

Subsidies from the Operational Programme Environment 2021–2027

On 15 December 2022, calls from the Operational Programme Environment (OPE) 2021–2027 were finally launched for projects in the field of nature conservation and landscape protection, which will be financed through the so-called simplified reporting methods (hereinafter SRM). Simplifying the administration of subsidies was one of the main requirements of the European Commission, which it set as mandatory for all projects with total expenditures of up to EUR 200,000. SRM are nothing new, but most operational programmes have not yet used this method, or only to a small extent in the form of flat rates for a specific group of expenses. The aim is to reduce the administrative burden on applicants and beneficiaries for smaller projects in the field of nature and landscape, as this administrative burden which subsidies undoubtedly bring often discourages people to use them.

What exactly are SRM? It is a method that is based on a predetermined amount or percentage related to certain project expenses to which the beneficiary is entitled, regardless of how much the project actually cost them. The beneficiary does not submit any accounting documents to the subsidy provider to verify the funds spent. However, it may happen that the predetermined amount will not be needed in full for the implementation of the project (e.g., due to competition for a lower price). In such case, the beneficiary does not have to return the remaining money to the subsidy provider and can use it to finance other activities related to the implementation of the approved project. Compared to the method of actually reported expenses (proven on the basis of invoices and other accounting documents), dominating in previous programme periods, SRM may seem revolutionary. In the field of nature and landscape, the basis for determining such a "predefined" amount will be the so-called Costs of usual measures of the Ministry of the Environment (CUM MoE), which have already been used for the second programme period to evaluate the cost-effectiveness of OPE projects, and even longer for national subsidies.

It is important to emphasize that the one-time amount according to the CUM MoE will be used only for selected types of projects in 1.3 and 1.6 specific objectives and, at the same time, for projects with total expenses not exceeding EUR 200,000. Among the types of measures to which SRM will be applied are: construction and restoration of water elements (pools, wetlands, small water reservoirs) and vegetation elements (planting and maintenance of greenery inside and outside settlements); restoration of peatlands; restoration of waterways and river branches; removal or elimination of the negative functions of drainage facilities; management of grassland ecosystems (mowing, grazing, clearing self-seeding woody plants); preparation of plans for Territorial System of Ecological Stability (TSES) and regional studies (regional landscape study, study of the residential greenery system); support of species and specific habitats; elimination of invasive plant and animal species; and, building and restoring visitor infrastructure. As part of the projects, a one-time amount according to the CUM MoE will be determined for direct implementation expenses, i.e. the costs of implementing the project. However, the project budget may also include another group of expenses, namely indirect expenses. These are costs associated with project preparation, supervision (technical, copyright, biological), project coordination, mandatory publicity, etc., which will be reported simply in the form of a flat rate of 7 % of the lump sum.

Let us see how the flat rate works on a specific project: the project includes planting trees with a cost of CZK 1 million, which represents direct eligible implementation costs. The amount for indirect expenses that the beneficiary can use is therefore CZK 70,000 (7 % of CZK 1 million). The total project budget is the sum of both amounts, i.e. CZK 1,070,000.

The applicant submits the application in the electronic interface called "Jednotný dotační portál" (Unified subsidy portal, JDP), where they fill in all the necessary data and attach the mandatory appendices. The applicant generates their application from the JDP and sends it electronically or in print, or brings it in person to the regional office of the Nature Conservation Agency of the Czech Republic (NCA CR). The submitted application will be checked for formal requirements (filling in all data, documenting mandatory appendices, etc.) and acceptability (meeting the basic conditions from the point of view of nature conservation and landscape protection). If the application is in order, it proceeds to the next stage of checking before a decision on the provision of a subsidy (Decision) is issued, which consists of an assessment of public support, verification of the material proposal and economic parameters (evaluation of the criteria of a company in difficulty). If the application is in accordance with all the conditions, a Decision will be issued specifying the obligations for the beneficiary, in particular what the project output should look like, both quantitatively and qualitatively. The Decision is usually issued four months after the submission of the subsidy application. Reimbursement of funds will depend on the fulfilment of the project output, which will be checked in 100 % of cases. After completion of a project (or a project stage), the beneficiary submits a request for payment, which also includes a report describing the progress of project implementation, including mandatory appendices. The beneficiary does not submit any invoices, other accounting documents, or documents such as contracts with suppliers or tender documents. Based on the submitted request for payment, an NCA CR employee will verify the project output at the place of implementation (for studies, the study document itself is checked). If the project is carried out with quality and in accordance with the terms of the Decision, funds will be released to the beneficiary's account. As a rule, funds will be disbursed two months after the request for payment is submitted.

Detailed rules for projects financed in the form of SRM in the field of nature and landscape are listed in the NCA CR Handbook, which is published together with other appendices and samples on <https://nature.cz/web/dotace/opzp-v-prs-aopk-cr>. You can discuss the project preparation with the relevant regional offices of NCA CR, or ask questions using the following email: AOPK-Dotazy-OPZP21@nature.cz.

Due to its freshness, we do not yet have practical experience with drawing subsidies through the SRM method. However, we can look at the projects that were submitted in the two previous OPE periods. In the first OPE period (2007–2013), a considerable part of the projects was administered directly by the beneficiaries. In the second OPE period (2014–2020), the structure of subsidy administrators changed significantly. Beneficiaries usually no longer applied for it themselves, but through various entities. Here, logically, part of the information was lost during communication, and the whole process was prolonged and undoubtedly more expensive. A classic example was when the project evaluator from NCA CR called on the administrator to supplement the opinion, and this request for supplementation was forwarded to the applicant with a delay. There was thus less time left for the preparation of the opinion than if the beneficiaries had administered the project themselves. In the current period, the SRM method offers some hope that some applicants will once again administer their applications themselves. This could speed up the whole process again and, as a result, make the subsidy application cheaper.

Another advantage of applicants who apply without an intermediary is that they are logically more interested in their project and know exactly what they want to achieve and what the possibilities are for obtaining a subsidy.



Returning water to the peatland as part of the "Ensuring care for EVL Jizerské spruce" project implemented in 2019–2020. The total eligible expenses of the project were 2,322,789 CZK, while the EU subsidy amounted 1,947,371 CZK (Photo: Š. Mazánková, AOPK CR)

More than once a potential applicant was approached by a design and administration company with the vision of creating a project to improve the environment in settlements and arrange a subsidy for this project. As a result, it showed that the project is of a very general nature and cannot be targeted at a specific grant title. The funds spent were thus logically not returned to the applicant. On the one hand, OPE subsidy titles are relatively wide-open to various measures, whether for adaptation to climate change or for the protection of biodiversity; however, it is not possible to apply for a subsidy for any project that aims at an increase in biodiversity, but actually relates to a completely different activity. It happened repeatedly that a flood protection project was submitted to the grant title for the restoration of small water reservoirs etc. Such poorly specified projects are subsequently difficult to support with subsidies.

It also showed that consulted projects have a demonstrably significantly higher chance of receiving a subsidy than projects submitted without consultation. In the ideal case, the applicant addresses their intention to the relevant NCA CR office, where they discuss their plan. In more complicated cases, a local investigation will also be performed in order to optimize the project in such a way that it suits both biodiversity and the applicant as much as possible, and it is possible to support it from OPE. Subsequently, the detailed project documentation is processed. If, even at the time of processing the project documentation, a consultation is needed, NCA CR staff are also willing to help. Projects prepared in this way are in the vast majority suitable for submitting a subsidy application, and the applicant knows directly how much subsidy support they can expect.

As part of the administration of received applications for OPE support, non-consulted projects focused on the reconstruction of small water reservoirs were often excluded. The planners, who had no idea that the plan would be submitted to OPE, could not take into account some of the specifics of this subsidy title. Very often, suitable bank slopes were not designed, the littoral zone was not taken into account (shallow water to a depth of about 0.5 m), technical objects were often significantly oversized, and all banks were often paved with stones, even in places where such a measure was absolutely pointless. As a result, the small water reservoir itself looked more like a paved "wash-tub" than a natural-looking pond. In addition, paving and redundant technical objects also disproportionately increase the costs of such a project, and when comparing the project with the CUM MoE, it became clear that the given type of measure is disproportionately expensive.

Similar problems also occurred with terrestrial projects. This mainly concerned landscaping in municipalities, mostly parks. Many projects related to park improvements are based more on cutting down trees and adding furniture and playground features. OPE takes a very critical view of the felling of existing trees. If there is no serious reason for it, which is thoroughly justified, felling is not possible. Projects based primarily on cutting down existing greenery and establishing a completely new park did not meet the project acceptability criteria and were excluded from the evaluation process. Another frequent shortcoming was the lack of opinions necessary for implementation from various authorities. As part of the greenery restoration, there was often a lack of a decision and permit for felling with the acquisition of legal force. Therefore, if the applicant did not forget to attach the decision authorizing felling to the application, there is no realistic possibility of obtaining this decision with the current deadline of five days for supplementing the application from the call by the evaluator.

In conclusion, we can say that the consulted projects, which are prepared specifically for the OPE subsidy title, are much more successful in obtaining subsidies than projects that were created without specific targeting on the subsidy source. There is a certain assumption that, as a result of the simplification of subsidy application submission, the subsidy title of OPE (especially within the SRM) could again attract smaller applicants.

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