lausanne, Switzerland	NILU – Norwegian Institute for Air Research	822 491
4	Advanced Detectors for Better Awareness of Neutrons and Gamma Rays in Environment	Czech Technical University in Prague	National Radiation Protection Institute, Prague	Stiftelsen SINTEF, Integrated Detector Electronics AS	1 027 396
5	NuArch: Nuclear Architecture in the regulation of autophagy, DNA repair and gene expression	Institute of Biophysics Academy of Sciences of the Czech Republic		University of Oslo	1 088 717
6	Macromolecular toolbox for biomedical applications	Institute of Macromolecular Chemistry, AS CR	Charles University in Prague	University of Oslo, Oslo University Hospital	1 322 981
7	Harvesting big text data for under-resourced languages	Masaryk University, Brno		Norges teknisk-naturvitenskapelige universitet	923 321

8	Biomaterials and stem cells in the treatment of stroke and spinal cord injury	Institute of Experimental Medicine, Academy of Sciences of the Czech Republic		Norwegian University of Science and Technology	641 509
9	Governance, social investments and social INNOvation in CARE services in the Czech Republic and Norway	Masaryk University, Brno		HiOA NOVA	624 981
10	Tissue engineering of genetically competent corneal/conjunctival cells for subsequent grafting in human medicine	Charles University in Prague	University Hospital Kralovske Vinohrady	Oslo University Hospital, NILU – Norwegian Institute of Air Research	872 491
11	Human, Agricultural, and Climatic Impact on Ecological Rules: macroecological analysis of palaeobiological datasets	Charles University in Prague		Lillehammer University College, University of Bergen	1 125 019
12	Naturalness in Human Cognitive Enhancement	University of West Bohemia	Prague Psychiatric Center, Charles University in Prague	University College of Gjøvik, Oslo and Akershus University College of Applied Sciences	1 027 585
13	Comparative study of Huntington's disease using biochemical, immunocytochemical and molecular genetic methods on the mouse, minipig and human tissues and cells	Institute of Animal Physiology and Genetics AS CR	Charles University in Prague	Oslo University Hospital	936 566
14	Structuring effect of submerged macrophytes on trophic relationships and distribution of fish in deep lakes	Biology Centre of the Academy of Sciences of the Czech Republic		Norwegian Institute for Nature Research	850 377
15	A new methodological approach for identification of industrial pollution: Isotope fingerprinting and bacterial community changes	Czech University of Life Sciences Prague		Bioforsk, The Geological Survey of Norway (NGU)	648 075

16	Assessing water quality improvement options concerning nutrient and pharmaceutical contaminants in rural watersheds	Czech University of Life Sciences Prague	T.G. Masaryk Water Research Institute (TGM WRI) ; Research Institute for Soil and Water Conservation, (RISWC); VODNÍ ZDROJE, a.s	Bioforsk	969 434
17	Phase behaviour in CCS systems	Institute of Thermomechanics AS CR		SINTEF Energy Research AS	621 358
18	Physical Activity as a Part in Treatment of Psychiatric Patients	Jan Evangelista Purkyně University in Ústí nad Labem		The Norwegian School of Sport Sciences	866 415
19	Developing and evaluating driver rehabilitation programs using neurobehavioural techniques.	Masaryk University, Brno	Transport Research Centre, Brno	Norges Handelshøyskole, Transportøkonomisk Institutt	963 811
R1	Phosphine Ligands for Environmentally Friendly C-C Bond Forming Reactions	Charles University in Prague		Universitetet i Bergen	629 434
R2	Conservation and breeding potential of native fruits in the Czech Republic and Norway	Crop Research Institute	Research and Breeding Institute of Pomology Holovousy Ltd	Norwegian Institute for Agricultural and Environmental Research, Norwegian Genetic Resource Center	794 717
R3	Utilization of long term (passive) sampling methods combined with in situ microcosms for assessment of (bio)degradation potential	Charles University in Prague	Dekonta a.s.	ALS Laboratory Group Norway AS	846 981
R4	Regulation of Plant Cell Wall Metabolism by Cytokinins: Novel Developmental Mechanisms for Biomass	Masaryk University		Norwegian University of Science and Technology	992 113

	Improvement					
R5	Capitalizing on carbon capture using novel ionic liquids with CO2 conversion to valuable products	Institute of Chemical Process Fundamentals of the Academy of Sciences of the Czech Republic		Stiftelsen SINTEF	943 396	
R6	Novel Regulator of Fission Yeast Cell Cycle	Charles University in Prague		Oslo University Hospital	528 792	
R7	The contribution of higher education Institutions to strengthen socio-economic development of peripheral regions in Norway and the Czech Republic	Centre for Higher Education Studies	Charles University in Prague	Agderforskning AS	753 472	

Annex 5 – Detailed overview on PO steps in 2014

- a) Participation of PO at an information meeting with applicants in the city of Brno – 21/01/2014.
- b) The management and control systems of the programme (the Manual of the Programme Operator) were approved by the Audit Authority – 21/01/2014.
- c) The report on irregularities was sent to National Focal Point (NFM) on 31/01/2014.
- d) The **Call for proposals** was closed on 03/02/2014.
- e) The Eligibility Check Commission was appointed by PO on 03/02/2014.
- f) The first report on *actual incurred expenditure of the programme* was sent electronically to the Certifying Authority on 05/02/2014.
- g) The **eligibility check process** of project proposals was carried out between 06-12/02/2014. The report on eligibility check was prepared and signed by the PO on 20/02/2014.
- h) The **Annual programme report** was signed by NFM and uploaded in DoRIS system on 14/02/2014.
- i) The **first report on actual incurred expenditure** of the programme was delivered to the Certifying Authority in Prague on 04/03/2014.
- j) The **proposal evaluation period** was carried out from March to June 2014.
- k) Participation of PO staff at the DoRIS workshop in the National Technical Library in Prague on 31/03/2014.
- l) The second report on irregularities was sent to the National Focal Point (NFP) on 30/04/2014.
- m) The meeting about the Call for proposal and the evaluation process between Po and NFP took place on 05/05/2014.
- n) The announcement of the Call results was postponed by two months due to necessity to evaluate a huge number of applications and the revised time schedule of the Call published on 15/05/2014 (newly 15/07/2014).
- o) The evaluation of project proposals got finalised on 10/06/2014 at the PO.
- p) The **Programme Committee meeting on the evaluation results and project proposal selection** took place in Prague on 11-12/06/2014 under participation of the programme partner (DPP) and representatives of the NFP and FMO.
- q) The **results of the Call for proposals** were announced on the PO website on 15/07/2014.
- r) A personnel change (one full time PO worker quit) occurred on 29/07/2014.
- s) The report on irregularities was sent to National Focal Point on 30/07/2014.
- t) The **feedback to applicants** (pursuant to 3.5.7 of Annex 12 to Regulation on the implementation of the Norwegian Financial Mechanism 2009-2014) was fulfilled and the ESR (*evaluation summary reports*) were e-mailed and mailed to the applicants in August 2014.
- u) The audit by NFP of the programme was launched on 05/08/2014.
- v) The programme personnel (one full time PO was hired) were strengthened on 15/08/2014.
- w) The report on risks was emailed to NFP on 21/08/2014.
- x) PO completed the verification of the integrity of statutory representatives of the selected applicants on 22/08/2014.
- y) The **project proposals budgets were negotiated** in August 2014.
- z) The internal audit of PO (MoEYS) was launched on 26/08/2014.
- aa) The data of selection results were recorded into national R&D system *Public Tenders in Research, Development and Innovation (VES)* on 03/09/2014.

- bb) PO received the report *Opinion verifying compliance of the management and control systems on* 05/09/2014.
- cc) The **Project contracts were issued** by PO on 12/09/2014.
- dd) PO staff attended a workshop on financial management in Brussels.
- ee) PO participated in the event called *Seminar on Research and Innovation in the Kingdom of Norway* in Prague on 22/09/2014.
- ff) The *summary of the Call results* was sent to the Financial Mechanism Office in Brussels on 28/09/2014.
- gg) The recording of data of the selected projects to the national Central Register of Research, Development and Innovation (CEP) was completed during October 2014.
- hh) PO obtained the result of the internal audit done by the Audit department of the Ministry of Education, Youth and Sports.
- ii) PO participated in the seminar on HORIZON 2020 rules and practical administration organized by the Technological Centre in Prague on 15/10/2014.
- ji) A personnel change (one full time work was hired) occurred on 15/10/2014.
- kk) The NMFA approved the reallocation of 2,016,377 € from CZ08 to Programme on 22/10/2014.
- ll) The **first payments of the grant** and the Fund for bilateral relations were sent to project promoters on 27/10/2014.
- mm) The report on irregularities was sent to National Focal Point (NFM) on 31/10/2014.
- nn) The information about the supported projects was uploaded in **DoRIS** during November 2014.
- oo) The regular meeting of NFP and PO was held in Prague on 11/11/2014.
- pp) **2. Interim financial report** and proposed expenditure were emailed to FMO on 13/11/2014.
- qq) PO obtained the request of the Supreme Audit Office of the Czech Republic to control the programme on 26/11/2014.
- rr) The internal audit by PO was finished on 09/10/2014.
- ss) The audit by NFP was finished on 01/12/2014.
- tt) The information session with the project promoters took place in Prague on 09/12/2014.
- uu) PO attended the seminar on DoRIS system at NFP on 11/12/2014.