



THE STATE
ENVIRONMENTAL FUND
OF THE CZECH REPUBLIC

Content

List of abbreviations

AAU	Assigned Amount Unit	ME	Ministry of the Environment
BOD ₅	Five-day Biochemical Oxygen Demand	NP	National programmes
CF	Cohesion Fund	OP	Operational Programme
CHT	Central Heat Source	OPI	Operational Programme – Infrastructure
COD-Cr	Chemical oxygen demand determined through potassium dichromate	OPE	Operational Programme – Environment
ER	Equivalent resident	PA	Priority axis
EC	European Commission	PPP	Private public partnership
ECo	Environmental consultancy	RES	Renewable energy sources
ERDF	European Regional Development Fund	RS	Registration sheet
EE	Environmental education	SB	State budget
ENV	Environment	SEF CR	State Environmental Fund of the CR
EU	European Union	SP	Solid pollutants
GP	Gaseous pollutants	TA	Technical assistance
ISPA	Instrument for Structural Policies for Pre-Accession	VaK	Water works and sewerage
LP	Large projects	VEPF	Vietnam Environment Protection Fund
MA	Managing Authority	VOC	Volatile organic compounds
		WTP	Water treatment plant

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Introduction

After a good start of the Operational Programme – Environment, which has now been co-financing environmental projects from European funds for three years, the State Environmental Fund also successfully discharged administration of the Green Savings programme. The programme aims at cutting emissions of greenhouse gases and air pollution, which causes increased occurrence of respiratory allergies in Czech children and other diseases of the respiratory system in our population. This is to be achieved by supporting household investments into high quality insulation of houses, replacement of environmentally unfriendly heating for low-emission biomass-burning boilers and efficient heat pumps, installation of this equipment in new low-energy buildings and into new housing in the passive energy standard.

An appreciable advantage of the programme is that people will not only cut down on energy and emissions but will make great savings on heating as well. The Green Savings programme has been funded from the sale of Assigned Amount Units (AAUs).

I am also pleased by the progress reached in the aforementioned Operational Programme – Environment. In 2009, nearly 2,500 successful projects were approved to receive CZK 44 billion from the programme and by the end of the year, CZK 6.1 billion were disbursed to the beneficiaries. This means that within roughly one third of the programme period's duration, nearly one third of the resources offered by this rather unique programme in the history of the Czech Republic has already been allocated.

The extension of the offer on subsidy entitlements asked for scaling up the Fund's team of employees by more experts. However, the capacity of the Fund's seat in Kaplan Street could no longer accommodate the growing number of employees. New offices in Prague 4 – directly above the Budějovická subway station – were chosen in a tender. This is also good news for applicants who can now make use of a better transport connection. Higher comfort for applicants is also the focus of the whole staff of the State Environmental Fund of the CR.

I hereby also thank all of the Fund's employees for their intensive work and wish them much enthusiasm and stamina in the administration of all our subsidy programmes.



*Petr Štěpánek
Director of the State Environmental Fund of the Czech Republic*

SEF CR contributes to a better environment in the CR



Since 1992, the State Environmental Fund of the CR has made fundamental contributions to the investments into conservation and improvement of the environment. It primarily co-finances projects for water protection, air quality improvement, exploitation of renewable energy sources, waste management, nature conservation, landscape protection and environmental education.

Achievements and events in 2009

Launching of the Green Savings programme

In April, the subsidy programme of Green Savings was launched that supports energy savings and use of renewable energy sources in family and multiple-dwelling houses. It met with a great interest on the part of both expert- and lay-public. In the period between April and the end of December 2009, 3,118 applications for subsidy were received.

OP – Environment had 2,481 projects worth nearly CZK 44 billion approved for subsidy

Towards the end of the year, 2,481 projects with total costs exceeding CZK 63 billion and with the authorized subsidy of nearly CZK 44 billion were approved for the Operational Programme – Environment (OPE). The amount of CZK 6.1 billion was transferred to the beneficiaries' accounts. The share of the European funds accounted for almost CZK 5.7 billion, the State Environmental Fund contributed CZK 417 million and CZK 18 million came from the state budget. A greater part of funds was disbursed in the priority axis centering on energy savings and use of renewable energy sources in which the beneficiaries received over CZK 2.7 billion. The priority axis focusing on waste management disbursed nearly CZK 1.4 billion. OPE is one of the first programmes which succeeded in receiving reimbursements for the expended financial resources directly from the EU funds. The European Regional Development Fund (ERDF) and the Cohesion Fund (CF) transferred EUR 9,487,554.09 and EUR 65,094,184.90, respectively, to the account of the National Fund of the Ministry of Finance of the CR.

The first large project authorized by the European Commission was from the Operational Programme – Environment

The first of large projects from all operational programmes announced for the years 2007 to 2013 implemented on the territory of the CR and approved by the European Commission was the OPE project titled Improvement of water quality in the Jihlava and Svatka Rivers upstream from the Nové Mlýny reservoir. It is worth over CZK 730 million and represents one of the highest investments of the Ivančice region in its recent history. The project will serve the completion of water and sewerage systems in the municipalities of Ivančice, Oslavany, Padochov (Brno – Country District). It is planned to finish by November of 2011. The European Union shall cover 72 % of its eligible expenses (CZK 445 million). The State Environmental Fund of the CR will provide other 5 % (CZK 26 million). The remaining share of the expenses will be divided among the concerned municipalities.

Partnership

The aim of the Partnership project, which was running throughout the entire year 2009, was raising the professional- and lay-public awareness of the Operational Programme – Environment. The project featured 10 events such as film festivals One World, Fresh Film Fest and Ekofilm, environmental minifestival Earth-City 2009, international festival Architecture Week Ostrava 2009, expert conferences Energy management of towns and municipalities, Moravian municipalities and towns and Man and the Biosphere together with a series of TV documentaries Yes to Europe. At the Luhačovice Wastes Congress, the Fund's representatives handed over the Karel Velek Award.

Anti-corruption audit

We always endeavour to make sure that the distribution of European and state subsidies is carried out in a just and transparent way yielding the desired effect in the area of environmental protection. With the aim of further improving the rules for using European and state subsidies and thereby increasing the positive effects of projects, the State Environmental Fund of the CR (SEF CR) became one of the first public administration bodies to decide to become subject to an external anti-corruption audit. Transparency International and the Oživení (Revival) association conducted the external audit. The primary objective of the audit, which was launched in September 2008, was to identify high-risk and weak places in the process of reallocating financial resources from EU and state funds and to propose measures to redress them. It follows out from the conclusions of the audit as of March 31, 2009, that the process of administering the applications for the support of projects from OPE is well regulated and that the legal framework does not show any serious deficiencies.

OPE was the first programme to present a compliance audit

The chief aim of the “compliance audit” was to verify that the auditing body, paying and certification authority, managing authorities and intermediary entities are prepared for the administration of financial resources from the European Union and that the management and control systems in the Czech Republic are set in compliance with the corresponding legislation of the European Community. The Ministry of the Environment, the Managing Authority of OPE and the State Environmental Fund of the Czech Republic – the intermediary entity of OPE – documented, before everybody else, the proper adjustment of the management and control systems for project administration to the Ministry of Finance – the Auditing Authority for all operational programmes. This report was submitted to the European Commission for approval. In August, the European Commission accepted it without reservations.

Awards

The parlour game Subsidies! and the Calendar for the year 2009 as materials produced for OPE promotion were awarded in the competitions Star of 3D advertisement and Calendar of the year 2009.

The game Subsidies! was awarded first place in the Star of 3D advertisement competition in the category of merchandising products and gift items for sports, hobby and leisure. The calendar called Ossa Longum, Ossa Breve was awarded second place in the category of commercial calendar or organizer and it succeeded in the Calendar of the year 2009 competition where it received the 3rd prize in the best design category. The magazine Priorita was granted a certificate of high professional level titled Golden Semicolon, which is awarded by the PR Club.

More comfort for clients

Between December 2008 and December 2009, the Fund's number of employees increased from 288 to 410 due to the administration of new subsidy programmes. The building in Kaplanova Street could no longer accommodate such a high number of people. New office rooms in Olbrachtova Street in Prague 4, rented by the Fund from Raiffeisenbank, were thus chosen based on a selection procedure. The Fund's offices were moved by stages between January and March 2009 to ensure continual activity of the Fund. From January 2009, the State Fund has a different mailing address. The Fund's seat remained in Kaplanova Street.

Activities of SEF CR in 2009



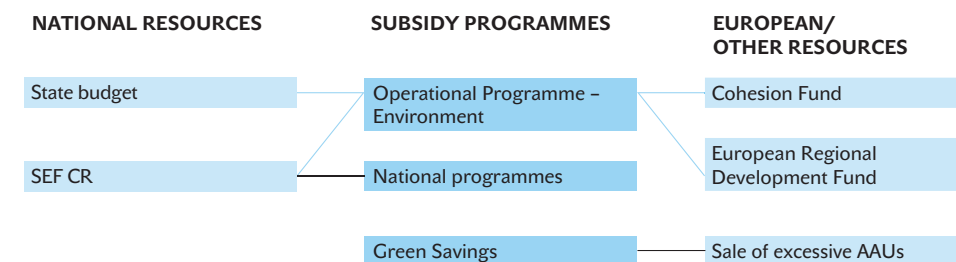
The State Environmental Fund of the CR is an institution of specific focus established by the Act No. 388/1991 Coll. The Fund grants direct financial support in the form of subsidies and indirect financial support through loans or contributions to partial coverage of interest. Direct financial support is drawn from national sources and from EU funds, specifically from the Cohesion Fund and the European Regional Development Fund.

The Fund's main activities include consultancy and advisory activities, receiving applications for support, their evaluation, preparation of proposals for negotiations by the Council of the SEF CR and for the minister's decision, as well as contractual agenda for providing supports, agenda for contractual liability for granted loans, release of funds to support beneficiaries, including continuous monitoring of the purpose of funds use, final evaluation of the use of provided funds and achieved ecological effects, monitoring the rate of return on loans up to full settlement of obligations and possible imposition and collection of penalties in the event that contractual conditions for the provision of support are not observed.

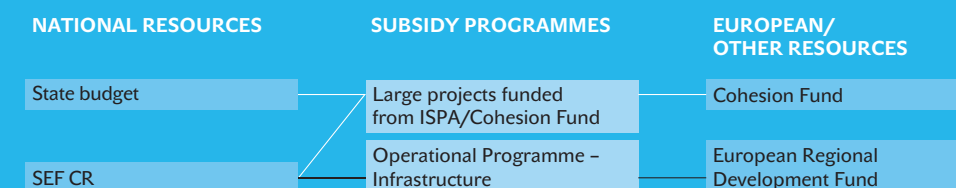
Subsidy programmes and financing resources

The State Environmental Fund of the CR allocates subsidies to applicants from several subsidy programmes (see diagrams). These programmes differ in financing resources on which they draw and also in the target group for which they are intended. In 2009, the Fund granted subsidies to applicants from the following subsidy programmes: Operational Programme – Environment, Green Savings, and National programmes. Additionally, it administered projects of unfinished programmes, which have terminated funding to new projects: Operational Programme – Infrastructure, Cohesion Fund. Last but not least, the Fund prepared the implementation of the Czech-Swiss Cooperation Programme: the Swiss funds.

Programmes allocating subsidies for eligible applicants in 2009



Programmes winding down (in 2009, no call for the submission of applications was announced, the implementation and administration of approved projects continued)



Programmes in preparation (no call for applications has been hitherto announced)



Operational Programme – Environment

The aim of the Operational Programme – Environment (OPE) is protection and improvement of environment quality as a basic principle of sustainable development. The OPE projects are financed from ERDF and CF. EUR 5.2 billion – i.e. 18.4 % of the total support from the European funds for the Czech Republic – are prepared for disbursement. In the programme period 2007–2013, OPE is the second largest after the Operational Programme– Transport.

OPE brings the Czech Republic funds for the support of specific projects in eight areas:

Priority axis 1 – Improvement of water management infrastructure and reduction of the risk of floods

Supports projects aimed at improving the condition of surface and underground water, bettering the quality and supplies of drinking water and reducing the risk of floods.

Priority axis 2 – Air quality enhancement and reduction of emissions

Supports projects focused on the enhancement or maintenance of air quality and reduction of the emissions of primary pollutants into the atmosphere with an emphasis on making use of new, environment-friendly ways of producing energy, including renewable energy sources and energy savings.

Priority axis 3 – Sustainable use of energy sources

Supports projects centred on the implementation of energy savings and sustainable use of energy sources, namely renewable energy sources. A long-term objective of the programme is an increase in the use of renewable energy sources for producing electricity and heat and more efficient use of waste heat.

Priority axis 4 – Quality enhancement of waste management and remediation of old ecological burdens

Supports projects focused on a better quality of waste management, chiefly on building the infrastructure for waste disposal and projects for the remediation of old ecological burdens.

Priority axis 5 – Reduction of industrial pollution and environmental risks

Offers support in the form of subsidies to projects aiming to reduce industrial pollution and associated risks to the environment with a stress on prevention and research in the field of pollutants and their monitoring.

Priority axis 6 – Improvement of the condition of nature and landscape

Channels support to projects focused on slowing down or halting the decrease in biodiversity, conserving threatened species of plants and animals, ensuring ecological stability of the landscape and assisting the creation and preservation of natural elements in populated areas.

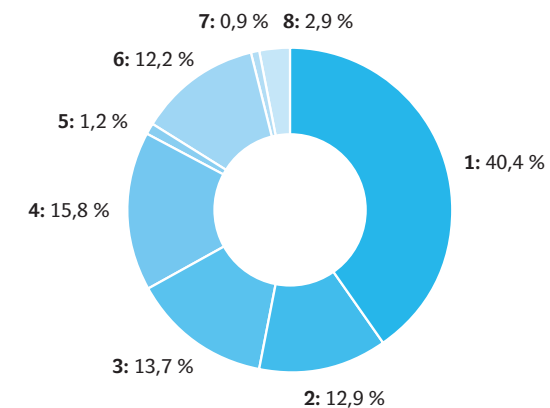
Priority axis 7 – Development of infrastructure for environmental education, consultancy and public education

Provides support for building a broad network of centres for environmental education and information advisory centres focusing on environmental protection in all regions of the Czech Republic and assurance of high quality professional materials for environmental education, training and public education.

Priority axis 8 – Technical assistance financed from the Cohesion Fund

Ensures proper implementation of the Operational Programme – Environment.

Share of individual Priority axis in the Operational Programme – Environment



Priority axis	Name	Support from the ERDF	Support from the CF
1	The Improvement of Water Management Infrastructure and the Reduction of Flood Risks	—	EUR 2 billion
2	The Improvement of Air Quality and the Reduction of Emissions	—	EUR 634 million
3	Sustainable Use of Energy Sources	—	EUR 673 million
4	The Improvement of Waste Management and the Rehabilitation of Existing Ecological Burdens	—	EUR 777 million
5	The Limiting of Industrial Pollution and Environmental Risks	EUR 61 million	—
6	Improving the State of Nature and the Landscape	EUR 599 million	—
7	The Development of Infrastructure for Environmental Education, Consultancy and Awareness	EUR 42 million	—
8	Technical Assistance	—	EUR 143 million

The European Commission approved the Operational Programme – Environment on December 20, 2007. As of the end of 2009, sixteen calls for submitting applications for support were announced within the OPE – with the calls 8 – 16 in 2009. Applications from the calls 15 and 16 announced in December 2009 were accepted only in 2010. The interest in the financial support from the operational programme was considerable.

Overview of calls announced in 2009

Call no.	Receipt of applications	Area of support	Allocation for the call in mil. EUR. ¹	Filed applications for support		Projects with issued RS (= approved) ²	
				Number	Amount in EUR	Number	Amount in EUR
VIII.	9.2. – 7.4.2009	2.1	–	57	15,086,383	29	7,975,038
VIII.	9.2. – 7.4.2009	2.2	–	32	22,812,340	24	12,343,736
VIII.	9.2. – 6.3.2009	5.1	–	9	8,934,438	4	8,477,386
VIII.	9.2. – 7.4.2009	7.1	–	33	28,586,496	13	13,864,609
IX. VP ³	23.3. – 14.12.2009	1.1	–	3	83,393,690	0	0
IX. VP ³	23.3. – 14.12.2009	1.2	–	0	0	0	0
X.	4.5. – 30.6.2009	1.3	37.879	8	927,176	8	927,176
X.	4.5. – 30.6.2009	3.1	189.394	154	28,033,418	0	0
X.	4.5. – 30.6.2009	3.2	189.394	79	16,955,385	0	0
XI.	3.8. – 30.9.2009	3.1	189.394	5	2,239,099	0	0
XI.	3.8. – 30.9.2009	3.2	189.394	956	299,203,605	0	0
XI.	3.8. – 30.9.2009	4.1	56.818	568	208,935,114	0	0
XI.	3.8. – 30.9.2009	4.2	56.818	54	64,560,572	0	0
XII.	24.8. – 15.10.2009	1.1	–	50	171,154,977	0	0
XII.	24.8. – 15.10.2009	1.2	–	1	2,078,502	0	0
XIII.	2.11.2009 – 5.1.2010	1.1	189.394	282	514,762,703	0	0
XIII.	2.11.2009 – 5.1.2010	1.2	113.636	71	174,046,163	0	0
XIV.	2.11.2009 – 5.1.2010	1.3	37.879	79	30,758,827	0	0
XIV.	2.11.2009 – 5.1.2010	5.1	37.879	25	7,248,006	0	0
XIV.	2.11.2009 – 5.1.2010	6.1 – 6.6	164.773	1,277	271,901,668	0	0
XIV.	2.11.2009 – 5.1.2010	7.1	18.939	50	46,150,289	0	0
XV.	4.1. – 30.6.2010	4.1	227.273				
XV.	4.1. – 30.6.2010	2.2	75.758				
XVI.	1.2. – 31.3.2010	3.2	113.636				
Total				3,793	1,997,768,848	78	43,587,945

Note: Allocations for calls I - IX and XII were not defined.

¹ Allocations for calls = financial resources of the EU.

² RS = Registration sheet is issued upon the approval of project applications.

³ CP – call for large projects (i.e. projects with total costs exceeding EUR 25 million)

Call XV and XVI were announced in December 2009 and applications were accepted only in 2010.

Financial volumes in euros are converted according to the exchange rate valid for January 2010, i.e. CZK 26.40 for EUR 1.

Source: SEF-Central, situation as of February 26, 2010.

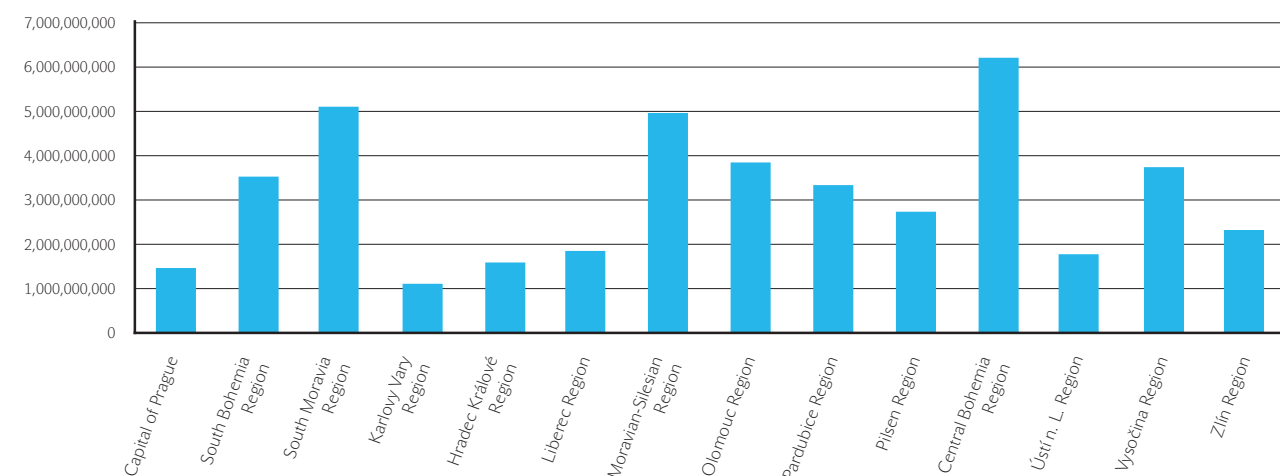
As of 31 December 2009 (since the beginning of the programme), 6,041 applications for aid were filed. Out of the total number of applications, 2,620 projects were approved for funding (including projects of technical assistance safeguarding the programme's administration) at an aggregate amount of CZK 44.3 billion. Of this amount, CZK 41.4 billion are resources provided from CF and ERDF and CZK 2.9 billion are funds allocated from SEF CR. In 2009, 1,108 projects were authorized at a total amount of subsidies nearing CZK 13.6 billion. From the beginning of the programme until the end of 2009, 172 technical assistance projects were approved with allocated funds at an aggregate amount of CZK 795 million. Of these, 81 projects (38 projects from the Ministry of the Environment, 43 projects from SEF CR) totalling CZK 270 million (CZK 87 million from the Ministry of the Environment and CZK 183 million from SEF CR) were approved in 2009.

The amount of approved support from OPE according to the priority axes (in CZK, as of 31 December, 2009)

Priority axis	Number	Total expenses	Total eligible costs	ERDF/CF aid	SEF CR/SB subsidies	Total amount of support
1	329	38,691,383,278	30,317,702,899	25,460,729,252	1,543,519,399	27,004,248,651
2	61	1,607,292,863	1,126,338,188	551,514,491	68,077,062	619,591,553
3	577	8,207,398,054	5,894,001,398	4,984,698,761	291,007,302	5,275,706,064
4	424	7,691,090,667	6,790,406,272	4,539,822,578	420,525,958	4,960,348,536
5	9	403,414,670	373,374,663	272,791,491	21,886,333	294,677,824
6	1,064	6,080,221,882	5,545,919,929	4,581,643,897	454,703,156	5,036,347,053
7	17	570,249,510	520,327,122	427,218,696	36,147,917	463,366,613
8	139	916,544,574	688,198,776	584,968,959	79,013,120	663,982,079
Total	2,620	64,167,595,497	51,256,269,247	41,403,388,123	2,914,880,248	44,318,268,371

The largest number of projects (1,064) was approved in Priority axis 6 – Improvement of the condition of nature and landscape. The aggregate amount of support for Priority axis 6 reached CZK 5 billion. The amount of approved funds was highest in Priority axis 1 – Improvement of water management infrastructure and reduction of the risk of floods that had 329 approved projects in the total amount of support of CZK 27 billion.

The amount of approved support from OPE according to regions (in CZK, as of 31 December, 2009)



Until the end of 2009, 547 projects were accomplished; 42 of these had expenses certified already, 236 had their funding completed and the implementation of 269 projects was completed. In late 2009, nearly CZK 6.1 billion had been disbursed to OPE beneficiaries. The European funds accounted for almost CZK 5.7 billion. The State Environmental Fund of the CR and the state budget contributed CZK 417 million and CZK 18 million, respectively. Most funds were allocated in the Priority axis addressing energy savings and the use of renewable energy sources with the amount transferred to the beneficiaries' accounts totalling CZK 2.7 billion. The Priority axis focusing on waste management disbursed nearly CZK 1.4 billion. Ecological benefits of the implemented projects are specified in the Financial Management Report for 2009.

Large projects in OPE

Large projects are distinguished by their total costs exceeding EUR 25 million. The European Commission decides on their approval based on a recommendation of the National Managing Authority (Ministry of the Environment). In 2009, one large project was approved by the National Managing Authority at a national level and submitted to the European Commission. Out of five projects passed by the Managing Authority in 2008, four were submitted to the European Commission. One of these projects was approved by the EC in 2009.

Overview of approved large projects as of 31 December 2009

PA	Project name	Year of approval		Total cost (in CZK)	Conversion to euros	Total eligible expenses (in CZK)	Required subsidy (in CZK)
		MA	EC				
4	Redevelopment and reclamation of old ecological burden of the state enterprise DIAMO at Mydlovary site – chemical treatment plant and sludge bed K IV/D	2008	–	702,935,983	26,446,049	587,001,899	528,301,708
1	The region of Cheb – environmental measures	2008	–	646,156,125	26,395,266	448,291,173	403,462,057
1	Modernization of a biological wastewater treatment plant in Pardubice	2008	–	641,903,850	26,221,563	442,703,971	398,433,574
1	Project of water protection in the Dyje R. basin – 2 nd stage	2008	2009	1,709,203,415	67,879,405	1,209,613,815	1,088,652,434
1	Improvement of water quality in the upper basin of the Morava R. – 2 nd stage	2008	–	1,934,848,198	76,840,675	1,362,735,694	1,226,462,125
1	Zlepšení kvality vody v řekách Jihlava a Svratka nad nádrží Nové Mlýny	2009	2009	737,591,944	26,928,103	523,030,798	470,727,718

Green Savings

The Green Savings programme (GIS; Green investment scheme) was announced in April of 2009 and is designed for the broad public to support installations of heating and boilers using renewable sources of energy and investments in energy savings in reconstructions and new housing.

The programme supports the insulation of family and multiple-dwelling houses, installation of low-emission biomass-burning sources, efficient heat pumps and solar collectors and new construction in the passive energy standard. It will end on 31 December 2012 with the specification that the following administration shall be finalised throughout 2013.

The Czech Republic obtained funds for this programme by selling excessive AAUs to several foreign buyers, therefore by dint of emission credits of the Kyoto Protocol on reducing greenhouse gas emissions. The total expected allocation for the programme is up to CZK 25 billion. In 2009, the Czech Republic signed contracts for the sale of 68.5 million emission units. In line with the Act No. 695/2004 Coll., the revenues from the sale of emission credits represent income of the Fund and can be used for a further reduction of CO₂ emissions.

The programme has three basic areas of aid further divided into specific subcategories.

Basic classification of areas for the support from the Green Savings programme

Area of support	Popis
Area A	Energy savings in heating
Sub-area A1	Overall insulation of the building shell leading to an achievement of the low-energy standard (submission of applications is now possible even for prefab multiple-dwelling houses).
Sub-area A2	Quality insulation of selected parts of the building shell – partial insulation.
Area B	Construction in the passive energy standard.
Area C	Use of renewable sources of energy for heating and hot water preparation.
Sub-area C1	Exchange of environmentally unfriendly heating for low-emission biomass-fired sources and efficient heat pumps.
Sub-area C2	Installation of low-emission biomass-fired sources and efficient heat pumps in new houses.
Sub-area C3	Installation of solar-thermal collectors.

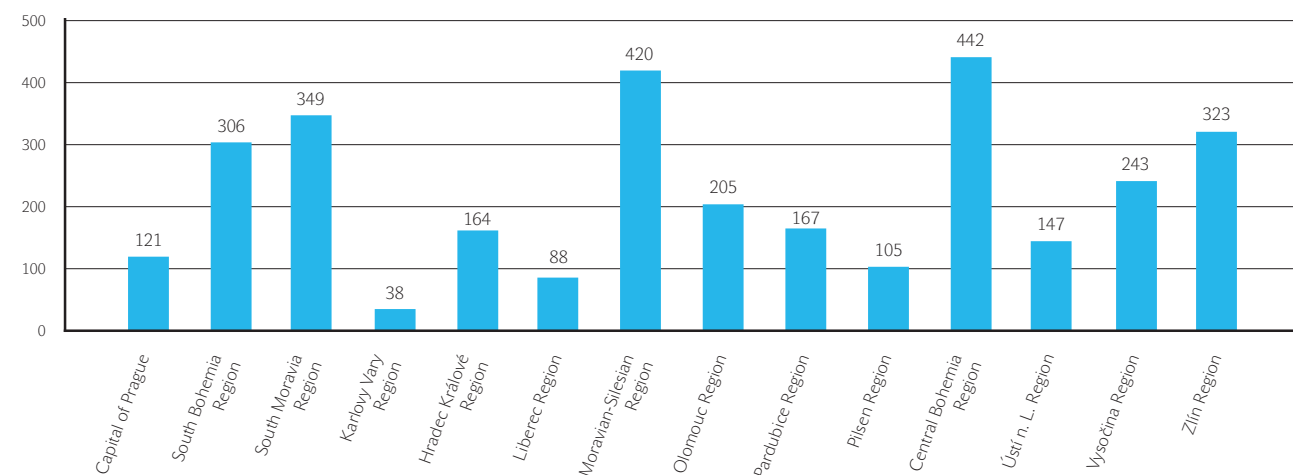
Support within the framework of the Green Savings programme is adjusted to allow the drawing of funds throughout the entire duration of the programme. Applications for support will be accepted until the end of the programme or until the exhaustion of programme funds.

In August 2009, conditions for obtaining grants were modified. The modifications were meant to simplify the conditions for obtaining the financial support by the largest possible group of applicants. Following the adjustments, newly enabled were applications for subsidies for the prefabricated blocks of flats in Sub-area A1. At the same time, the grant was added an allowance for the project documentation.

Number of applications by areas of support and building type as of 31 December 2009

Area of support	Number of applications	Subsidies without bonus (amount of investment promotion) in CZK	Total investment costs in CZK
A	1,132	344,453,602	647,795,356
A1	415	235,659,193	436,997,965
- multiple-dwelling houses	55	116,661,858	213,899,366
- family houses	360	118,997,335	223,098,599
A2	717	108,794,409	210,797,391
- multiple-dwelling houses	32	17,738,400	41,446,165
- family houses	685	91,056,009	169,351,226
B	8	2,000,000	20,889,200
- family houses	8	2,000,000	20,889,200
C	1,978	137,520,684	318,947,343
C1	589	43,044,767	96,445,919
- multiple-dwelling houses	1	50,000	92,291
- family houses	588	42,994,767	96,353,628
C2	120	8,626,886	36,077,087
- multiple-dwelling houses	2	540,000	2,656,508
- family houses	118	8,086,886	33,420,579
C3	1,269	85,849,031	186,424,337
- multiple-dwelling houses	16	8,796,094	19,744,985
- family houses	1,253	77,052,937	166,679,352
Total	3,118	483,974,286	987,631,899

Applications according to the location of concerned real estates



An unambiguously dominant group of applicants as to their share in the number of applications (over 96 %) are natural persons not engaged in business. Other predominant types of applicants are Unit Owners' Associations and housing cooperatives.

Regarding the proportion in the amount of subsidy, natural persons continue to constitute the main group of applicants but with a considerably smaller share (70.1 % in the total amount of subsidy), followed by the Unit Owners' Associations (18.1%).

With respect to the share in the number of applications, a clearly predominant type of real estate is the category of family houses with 96.6 %. The least supported type of real estate as to the number of applications is the category of prefabricated multiple-dwelling houses. This fact can be partly explained by a more demanding process of project preparation and delayed integration of prefabricated blocks of flats into the programme (September 2009).

Towards the end of 2009, a greater part of submitted applications was in the process of preparation for approval. The below overview provides more detailed information.

Phase of the application	Number of applications
to be disbursed /disbursed	170
approved	463
in progress / in the process of approval	2,478
Administration completed	7
Total	3,118

Large projects funded from ISPA / Cohesion Fund

Before its accession to the European Union, the Czech Republic had the opportunity to draw on financial resources from the Cohesion Fund (CF) through the Instrument for Structural Policies for Pre-Accession (ISPA). On 1 May 2004, the day the Czech Republic entered the European Union, it became entitled to draw on funds from CF. SEF CR was designated as implementation body for the environmental sector. Since none of the ISPA projects was accomplished by the accession date, the projects became reassigned to CF projects starting from 1 May 2004. Since the launching of the Operational Programme – Environment, it has only been possible to apply for subsidies for large projects through this programme.

CF projects are meant for support in the field of the environment and transport. CF-financed projects are submitted by applicants in the public sector (i.e. entities established for common interest needs, primarily funded by the state, regional or local public entities or by entities under their control) and it applies that total expenses for project realization shall not be less than EUR 10 million.

Priority of so-called large environmental projects is compliance with the conditions of the EC legislation, namely in the field of water protection, waste management, air protection and remediation of old ecological burdens.

In 2009, the financial aid from CF resources was channelled to 21 large projects (applications for subsidy prior to the start of OPE) at a total amount of CZK 3,225,197,500.

Co-financing of large projects from the SEF CR resources

The State Environmental Fund participated not only in the preparation and implementation of the ISPA and CF projects but also co-financed these projects from its own resources. The number of applications submitted for the financial support from SEF CR funds was 69 (none of them however in 2009) at a total amount of CZK 2,191,177,000.

From the beginning of the programme in 2004 until 31 December 2009, SEF CR disbursed CZK 698,394,000 in subsidies (of which the amount of CZK 118,735,000 was released in 2009) and CZK 156,375,000 in loans (of which the amount of CZK 60,928,000 was released in 2009).

Large projects funded from ISPA/CF accomplished in 2009 (in EUR)

Final beneficiary	Project name (abbreviated)	Total costs	CF support	Region
Město Karviná	Sewerage system Karviná	22,062,000	17,649,600	Moravian-Silesian
VaK Břeclav	WTP and sewerage system in the Břeclav region	47,279,000	37,350,410	South Moravia
Vodohospodářská zařízení Šumperk	Sewerage and WTP Morava I	20,831,000	15,623,250	Olomouc
Statutární město Olomouc	Sewerage and water-supply network Olomouc II	34,842,000	25,086,240	Olomouc
VaK Mladá Boleslav	WTP and sewerage in the region of Mladá Boleslav	19,225,943	12,304,604	Central Bohemia
VaK Přerov	WTP and sewerage Morava ad Bečva Rivers	12,373,281	7,547,701	Olomouc
VaK, svazek obcí Třebíč Association of Municipalities	Water-supply conduits and water purification plant in the Třebíč district	13,998,476	9,658,948	Vysočina
VaK Vyškov	WTP and sewerage in Vyškov	19,424,683	12,820,291	South Moravia
VaK Trutnov	Sewerage and WTP Čistá horní Úpa project	16,359,831	10,633,890	Hradec Králové
VaK Pardubice	Sewerage and WTP Labe – Loučná Rivers	20,179,990	12,511,594	Pardubice
VOS Jičín	WTP Cidlina River	16,620,923	11,136,018	Hradec Králové
Total		243,197,127	172,322,546	

Note: VaK – Water works and sewerage, WTP – wastewater treatment plant

Large projects financed from ISPA/CF launched in 2009 (in EUR)

Final beneficiary	Project name (abbreviated)	Total costs	CF support	Region
Vodárenská společnost Tábořsko	Sewerage in the Tábor district	14,245,840	7,692,753	South Bohemia
Město Vrchní Lhotice	Sewerage of the Clean Upper Elbe project	14,726,131	10,897,337	Hradec Králové
Slezský vodohospodářský svazek	Sewerage and WTP Olše	36,067,182	26,329,043	Moravian-Silesian
Total		65,039,153	44,919,133	

Fifteen Cohesion Fund's water management projects were allocated extraordinary support worth CZK 500 million for increased co-financing to compensate for exchange rate losses. The funds were taken from the chapter General Cash Administration, from the expenses item for co-financing the EU programme through the Fund according to the Government Resolution of the CR No. 1625 as of 16 December 2008. In these selected projects, the lack of resources would probably lead to an increase in the price of water and sewage charges or they would have to remain unfinished.

Operational Programme – Infrastructure

The Operational Programme – Infrastructure (OPI) is one of five operational programmes for the period 2004–2006 with the specification that all projects must be accomplished before the end of 2008. Towards the end of 2008, the European Commission decided upon the extension of the deadline until mid-2009.

The programme's global objective is protection and improvement of the state of the environment and development and quality enhancement of transport infrastructure.

OPI is constituted by three priorities (the fourth is technical assistance for the implementation of the three principal axes): apart from building transport infrastructure and decreasing negative environmental impacts of transport, tasks managed by the Ministry of Transport, it is the betterment of the environmental infrastructure, a priority administered by the Ministry of the Environment and, specifically, by the SEF CR.

The priority of bettering environmental infrastructure is divided into 4 measures:

Measure 3.1 – Regeneration of territorial environmental functions.

- 3.1 A – Revitalisation of watercourses, external works leading to the regeneration of the function of spring areas and wetlands, construction and regeneration of flood pools and dry polders.
- 3.1 B – Removal of migration barriers on watercourses for wild animals.

Measure 3.2 – Improvement of infrastructure in water management.

- 3.2 A – Building and upgrading of wastewater treatment plants (WTPs) and the expansion of sewerage system.
- 3.2 B – Supply of drinking water to municipalities.

Measure 3.3 – Improvement of infrastructure for air protection.

- 3.3 A – Use of environment-friendly combustion technologies.
 - 3.3 A 1 – Introduction of environment-friendly technologies in incinerators of hazardous waste (particularly from hospitals).
 - 3.3 A 2 – Lowering of emissions from large and medium-sized public incinerators.
- 3.3 B – Lowering emissions of volatile organic compounds.
- 3.3 C – Use of renewable energy sources.

Measure 3.4 – Waste management and remediation of old environmental burdens.

- 3.4 A – Construction of integrated system for waste collection and recycling.
- 3.4 B – Reclamation and rehabilitation of old environmental burdens.

The calls for filing applications were announced in 2004–2006; the years 2007, 2008, and 2009 were reserved for the finalisation of the projects.

Drawing on funds in OPI

As of 31 December 2009, a total of 219 projects were approved with the eligible costs of nearly CZK 5.5 billion and a subsidy amounting to CZK 4.5 billion (of which CZK 3.9 billion was from ERDF and CZK 528 million from SEF CR).

Overview of projects funded from OPI as of 31 December 2009 (in CZK)

Area of support	Number of projects	Total eligible costs	Total ERDF subsidies	Total SEF CR subsidies	Total SEF CR loan
3.1. A	55	411,964,579	329,472,907	41,142,658	0
3.1. B	1	2,720,048	2,176,038	272,000	0
3.2. A	46	2,723,913,060	1,952,257,700	257,697,286	80,608,569
3.2. B	10	297,120,089	219,416,708	29,711,282	5,990,823
3.3. A	15	274,963,836	163,103,703	26,790,738	3,674,780
3.3. B	7	45,556,585	15,943,452	4,554,553	0
3.3. C	28	520,534,444	380,362,071	50,037,523	9,458,762
3.4. A	38	661,250,840	482,939,569	65,488,174	15,297,766
3.4. B	19	528,843,917	390,481,376	52,884,361	3,940,941
Total	219	5,466,867,398	3,936,153,524	528,578,575	118,971,641

The State Environmental Fund of the CR co-finances the supported projects by 10 % calculated from the support base (i.e. from eligible costs). The Fund provides loans for projects of up to 10 % of the support base, too. The disbursed funds of SEF CR as of 31 December 2009 totalled CZK 528.6 million in subsidies and CZK 119 million in loans.

Projects funded from OPI whose administration was finalised in 2009 (in CZK)

Area of support	Number of projects	Total eligible costs	Total ERDF subsidies	Total SEF CR subsidies	Total SEF CR loan
3.1. A	13	107,920,989	86,336,103	10,792,051	0
3.1. B	0	0	0	0	0
3.2. A	26	1,720,958,545	1,239,221,148	169,080,947	59,667,686

3.2. B	4	141,228,193	102,497,790	14,122,705	2,596,870
3.3. A	8	163,225,600	85,808,564	16,317,419	0
3.3. B	3	15,256,496	5,339,022	1,525,148	0
3.3. C	19	394,582,939	286,013,015	37,442,951	5,378,764
3.4. A	9	227,090,440	168,401,078	22,708,333	5,305,539
3.4. B	6	237,734,224	172,149,114	23,773,410	2,915,178
Total	88	3,007,997,426	2,145,765,834	295,762,964	75,864,037

Finalised projects and their environmental contributions

Water protection

From the programme's start until the end of 2009, 48 projects on water protection, which received ERDF subsidies worth CZK 1,887,119,147, were finished. The SEF CR subsidies amounted to CZK 256,419,370, the loan from the Fund's resources totalled CZK 77,054,408, and the amount for project documentation covered by the Fund was CZK 11,016,570.

Achieved environmental contributions of actions within Measure 3.2 completed by 31 December 2009

Length of new sewerage networks [km]	392.88
Length of new water conduit networks [km]	78.31
Number of ERs connected to suitable WTP [ER]	68,812
Number of inhabitants connected to water conduit [inhabitants]	8,348
Number of inhabitants supplied with quality drinking water [inhabitants]	6,990
Number of reconstructed/new water purification plants or drinking water sources [pcs]	4
Decrease of BSK5 in wastewater [tons/year]	1,401
Decrease of COD determined by potassium dichromate in wastewater [tons/year]	2,953.50
Decrease of undissolved substances in wastewater [tons/year]	1,758.08

Note: ER – Equivalent Resident.

BSK₅ – Five-day Biochemical Oxygen Demand

COD – Chemical Oxygen Demand (COD)

Air protection and renewable energy sources

From the programme's start until the end of 2009, 49 projects, which were allocated ERDF subsidy of CZK 552,278,324, were finalised in Measure 3.3. The SEF CR subsidy totalled CZK 80,432,025, the loan from the Fund's resources amounted to CZK 13,133,542, and the amount for design documentation covered by the Fund was CZK 4,320,100.

Achieved environmental contributions of actions within Measure 3.3 completed by 31 December 2009

Length of constructed/reconstructed CHTs [km]	3.18
Newly installed electric output [MWe]	0.60
Newly installed heat output [MWt]	71.97
Number of installed filters [pcs]	4
Decrease of emissions of primary pollutants (CO ₂ , NO _x , SO ₂ , SP, VOC) [tons/year]	629.70
Installed sources for reducing VOC emissions [pcs]	8
Reduction of greenhouse gases emissions [tons/year]	40,448.81
Reduction of installed output [MW]	16.53
Reduction of VOC emissions [tons/year]	134.2
Installed electric output from RES [MW]	0.56
Installed heat output from RES [MW]	18.97
Number of connections [pcs]	238

Note: SP – solid pollutants

VOC – volatile organic compounds

RES – renewable energy sources

Nature and landscape conservation

From launching the programme until the end of 2009, 55 projects were completed which were allocated ERDF subsidy worth CZK 330,118,084 and SEF CR subsidy totalling CZK 41,262,060. The contribution toward project documentation, which is also reimbursed from the Fund's resources, amounted to CZK 2,526,740.

Achieved environmental contributions of actions within Measure 3.1 completed by 31 December 2009

Acreage of the new flood pool [m ²]	169,497
Acreage of new polders [m ²]	30,823
Acreage of restored ponds [m ²]	1,135,144.57

Waste management, technologies and support programme for environmental education

From the programme's start until the end of 2009, 56 projects were finished which were allocated ERDF subsidy worth CZK 856,021,185 and a SEF CR subsidy totalling CZK 116,052,568 together with a SEF CR loan amounting to CZK 19,238,707. The contribution for the project documentation, which is also reimbursed from the Fund's resources, amounted to CZK 3,620,410.

Achieved environmental contributions of actions within Measure 3.4 completed by 31 December 2009

Capacity of scrapyards and system of separated waste collection [tons/year]	47,201.96
Materials used (recycled) [tons/year]	9,480
Acreage of rehabilitated and reclaimed area [m ²]	379,956
Acreage of the scrapyard and of the catchment area [m ²]	35,141.40
Number of scrapyards and systems of separated waste collection [pcs]	1,107
Waste sorting [tons/year]	49,563.02
Waste treated [tons/year]	10,954

National programmes

In 2009, SEF CR offered subsidies from national sources by dint of “national programmes”. The allocation of support conformed to the Directive of the Ministry of the Environment No. 13/2006 and its annexes (Annexes I, II and III). The support was centring on projects which could not be funded from European resources. Environmental contributions of the implemented projects are stated in the Financial Management Report for 2009.

According to Annexes I, in 2009, applications for subsidies were received for projects focusing on air protection, environmental care, and for the conservation and use of natural resources. In 2009, programme 2.6 – protection of the Earth’s ozone layer – did not receive any applications. In programme 3.1.5 – implementation of the care plans in particularly protected areas – one application for subsidy at an amount of CZK 1,782,200 was approved for the Krajina (Landscape) Association. In programme 3.1.6 – purchase of land in strictly protected areas, their buffer zones and significant landscape features – two applications for subsidy were approved: the CR – Administration of the National Park České Švýcarsko (Bohemian Switzerland) totalling CZK 9 million and the Administration of the Krkonoše Mts. National Park worth CZK 120 million. In August 2009, the Green Ribbon programme and the Green Ribbon CR for the winners of the regional rounds and of the national round of the Village of the Year competition were announced. By the end of the year, six applications for subsidy were received which were assessed only during 2010. Also in 2009, decisions were issued for 34 projects in programme 2.8 – examination of environmental measures leading to a significant decrease in greenhouse gases enabling the subsequent transfer of greenhouse gases emissions. These projects are only administered by SEF CR but not funded.

Annexes II of National programmes set conditions for supporting the utilization of renewable energy sources for water heating and heating of flats and family houses (programme announced according to Annexes II). The objective was to secure implementation of the State Programme for support to energy savings and use of renewable energy sources for 2009. The support was channelled to already finished projects. Applications were accepted between 15 January 2009 and 31 March 2009 (starting from April of 2009, this type of projects is assisted by the Green Savings programme). Support was allocated to 1,494 projects.

The support was distributed as follows:

- 1.A – Investment support to environment-friendly ways of heating and water heating for flats and family houses (applicants can be only natural persons):
 - a) Biomass boilers.
 - b) Solar water heating systems.
 - c) Solar systems for secondary heating and hot water preparation.
- 4.A – Heat pumps.

Applications of citizens (natural persons) approved in 2009 and its contribution to ENV

	Number of applications	Costs in CZK	Subsidies in CZK	SP* tons/year	GP* tons/year
Programme 1.A.a	335	34,899,872	15,228,130	37.126	306.402
Programme 1.A.b	423	50,271,571	21,526,282	4.279	34.921
Programme 1.A.c	278	55,661,896	17,721,955	5.685	47.241
Programme 4.A	458	129,579,870	29,224,303	26.231	212.316
Total	1,494	270,413,209	83,700,670	73.321	600.880

* Reduction of solid and gaseous pollutants.

The last area with allocated subsidies from the national sources was the programme of support to environmental education and consultancy. The programme was announced according to Annexes III. The number of applications for subsidy received until the end of 2009 was 38. The evaluation of applications took place in 2010.

Supported areas:

1st programme – investment support to Environmental Education (EE) and Environmental Consultancy (ECo) in Prague (construction, reconstruction and technical equipment of environmental and advisory centres).

2nd programme – non-investment support to networks of educational and consultancy centres (development and implementation of educational programmes, personal and distance consultancy and consultancy in advisory centres, coordination within the network, common promotion within the network, capacity development).

3rd programme – EE and ECo in current prioritized environmental topics (support to campaigns addressing the general public, direct and distance consultancy, issuing of specialized electronic periodicals, education of specific target groups, coordination of significant national and international projects and programmes implemented in the CR, etc.)

Applications in the EE and ECo programmes received in 2009

Programme	Submission of applications (dates)	Number of applications	Required subsidy in thousands of CZK
1.	9. 2. – 3. 4.	2	1,200
2.	29. 5. – 24. 7.	12	37,600
3.	29. 5. – 24. 7.	24	31,900

Swiss funds

The programme of Swiss-Czech cooperation will allow the Czech Republic to receive Swiss financial assistance in the amount of CHF 109.78 million (approximately CZK 1.9 billion) until 2017 with the specification that the contracts on the realization of concrete projects must be signed by June 2012.

Approximately CHF 30 million (around CZK 500 million) shall be channelled to programmes addressing the environment and infrastructure. The implementation of this area of support was assigned to the Ministry of the Environment. The State Environmental Fund was appointed as the programme's implementation body. From the regional perspective, the condition of granting a subsidy amounting to minimum 30 % of the contribution to three marginal and less developed regions must be observed. This concerns support to projects from the Moravian-Silesian, Olomouc and Zlín Regions.

The essential document for receiving the Swiss financial assistance by the Czech Republic is the framework agreement between the Swiss Federal Council and the Government of the Czech Republic concerning the implementation of the Swiss-Czech Cooperation Programme for reducing economic and social differences in the enlarged European Union ("Framework Agreement") signed in Bern on 20 December 2007.

The Swiss-Czech Cooperation Programme was officially launched by the Ministry of Finance of the CR in 2009. A task force operated by the Ministry of the Environment with experts from SEF CR and Ministry of Finance CR produced methodological guidelines, including the specification of the areas of support and targets. Simultaneously, negotiations with the representatives of the three Regions were held regarding preparation and specification of the announcement of the call for filing applications for subsidies. In August 2009, the call's focus was approved and SEF CR submitted its text to the Office for the Protection of Competition for examination. Reservations of the antimonopoly office were taken into consideration in the wording and emendation of the call and the work group became acquainted with potential further steps in addressing the public support for individual targets.

Foreign cooperation

In 2009, the State Environmental Fund of the CR followed up on the established cooperation with foreign partners initiated in previous years. Our Mongolian colleagues have showed growing interest in the SEF CR knowhow. In September 2009, the Director Petr Štěpánek signed a memorandum of understanding in the Mongolian capital of Ulan Bator. Our knowledge and experience helped establish the Mongolian Environmental Fund. Representatives of the newly founded Mongolian Fund visited the Czech Republic and travelled to see the projects whose implementation was promoted by SEF CR.

Cooperation with Vietnam has intensified, too. The successful Vietnamese conference DaNang I from 2008 was followed by DaNang II one year later, which presented a jointly published book and DVD titled Vietnam: Projects, nature, people as a tangible result of cooperation between the Vietnam Environment Protection Fund (VEPF) and SEF CR. In the spring of 2009, the Director of VEPF together with his colleagues visited the Šumava National Park. The Director Petr Štěpánek then sat in the judging panel of the Czech Miss Vietnam competition held in the Prague Top hotel.

In 2009, cooperation with Japan was initiated, the main purchaser of emission allowances in the CR. First 40 million emission reduction units were purchased by the Japanese in March of 2009 (income from the sales is specified in the overview of the Fund's revenues). SEF CR organized a three-day international Seminar of Japanese Clean Technologies in Prague devoted to the presentation of Japanese environmentally beneficial technologies and to the prospects of their implementation in the CR.

Our employees presented achievements and experience of SEF CR at many other international conferences held at home and abroad.

Financial Report



Overview of economic situation

Over the past period, the Fund assured the continuous allocation of funds for actions of contractual support in line with the valid internal rules for releasing funds ("invoicing principle"), including the coverage of running costs of the Fund's office.

SEF CR currently discharges the priority task of the Government of the CR and the Ministry of Finance of the CR of co-financing investments from European funds.

Financial balance of the Fund as of 31 December 2009 in millions of CZK (including the 2009/2008 index)

	2009	2008	Index 2009/2008
Opening balance as at 1 January, incl. MUFIS loan	4,384.8	3,539.4	123.89
Creation of balance sheet resources	2,283.4	1,871.3	122.02
Subsidies to cover exchange rate losses	0.0	500.0	x
Subsidies from the SR	147.7	0.0	x
Sold, ceded or paid receivables	0.0	0.0	x
Loan repayments	393.1	516.0	76.18
Total revenues	2,824.2	2,887.3	97.81
Green Savings – revenues from selling emission allowances	13,044.8	0.0	x
Total revenues, incl. Green Savings programme	15,869.0	x	x
Total resources (in 2009, incl. Green Savings)	20,253.8	6,426.7	315.15
Use of balance sheet resources for transfers	1,111.8	1,657.9	67.06
Of which – allocation of a special subsidy for the coverage of CF exchange rate losses	0.0	500.0	x
– loans	96.7	98.7	97.87
– Green Savings	3.3	0.0	x
– contribution toward payment of interest from a commercial credit	1.2	1.5	80.0
Total	1,213.0	1,758.1	68.09
Fund's office expenses (including interest and loan repayments from MUFIS)	603.0	283.8	212.47
Of which – interest from MUFIS credit	7.4	8.7	85.06
– MUFIS loan repayment	50.0	50.0	100.0
Total expenditures	1,816.0	2,041.9	88.94
Limit on expenditures according to the Government Resolution No. 970 and 628 from 11 June, 2007 for the year 2008 and GR No. 736 from 27 June, 2008 for the year 2009	2,018.0	3,222.8	x
Difference in the expenditures and the limit according to the Government Resolution	202.0	1,180.9	x
Balance of revenues and expenditures	14,053.0	845.4	x
Treasury bills	0.0	0.0	x
Total difference in resources and expenditures	18,437.8	4,384.8	420.49
Financial resources balance	18,437.8	4,384.8	420.49

Note: MUFIS – Městská finanční společnost, a.s.

The government authorized the use of funds from the sources of the Housing Guaranty Programme (administered by Městská finanční společnost, a.s., MUFIS) up to the amount of CZK 500 million at an annual interest of 2.5 % by the Government Resolution of the Czech Republic No. 617 from 23 June 2003 for funding projects contributing to the conservation and betterment of the environment in the Czech Republic. As at 19 May 2004, the specified credit's contractual amount was exhausted. Credit repayments started from the beginning of year 2005. As of 31 December 2009, the Fund repaid CZK 250 million of the principal and CZK 59.2 million of interest.

The total amount of funds on time deposit accounts and current accounts in commercial banks is CZK 18,492.7 million. The Fund's available balance of financial resources is CZK 18,437.8 million.

The difference between the balance of funds stated in the balance sheet and the balance shown in the chapter Fund's expenditures in the total amount of CZK 54.9 million is constituted by unsettled vendor invoices, unpaid salaries, wage deductions, including taxes, and other items.

Out of the total amount of contractually secured resources, CZK 1,213 million was actually disbursed to support beneficiaries as at the date of 31 December 2009:

- CZK 1,116.3 million for financial support in the form of transfers (of which CZK 626.9 million for national programmes – CZK 1.2 million contribution for the settlement of interest from a commercial credit, CZK 129.4 million of ISPA/CF, CZK 21.5 million for OPI, CZK 335.2 million for OPE, and CZK 3.3 million for the Green Savings programme);
- CZK 96.7 million for the financial support in the form of loans (of which national programmes constituted CZK 6.8 million, ISPA/CF accounted for CZK 60.9 million, OPI for CZK 7.9 million, and OPE for CZK 21.1 million).

Revenues of SEF CR

The Fund's revenues consist primarily of payments for polluting or damaging individual components of the environment, repayments of the provided loans and their interest and yields from the available funds on time deposit accounts. Pursuant to law, the Minister of the Environment decides on the use of the Fund's financial resources based on a recommendation of the advisory body – the Council of SEF CR. These revenues do not form part of the Czech state budget. Starting from 2009, the Fund also receives funds from the Green Savings programme. They are specifically earmarked funds for the implementation of measures leading to energy savings and use of renewable energy sources in family and multiple-dwelling houses.

On 31 December 2009, the revenue section of the budget was met by 138.6 %. This favourable development is caused by the collection of fees to promote the gathering, processing, and elimination of selected wrecked cars, which had not been budgeted for 2009 since it had not been completely clarified at the time of budget preparation. For the same reason, the Fund's revenues from state budget subsidies to partially cover technical assistance from the EU programmes had not been budgeted either.

Compared to 2008, the amount of collected fees for the pollution of the environment transferred to the Fund's account was lower. As at 31 December 2009, the fees for environmental pollution (without the wrecked cars) shared in the overall Fund's revenues by CZK 1,365.8 million. This is a decrease of CZK 239.7 million as opposed to 2008 when the collected fees amounted to CZK 1,605.5 million. The drop in revenues from fees was largely due to the overall economic downturn of national economy.

In 2009, revenues from fines and financial recourses reached CZK 67.9 million.

As regards the other non-tax revenues, which predominantly consisted of repayments of loans, the budgeted amounts were fulfilled smoothly during 2009. The repayments from the already granted loans as of 31 December 2009 amounted to CZK 393.1 million, i.e. 13.9 % of total revenues (without resources from the Green Savings programme). The decreasing share in the Fund's revenues is apparent also in the repayment of loans. The interannual downturn of this source of revenue compared to 2008 amounting to CZK 122.9 million is due to the Fund's focus on the preferential allocation of subsidies in recent years.

Apart from the aforementioned revenues, starting from 2009, the Fund has an income also from the Green Savings programme, which is represented by funds specifically earmarked for the implementation of measures leading to energy savings and use of renewable energy sources in family and multiple-dwelling houses.

The interest from the Fund's deposits and current account reached CZK 122 million (4.3 %). The considerably higher interest resulted from a slower than expected financing of OPE and Green Savings programme and hence from a higher balance on the Fund's accounts.

The interest from loans was CZK 22.6 million (0.8 %). The revenues from the financial settlement of subsidies – returns of subsidies – reached CZK 30.7 million (1.1 %). Refunds of loans for previous years reached CZK 3.9 million. Other non-tax revenues accounted for CZK 0.5 million and subsidies from the SR for a partial coverage of technical assistance totalled CZK 147.7 million, i.e. 5.2 % of the Fund's total revenues, not including the revenues from the sale of emission allowances (Green Savings).

Implementation structure of budget revenues for 2009 (in mil. CZK)

Budget item	2009 budget	Revenues as at 2009	Implementation in %	Difference in mil. CZK
Revenues from fees and fines according to the components of the environment				
Wastewater	350.0	188.3	53.8	-161.7
Groundwater	360.0	391.9	108.9	31.9
Air	440.0	365.0	83.0	-75.0
Wastes	120.0	74.5	62.1	-45.5
Packaging	18.0	17.0	94.4	-1.0
Wrecks of cars	0.0	670.0	x	670.0
Nature	290.0	329.1	113.5	39.1
Fines and financial recourses	0.0	67.9	x	67.9
Total	1,578.0	2,103.7	133.3	525.7
Interest from deposits	20.0	122.0	610.0	102.0
Interest from loans	20.0	22.6	113.0	2.6
Loans repayments (without loan refunds)	420.0	393.1	93.6	-26.9
Revenues from financial settlement	0.0	30.7	x	30.7
Loans refunds from previous years	0.0	3.9	x	3.9
Other revenues	0.0	0.5	x	0.5
Budget subsidies (TA)	0.0	147.7	,	147.7
Sold and settled receivables	0.0	0.0	x	0.0
SEF CR total	2,038.0	2,824.2	138.6	786.2
Green Savings		13,044.8		
- revenues from sales of emission allowances	,		,	,
TOTAL		15,869.0		

Note: TA – technical assistance.

The Fund valorised financial resources by depositing them on fixed accounts in commercial financial institutions. As of 31 December, 2009, the aggregate interest from time deposits and other revenues reached CZK 107 million and the interest gained from current accounts was CZK 15 million. These funds were used to cover the Fund's office running costs.

Development of the Fund's revenues from 1992 to 2009 (in mil. of CZK)

Year	Fees and other revenues	Loans repayments	Programme for air improvement	Total revenues
1992	2,422.5	0.0	0.0	2,422.5
1993	2,727.4	40.2	0.0	2,767.6
1994	3,287.6	201.5	1,000.0	4,489.1
1995	3,042.5	317.0	1,600.0	4,959.5
1996	2,837.3	516.9	2,000.0	5,354.2
1997	3,060.0	738.6	1,500.0	5,298.6
1998	2,730.1	1,037.0	0.0	3,767.1
1999	2,504.8	1,215.0	0.0	3,719.8
2000	2,154.6	1,346.5	0.0	3,501.1
2001	1,916.6	1,325.1	0.0	3,241.7
2002	2,135.2	1,279.3	0.0	3,414.5
2003	2,151.7	1,043.3	0.0	3,195.0
2004	1,976.2	979.2	0.0	2,955.4
2005	2,017.2	850.5	0.0	2,867.7
2006	1,802.6	752.9	0.0	2,555.5
2007	1,964.3	638.1	0.0	2,602.4
2008	1,871.3	516.0	0.0	2,387.3
2009	2,431.1	393.1	0.0	2,824.2

Revenues for 2003 and 2004 are specified without the credit granted by MUFIS at a total amount of CZK 500 million; in 2008, the subsidy for the coverage of exchange rate losses in ISPA/CF worth CZK 500 million is not included, and in 2009, the revenues from the Green Savings programme amounting to CZK 13,044.8 million are not counted.

Expenditures of SEF CR

As at 31 December 2009, total financial expenditures amounted to CZK 1,816 million, of which CZK 3.3 million were payments within the Green Savings programme.

As of 31 December 2009, the projects (from NP, ISPA/CF, OPI, OPE, not including Green Savings) were funded at an aggregate amount of CZK 1,209.7 million. Expenditures totalling CZK 96.7 million for contractual actions of the refundable form of support – loans – constituted 8 percent of the allocated funds. The predominant expenditures were requirements for transfers (subsidies) which were implemented at an amount of CZK 1,113 million, i.e. 92 percent of the contractual support. Of these funds, the allocated contribution toward coverage of the interest from commercial credit accounted for CZK 1.2 million.

As of 31 December 2009, the implementation of water protection actions (construction of sewerage systems, sewage treatment plants and water conduits) constituted a decisive share of 44.7 percent (CZK 540.8 million) in the structure of funds for the contractual actions.

From 2004, a limit on expenditures has been set for each year. The Government Resolution No. 736 from 27 June 2008 stipulated the government-authorized amount of expenditures for 2009 at CZK 2,018 million.

Expenditures limit status as of 31 December 2009 (in mil. CZK)

Limit on expenditures for 2009	Actual expenditures for 2009	Difference
2,018	1,816	202

Implemented expenditures as at 31 December 2009

Structure of expenditures according to environmental compartments (in mil.CZK)

	Transfers (subsidies)	Share in %	Loan	Share in %	Total expenditures	Share in %
Water in total	445.6	39.9	95.2	98.4	540.8	44.6
of which NP	230.4	20.6	6.3	6.5	236.7	19.5
CF	90.4	8.1	60.9	63.0	151.3	12.5
OPI	14.0	1.3	7.9	8.2	21.9	1.8
OPE	110.8	9.9	20.1	20.8	130.9	10.8
Nature in total	184.8	16.6	0.0	0.0	184.8	15.2
of which NP	149.6	13.4	0.0	0.0	149.6	12.3
OPI	1.0	0.1	0.0	0.0	1.0	0.1
OPE	34.2	3.1	0.0	0.0	34.2	2.8
Air in total	355.8	31.9	0.8	0.8	356.6	29.4
of which NP	235.0	21.1	0.5	0.5	235.5	19.4
OPI	2.8	0.3	0.0	0.0	2.8	0.2
OPE	114.7	10.3	0.3	0.3	115.0	9.5
Green Savings	3.3	0.3	0.0	0.0	3.3	0.3
Freons	7.3	0.7	0.0	0.0	7.3	0.6
Wastes	122.8	11.0	0.7	0.7	123.5	10.2
of which NP	4.6	0.4	0.0	0.0	4.6	0.4
CF	39.0	3.5	0.0	0.0	39.0	3.2
OPI	3.7	0.3	0.0	0.0	3.7	0.3
OPE	75.5	6.8	0.7	0.7	76.2	6.3
TOTAL	1,116.3	100.0	96.7	100.0	1,213.0	100.0
of which: NP	626.9	56.2	6.8	7.0	633.7	52.2
CF	129.4	11.6	60.9	63.0	190.3	15.7
OPI	21.5	1.9	7.9	8.2	29.4	2.4
OPE	335.2	30.0	21.1	21.8	356.3	29.4
Green Savings	3.3	0.3	0.0	0.0	3.3	0.3

The chart does not include running costs of the Fund's office and credit from MUFIS, a.s.

The section of “Transfers (subsidies)” in the above chart, specifically the water compartment, also involves contributions toward the settlement of interest from the commercial credit totalling CZK 1.2 million.

As of 31 December 2009, the greatest bulk of the Fund’s total disbursed financial resources – CZK 535.5 million (44.2 %) – if structured according to the type of entity, was granted to municipalities and towns. This category was followed by citizens, who were allocated CZK 234.1 million (19.3 %), and business entities – legal persons – with CZK 200.5 million (16.6 %).

As at 31 December 2009, the operating costs of the Fund’s office totalled CZK 545.6 million, including expenditures for the administration of EU and Green Savings programmes, which are partially covered in the form of subsidy from the state budget and represent a part of the Fund’s revenues. In 2009, the Fund received a subsidy for the settlement of administrative costs worth CZK 147.7 million. It is presumed that in the coming period the Fund shall draw on another subsidy worth roughly CZK 75 million for the administration of previous EU projects and a subsidy for technical assistance of the Green Savings programme funded by an amount of approximately CZK 120 million.

The running costs of the Fund’s office also comprise expenditures for wastewater monitoring in line with the Act No. 254/2001 Coll., the Water Act, which amounted to CZK 8.4 million in 2009.

Apart from other sources, these expenditures were covered from the Fund’s financial activities leading to the valorisation of financial resources of the Fund through short-term bank time deposits.

The revenues from deposit operations are no longer the exclusive source of coverage of the running costs of the Fund’s office. The costs are also reimbursed from the interest on loans granted by the Fund, interest from delay of payment and penalties, revenues from technical assistance, and from other revenues.

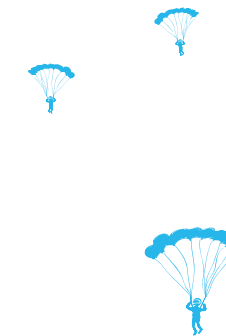
Assets of SEF CR

The State Environmental Fund is a legal entity. Administrator of the Fund is the Ministry of the Environment. The management of assets proceeds in compliance with the Act No. 219/2000 Coll., on the Assets and Legal Representation of the Czech Republic. The Fund administers assets worth CZK 273,258,966.43.

Account name	Status as of 31 December 2009 in CZK
Fixed assets (tangible, intangible)	127,489,806.97
Low-value tangibles and intangibles	40,299,194.14
Buildings and structures	96,393,920.32
Land	9,076,045.00
Total	273,258,966.43

The Fund uses all of the assets for its activities and they are not subject to depreciation.

Staff details



SEF CR is a prominent and sought employer among other state institutions. The most important criteria for hiring new staff are education, experience and work engagement. The organizational structure is optimized according to the current targets and assignments of SEF CR.

As at 31 December 2009, SEF CR had in total 410 employees. This shows that the trend of year 2008 in the growing number of employees continued. The expanding administrative agenda of the Operational Programme – Environment and the new programme of Green Savings called for the recruitment of new staff. Personnel turnover in 2009 did not exceed 11 percent. Since the Fund administers programmes of limited duration, employment contracts with the new staff are concluded for a definite period.

Average gross monthly salary of SEF CR employees in 2009 was CZK 28,589.

Classification of employees according to age and sex – as of 31 December 2009

Age structure	Males	Females	Total	%
up to 20 years	1	0	1	0
21–30 years	79	105	184	45.0
31–40 years	45	43	88	22.0
41–50 years	19	41	60	15.0
51–60 years	31	33	64	16.0
61 years and older	11	2	13	3.0
Total	186	224	410	
%	45.0	55.0	100	

Classification of employees according to education and sex – as of 31 December 2009

Attained education	Males	Females	Total	%
Secondary vocational education + certificate of apprenticeship (CA)	0	0	0	0
Secondary vocational ed. without GCSE examination and CA	2	2	4	1
General secondary ed.	4	5	9	2
Secondary vocational ed. – GCSE examination + CA	0	0	0	0
Secondary vocational ed. – GCSE examination	32	37	69	17
Tertiary vocational ed.	3	0	3	1
Bachelor's degree	9	9	18	4
University graduate	134	169	303	74
Post-graduate	2	2	4	1
Total	186	224	410	

Organisational changes

In November, the Information Technologies Department was closed and the individual sections and units were dissolved with their competencies being transferred to the Economic Section and the newly established Department of Competence Centres. Under the Department of Competence Centres come Legal Unit, Swiss Funds Unit, and the Units of Development of Information Systems for Projects of Operational Programmes, Methodological Support to Project Management, Project Supports to Project Management, Large and PPP Projects and the Call Centre.

Professional growth of SEF CR employees

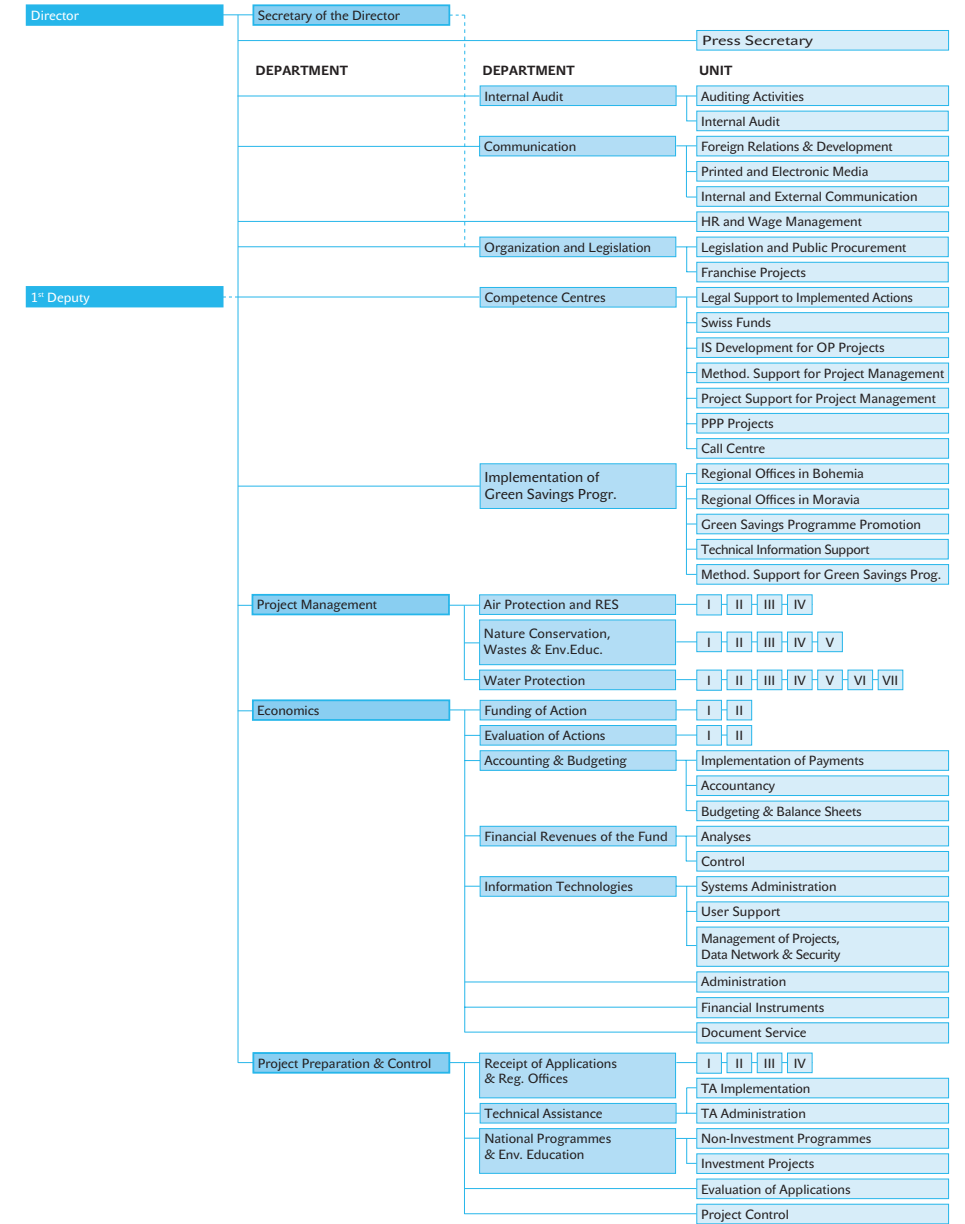
The Fund sustains staff training namely in the sphere of professional, specifically focused education and language skills. Stress is laid on the development of managerial competences of directors at the 1st and 2nd management levels.

The Fund puts emphasis on working with university graduates or people with a minimum practical experience. It has therefore initiated active cooperation with universities in the Czech Republic and abroad and participates in student labour exchanges at universities. The Fund also established cooperation with student organizations of AISEC and IAESTE for short-term attachments.

At the end of 2009, the Fund recorded success within the Operational Programme – Human Resources and Employment, Priority Axis Public Administration and Public Services – Area of Support Reinforcement of Institutional Capacity and Effectiveness of Public Administration with the following projects: Management System Adjustment and Development of Human Resources at SEF CR and Optimization of the Management of Internal and External Processes at SEF CR. The projects shall be implemented in 2010–2012.

Organisational structure of SEF CR

Valid as of 31 December 2009



Fund's management as of 31 December 2009



Petr Štěpánek
Managing Director of SEF CR



Petr Valdman
1 Deputy Manager and Director of the Project Management Department of SEF CR



Petr Stehlík
Director of the Economic Department of SEF CR



Leo Steiner
Director of the Project Preparation and Audit Department of SEF CR

Advisory Board

The Board of SEF CR is an advisory body of the Minister of the Environment. Its scope lies in addressing essential issues concerning the creation and use of the Fund's financial resources. The members of the Board are appointed and dismissed by the Minister of the Environment. In 2009, the SEF CR Advisory Board held five meetings.

Chairman of the Advisory Board of SEF CR (as at 31 December 2009):

Ing. arch. Václav Mencl – Member of Parliament, Vice-Chairman of the Committee for the Environment, Chamber of Deputies of the Parliament of the CR.

Members of the Advisory Board of SEF CR (as at 31 December 2009):

RNDr. Libor Ambrozek	Member of Parliament, Chairman of the Committee on the Environment, Chamber of Deputies of the Parliament of the CR
Ing. Ivo Bárek	Senator, Chairman of the Committee on Public Administration, Regional Development and the Environment, Senate of the Parliament of the CR
Ing. Erik Geuss	Section Director for Strategy and Economics in Industry at the Ministry of Industry and Trade of the CR
Ing. Rut Bízková	Deputy Minister, Director of the Directorate of Economics and Environmental Policies at the Ministry of the Environment of the CR
Mgr. Milan Dadourek	Green Circle, association of environmental organizations
Ing. Tomáš Kaas	Department of Communications Over Land and Road Infrastructure at the Ministry of Transport of the CR
Josef Ježek	Member of Parliament, Committee on Public Administration and Regional Development, Chamber of Deputies of the Parliament of the CR
Ing. Dan Jiránek	Chief Magistrate of the town of Kladno and Chairman of the Environmental Committee, Union of Towns and Municipalities of the CR
Ing. Jiří Krátký	Member of Parliament, Committee on Public Administration and Regional Development, Chamber of Deputies of the Parliament of the CR
Ladislav Mlčák	Member of Parliament, Vice-Chairman of the Committee on the Environment, Chamber of Deputies of the Parliament of the CR
Ing. Miloslav Müller	Director of the Cabinet of the Minister, Ministry of Finance of the CR
Ing. Ludmila Müllerová	Senator, Vice-Chairwoman of the Committee on Public Administration, Regional Development and the Environment, Senate of the Parliament of the CR
MUDr. Zuzana Peterková	Department of General and Municipal Hygiene, Ministry of Health of the CR
Ing. Martin Tesařík	Vice-Chairman of the Association of Regions of the CR, Governor of the Olomouc Region
MVDr. Přemysl Rabas	Member of Parliament, Committee on the Environment, Chamber of Deputies of the Parliament of the CR
Ing. Ladislav Šincl	Member of Parliament, Committee on the Environment, Chamber of Deputies of the Parliament of the CR
Ing. Jiří Trnka	Director of the Department of Environmental Policy and Renewable Energy Sources, Ministry of Agriculture of the CR
Ing. Jiří Vačkář	Deputy Minister, Section of Regional Policy and Tourism, Ministry for Regional Development

Provision of information

Pursuant to the Act No. 106/1999 Coll., on Free Access to Information, the State Environmental Fund of the Czech Republic publishes an annual report on its activities in the sphere of providing information based on Art. 18, par. 1 of the Act No. 106/1999 Coll., on Free Access to Information and in compliance with the Government Resolution No. 875/2000 from 6 September 2000, on the methodological guideline for the unification of the procedures of public administration bodies at ensuring the rights of natural persons and legal entities of access to information pursuant to the Act No. 106/1999 Coll., on Free Access to Information.

In 2009, SEF CR registered and processed eleven written applications for the provision of information according to the Act No. 106/1999 Coll. According to law, oral questions and answers are not registered.

Requests for the provision of data pursuant to the Act No. 106/1999 Coll.

- Number of filed requests for information: 11
- Number of issued decisions on the denial of a request: 1
- Number of lodged appeals against a decision: 1
- Duplicate of essential sections of each court decision in the matter of judicial review of the legality of the decision of the liable entity on the rejection of a request for the provision of information and overview of all expenditures that the liable entity invested relative to judicial proceedings on the rights and obligations pursuant to this Act, including expenses for its own employees and costs associated with legal representation: 0
- Number of granted exclusive licences, including substantiation of the necessity for providing an exclusive licence: 0
- Number of complaints lodged in compliance with Art. 16a: 2

Other information relative to the enforcement of this Act

In 2009, the State Environmental Fund of the CR operated a Green Line for the applicants for subsidies in order to assure high standard and speed of data provision. The professional and trained staff advised applicants by phone or by e-mail on resolving possible issues concerning the processing and submission of applications.

The most important categories of questions addressed to the Green Line staff and their answers can be accessed from www.opzp.cz in the FAQ section. The Green Line operators answered tens of questions on a daily basis.

The Green Line that primarily serves as an information line for the Operational Programme – Environment and for the programme of Green Savings registered an overall number of 36,143 calls.

The required information or sets of data were granted by the State Environmental Fund of the CR to the applicants free of charge.

Requests for the provision of information namely concerned:

- The programme of Green Savings, conditions for the obtainment of financial aid from the programme, completion and administration of applications or deadlines for their processing,
- Possibility to obtain a subsidy from the Operational Programme – Environment,
- Progress of implementation and results of specific projects.

Contacts

SEF CR

Olbrachtova 2006/9
140 00 Prague 4
Czech Republic
Phone: +420 267 994 300
Fax: +420 272 936 597

Registered office:

Kaplanova 1931/1
148 00 Prague 11 – Chodov
Czech Republic

Web: www.sfzp.cz
Email: dotazy@sfzp.cz
Green line: **+420 800 260 500**

Contacts on regional offices

SOUTH BOHEMIA REGION

Mánesova 3a
371 03 ČESKÉ BUDĚJOVICE
Phone: +420 387 203 857, +420 386 351 995

SOUTH MORAVIA REGION

Šumavská 31
612 54 BRNO
Phone: +420 549 133 479, +420 549 133 429

KARLOVY VARY REGION

Majakovského 707/29
360 05 KARLOVY VARY
Phone: +420 353 408 407, +420 353 408 409

HRADEC KRÁLOVÉ REGION

Třída ČSA 383
500 03 HRADEC KRÁLOVÉ
Phone: +420 495 436 360, +420 495 436 361

LIBEREC REGION

Voroněžská 144
460 01 LIBEREC
Phone: +420 485 244 334, +420 485 244 140

MORAVIAN-SILESIA REGION

Československá 7
702 00 OSTRAVA 2
Phone: +420 596 112 527, +420 596 138 314

OLOMOUC REGION

Wellnerova 7
779 00 OLOMOUC
Phone: +420 585 244 616, +420 585 203 855

PARDUBICE REGION

Pernerova 168
(The Cheming building)
530 02 PARDUBICE
Phone: +420 466 924 858, +420 466 260 725

PILSEN REGION

Kopeckého sady 11
306 32 PILSEN
Phone: +420 378 033 909, +420 378 033 910

CITY OF PRAGUE

Olbrachtova 2006/9
140 00 Prague 4
Phone: +420 267 994 162, +420 267 994 132

CENTRAL BOHEMIA REGION – Kladno

Osvobozených politických vězňů 339
272 01 Kladno
Phone: +420 312 240 702

CENTRAL BOHEMIA REGION – Prague

Olbrachtova 2006/9
140 00 Prague 4
Phone: +420 267 994 366, +420 267 994 201

ÚSTÍ REGION

Stroupežnického 7
400 01 ÚSTÍ NAD LABEM
Phone: +420 475 205 598

Dlouhá 1/12
400 01 ÚSTÍ NAD LABEM
Phone: +420 475 201 151, +420 475 207 448

VYSOČINA REGION

Havlíčková 111
586 02 JIHLAVA
Phone: +420 567 213 855, +420 565 659 262

ZLÍN REGION

Building 51 –Svit premises
760 01 ZLÍN
Phone: +420 577 522 274, +420 577 522 275



THE OPERATIONAL
PROGRAMME
ENVIRONMENT



EUROPEAN UNION
Cohesion Fund
European Regional Development Fund

For Water,
Air and Nature

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THE STATE
ENVIRONMENTAL FUND
OF THE CZECH REPUBLIC

green line 800 260 500 (mo–fri 7.30 a.m. – 4 p.m.)
email dotazy@sfzp.cz
web www.sfzp.cz