



Brussels, 20.3.2024
C(2024) 1927 final

COMMISSION IMPLEMENTING DECISION

of 20.3.2024

on the authorisation of the disbursement of the second and third instalments of the non-repayable support for Czechia

(Only the Czech text is authentic)

COMMISSION IMPLEMENTING DECISION

of 20.3.2024

on the authorisation of the disbursement of the second and third instalments of the non-repayable support for Czechia

(Only the Czech text is authentic)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility¹, and in particular Article 24(5) thereof,

Whereas:

- (1) According to Article 4(2) of Regulation (EU) 2021/241, the specific objective of the Recovery and Resilience Facility is to provide Member States with financial support with a view to achieving the milestones and targets of reforms and investments as set out in their recovery and resilience plans.

The Council Implementing Decision of 17 September 2021 on the approval of the assessment of the recovery and resilience plan for Czechia² (the ‘Council Implementing Decision’) provides that the Union is to release instalments in accordance with the Financing Agreement conditional on a decision by the Commission, taken in accordance with Article 24(5) of Regulation (EU) 2021/241, that Czechia has satisfactorily fulfilled the relevant milestones and targets identified in relation to the implementation of the recovery and resilience plan.

- (2) On 6 December 2023, Czechia submitted a request for payment, accompanied by a management declaration and a summary of audits. The request concerned the second and third instalments of the non-repayable support. Pursuant to Article 24(3) of Regulation (EU) 2021/241, the Commission assessed on a preliminary basis whether the relevant milestones and targets set out in the Council Implementing Decision had been satisfactorily fulfilled. For the purpose of this assessment, the operational arrangements concluded between the Commission and Czechia³ in accordance with Article 20(6) of Regulation (EU) 2021/241, were taken into account.
- (3) The Commission made a positive preliminary assessment of the satisfactory fulfilment of all 28 relevant milestones and targets related to the non-repayable support and, in accordance with Article 24(4) of Regulation (EU) 2021/241, provided its findings to the Economic and Financial Committee asking for its opinion on the satisfactory

¹ OJ L 57, 18.2.2021, p. 17.

² ST 11047/21; ST 11047/21 ADD 1; ST 11047/21 COR 1 as amended by ST 13383/23; ST 13383/23 ADD 1, not yet published.

³ Recovery and Resilience Facility Operational arrangements between the European Commission and Czechia, entered into force on 29 November 2023.

fulfilment of the relevant milestones and targets. In accordance with Article 25(4) of that Regulation, the Commission provided the competent committee of the European Parliament with an overview of its preliminary findings concerning the satisfactory fulfilment of the relevant milestones and targets. The Economic and Financial Committee agreed with the Commission positive preliminary assessment and concluded that Czechia has satisfactorily fulfilled all the milestones and targets associated with the second payment request submitted by Czechia. The Commission has taken the opinion of the Economic and Financial Committee into account for its assessment.

- (4) Section 2(1)(2) of the Annex to the Council Implementing Decision provides the relevant milestones and targets that are to be satisfactorily fulfilled for the second instalment of the non-repayable support for an amount of EUR 660 565 003.
- (5) Section 2(1)(3) of the Annex to the Council Implementing Decision provides the relevant milestones and targets that are to be satisfactorily fulfilled for the third instalment of the non-repayable support for an amount of EUR 142 506 202.
- (6) Target 12 provides for an increase in the number of public entities which publish open data on the National Open Data Catalogue, improving its quality of the Catalogue and other tools in public administration. The evidence provided by Czechia demonstrates that more than 77 new entities, notably municipalities, started publishing open data in the above catalogue. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (7) Milestone 15 provides for the implementation and operation of upgraded e-government systems called as the CzechPOINT 2.0 and Central Authentication and Authorisation Information System (CAAIS), meant to provide the public with a range of assisted public administration services and extracts from public administration information systems. The evidence provided by Czechia demonstrates that both systems were implemented and are now available to end users. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (8) Milestone 16 provides for the modification of the ePasy (ePassports) and EVC2 systems, according to the amendment to the Travel Documents Act No. 329/1999 Coll. and the Entry/Exit System (EES) respectively. The evidence provided by Czechia demonstrates, notably based on the legislative amendments, that both systems were upgraded and are now available for testing by the European Commission according to the euINIS program. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (9) Milestone 20 provides for the completion of a software-defined data centre including data containers and its successful testing and adoption of its delivery by the Ministry of Labour and Social Affairs. The evidence provided by Czechia demonstrates, notably based on acceptance protocols, that the data centre is fully operational and available to end-users. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (10) Milestone 23 provides for the entry into operation of a fully functional and upgraded Security Information and Event Management (SIEM) system and of additional five information systems selected on the basis of a risk and feasibility study. The evidence provided by Czechia demonstrates the upgrade of SIEM, in line with the provided feasibility study, to extend the capacities and abilities of the Czech police and the Ministry of Interior with the view to improve the response to the security incidents,

- including when access to office infrastructure is limited. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (11) Milestone 25 provides for the establishment of competence centres that are fully operational to provide consulting services to authorities in the area of eGovernment, Cybersecurity and eHealth. The evidence provided by Czechia demonstrates that three established competence centres Digital Czechia, Information Concepts and National Centre for eHealth are operational and provide services to numerous public authorities in Czechia. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
 - (12) Milestone 30 provides for connecting at least 300 rooms with videoconferencing capabilities in the justice system. The evidence provided by Czechia included a list of the devices based on which a sampling exercise was conducted. The evidence demonstrates that the necessary IT equipment and services related to their operation were purchased and installed namely in the courthouses but also the Judicial Academy, the Prison Service and the Ministry of Justice. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
 - (13) Milestone 32 provides for the entry into force of measures with the aim to establish a database for investment project intentions for the coordination of works by network operators, and completion of technical specifications aiming at increasing the network quality measurements. In addition, the national regulator was required to conduct tendering for the measurement of network quality. The evidence provided by Czechia demonstrates that legislative changes were made in line with the aim of the milestone and technical specification were adopted for the creation of the relevant database and for the procurement for network quality measurement. Evidence has also been provided on the tendering conducted by the national regulator. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
 - (14) Milestone 48 provides for the creation of a one stop shop in order to share best practices and information on the certification process to a network of stakeholders in strategic sectors. The Commission has identified a clerical error in the text of the Council Implementing Decision and has undertaken the assessment on a revised basis. The evidence provided by Czechia demonstrates that the one stop shop was created and is operational, providing information and educational materials on the certification process in the aerospace and medical devices sectors. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
 - (15) Milestone 57 provides for the completion of five projects using 5G technology for smart cities. The evidence provided by Czechia demonstrates that five projects were completed in municipalities using 5G technological solutions for monitoring traffic flow and public security. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
 - (16) Milestone 78 provides for all cities with a population of over 40 000 to have an approved Sustainable Urban Mobility Plan by 30 June 2023, based on the Czech Government's Urban and Active Mobility Concept. The evidence provided by Czechia demonstrates that all cities in question approved Sustainable Urban Mobility Plans (SUMP). The Council Implementing Decision required that all SUMP should be based on the Urban and Active Mobility Concept and approved by the city representative bodies by 30 June 2023. All statutory cities have received positive verification of their SUMP by the KPDMM Committee, with one exception for the city of Chomutov, as the city's SUMP was only adopted in December 2023 and has not yet been submitted

for verification. Whilst this constitutes minimal substantive and temporal deviations from the requirement of the Council Implementing Decision, Czechia has verified that all but one SUMP are based on and are compliant with the UAMC, and the KPDMM Committee will proceed to assess the compliance of the outstanding SUMP from KPDMM shortly, upon receipt of the official documents from the city of Chomutov. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled. Furthermore, on the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (17) Target 87 provides for the completion of two projects from a predefined set of projects of electrified lines and traction feeder stations with increased power of newly built ones. The evidence provided by Czechia demonstrates that two projects called “Increase of traction power of TNS Rostoklaty” and “Reconstruction of 22/3kV transformers at TNS Kolín” matching the requirements of the target were completed. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (18) Target 90 provides for the completion of 26 projects from a predefined set of projects improving the environment involving railway infrastructure support. The evidence provided by Czechia demonstrates the completion of the required number of projects involving modernised railway lines, modernised railway stations with reconstructed track and barrier-free accessible platforms as well as station buildings with reduced energy intensity, increased comfort and better passenger services. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (19) Target 95 provides for the completion of three modernised railway artificial structures. The evidence provided by Czechia demonstrates that the required number of projects involving modernised bridges and tunnels were completed. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (20) Target 96 provides for the completion of 115 level crossings with an increased protection level, with newly installed or modernised flashlight warning systems or mechanical safety installation. The evidence provided by Czechia demonstrates that the required number of projects were completed, ensuring an increased level of protection through installation of barriers or warning lights signals. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (21) Target 97 provides for the completion of 24 kilometres of built cycle paths, sidewalks and barrier-free routes. The evidence provided by Czechia demonstrates that the projects matching the requirements of the target were completed. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (22) Target 99 provides for the completion of one modernised railway artificial structure for the operational phase, namely a bridge or a tunnel structure. The evidence provided by Czechia demonstrates that the project involving a bridge structure over the Ohře river in the town of Žatec matching the requirements of the target was completed. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (23) Target 132 provides for the completion of 15 flood protection projects aiming at protecting populated areas against the negative effects of flood, at improving water retention in the landscape, and at facilitating the natural treatment of existing water

- structures in built-up areas. The evidence provided by Czechia, including completion reports by independent engineers, demonstrates that the projects have been completed. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (24) Milestone 139 provides for the entry into force of the amendment to the ministerial decree on forest management planning which paves the way for multigenerational, multispecies and resilient forests. The evidence provided by Czechia demonstrates that the amended Decree meets the requirements of the milestone, namely by allow the use of innovative methods of forest management planning that are adapted to forests with rich age structure, including the forest inventory method and the forest management plans. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (25) Milestone 140 provides for the reforestation of 12 000 hectares of areas using ameliorative and stabilising tree species. The evidence provided by Czechia included a completion report by an independent body. Additionally, Czechia has provided, for a sample of 60 projects, 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 a completion report by a forester detailing the area covered (in hectares) and the tree species involved. This demonstrates that the reforestation of the required area has been completed in line with the requirements. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (26) Milestone 142 provides for the completion of 40 torrent control and water retention projects. The evidence provided by Czechia, including a completion report by an independent body demonstrates that the required number of projects were completed. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (27) Milestone 150 provides for award of all public contracts for projects investing in circular solutions in businesses by the Ministry of Industry and Trade, supporting at least 60 businesses. The evidence provided by Czechia demonstrates that grant decisions were notified to 101 businesses for projects investing in circular economy solutions, notably in the construction sector, as well as the estimated impact of the projects in terms of volume of construction and demolition waste processed for further re-use as a fully-fledged construction material or of reduced primary resources. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (28) Milestone 152 provides for award of all public contracts for projects to save and optimise water in the industry by the Ministry of Industry and Trade, supporting at least 40 businesses. The evidence provided by Czechia demonstrates that decisions were notified to 47 businesses for projects to achieve water savings or optimise the use of steam as well as, based on submitted water audits, the estimated impact of the projects in terms of water savings. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (29) Milestone 161 provides for the notification of award of contracts for projects aiming at the protection against droughts and floods of the city of Brno. The evidence provided by Czechia demonstrates that the corresponding contracts were awarded. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.

- (30) Target 228 provides for the signature of grant agreements for the cooperation projects involving at least 60 SMEs with public research organisations under newly created National Centres of Competence. The evidence provided by Czechia demonstrates that grant agreements have been concluded for the support of such cooperation projects under National Centres of Competence. The Council Implementing Decision required that the grant agreements should be signed for the support of projects under newly created National Centres of Competence. Some of the Centres with which a grant agreement was signed were already established in 2018 following a first call under the National Competence Centre Programme but which had submitted a new project proposal under the second call that was launched in 2021. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, all Centres selected for support had to submit a new project proposal for the second call under the National Competence Centre Programme, and that the framework projects (i.e. the National Centres of Competence) supported under the 2021 and the 2018 call differ in scope. As of this, this neither changes the nature of the measure nor affects the progress towards the achievement of the investment that the target represents. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled. Furthermore, on the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (31) Target 229 provides for the signing of grant agreements for the support of at least 15 research and development projects in the environmental field. The evidence provided by Czechia demonstrates that such grant agreements were signed in relation to projects focusing on priority thematic areas such as protection and sustainable use of natural resources, climate protection and improvement of air quality, waste management and reuse, protection of nature and landscape or a safe and resilient environment, including prevention and reduction of the consequences of natural and anthropogenic hazards. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (32) Milestone 232 provides for organising a call for tender for the construction of the Intensive Medicine Simulation Centre. The evidence provided by Czechia demonstrates that the public contract to build the Intensive Medicine Simulation Centre was published by the Faculty Hospital in Motol was signed with a contractor selected through open tender procedure. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (33) Milestone 240 provides for the validation of a feasibility study by an independent authority for the Czech Oncology Institute in Prague. The evidence provided by Czechia demonstrates that the feasibility study was validated by an independent authority. The Council Implementing Decision required the Ministry of Health to submit the documents such as the medical programme and the feasibility study by 15 March 2022, and that these documents are validated by an independent authority by 31 December 2022. The study prepared by the Motol Faculty Hospital was submitted in July 2022 and validated in January 2023. While this constitutes a minimal deviation from the requirement of the Council Implementing Decision, the Hospital is under the direct management of the Ministry of Health and the delay with the submission and validation of the study neither changes the nature of the measure nor affects the progress towards the achievement of the investment that the milestone represents, allowing to consider the project fully on track as planned. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

- Furthermore, on the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (34) Czechia has confirmed that previously satisfactorily fulfilled milestones and targets have not been reversed.
 - (35) Following the fully positive assessment concerning Czechia's payment request, in accordance with Article 24(5) of Regulation (EU) 2021/241, the disbursement of the financial contribution for the second and third instalments of the non-repayable support should be authorised.
 - (36) In accordance with Article 2(3) of the Council Implementing Decision, as specified in the Financing Agreement, the pre-financing of the financial contribution shall be cleared by being proportionally deducted against the payment of the instalments. As Czechia received EUR 1 061 732 921 of the financial contribution as pre-financing, an amount of EUR 100 958 244 of the payment should be utilised to clear the pre-financing, of which EUR 16 088 378 to clear the pre-financing for the REPowerEU chapter.
 - (37) This Decision should be without prejudice to procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty on the Functioning of the European Union. It does not override the requirement for Member States to implement the measures in accordance with Union and national law and, in particular, to notify instances of potential State aid to the Commission under Article 108 of the Treaty on the Functioning of the European Union.
 - (38) The measures provided for in this Decision are in accordance with the opinion of the Committee established by Article 35(1) of Regulation (EU) 2021/241,

HAS ADOPTED THIS DECISION:

Article 1

Authorisation of the disbursement of the non-repayable support

The disbursement of the second instalment of the non-repayable support as laid down in Section 2(1)(2) of the Annex to the Council Implementing Decision of 8 September 2021 on the approval of the assessment of the recovery and resilience plan for Czechia for an amount of EUR 660 565 003 is authorised.

The disbursement of the third instalment of the non-repayable support as laid down in Section 2(1)(3) of the Annex to the Council Implementing Decision of 8 September 2021 on the approval of the assessment of the recovery and resilience plan for Czechia for an amount of EUR 142 506 202 is authorised.

In accordance with the Financing Agreement concluded pursuant to Article 23(1) of Regulation (EU) 2021/241 between the Commission and Czechia, EUR 100 958 244 shall be utilised to clear the pre-financing of the financial contribution and EUR 702 112 961 shall be provided to Czechia by means of payment to the bank account indicated in the Financing Agreement.

Article 2
Addressee

This Decision is addressed to the Czech Republic.

Done at Brussels, 20.3.2024

For the Commission
Paolo GENTILONI
Member of the Commission