

ANNEX

Observations on the Rural Development Programme of the Czech Republic

The following observations are made pursuant to Article 29(3) of Regulation (EU) No 1303/2013. The Czech Republic is asked to provide to the Commission any necessary additional information and, where appropriate, revise the rural development programme (RDP).

GEOGRAPHICAL AREA COVERED (SECTION 2 OF RDP)

1. In section 2.2 Classification of the region, a reference should be added to Commission Implementing Decision 99/2014 and to Article 59(3)(b) and (d) of Reg. (EU) No. 1305/2013.
2. The Czech Republic should clarify the inclusion of large urban areas into the definition of rural areas and justify how this delimitation will contribute to achieving the RD objectives set out in Article 4 of Reg. (EU) No. 1305/2013, and in particular the balanced territorial development of rural economies. In any case, the urban areas (important towns in Czech Republic in view of number of inhabitants) should be taken out from the definition of rural areas.

EX ANTE EVALUATION (SECTION 3 OF RDP)

3. All the recommendations of the ex-ante evaluator should be included in the RDP pointing out how each recommendation was addressed. A justification should be provided if some recommendations were not accepted. The Czech authorities should include also information explaining the ex-ante evaluator's assessment of the contribution of the RDP to the strategy Europe 2020 and the consistency of the priorities with the Common Strategic Framework and the Partnership Agreement.
4. The Czech authorities are invited to provide a summary of the SEA recommendations/findings (see SEA Directive) taken into account and justify those which were not reflected (e.g. conclusions of the SEA concerning climate change mitigation and adaptation). The SEA should be completed with mandatory information as laid down in the SEA Directive, as well as detailed information on when and for how long the public consultation took place and how the comments received during the consultation were reflected in the programme.
5. The SEA identified that some measures can have effects on Natura 2000. The Czech authorities are invited to provide information how was this reflected in the programme (e.g. page 29 AECM recommendation) and to indicate how this assessment will result in concrete actions of protection at the site (e.g. limits on kept non-mown part of the parcel to provide shelter, large scale mowing and mulching at a set time and intensive pasturing).

SWOT AND IDENTIFICATION OF NEEDS (SECTION 4 OF RDP)

6. The link between the analysis and the described strengths, weaknesses, opportunities and threats has to be clear. Each finding in the SWOT analysis should be properly backed-up by a sound analysis (e.g. organic farming, integrated production, animal welfare do not appear within the general description).
7. The employment situation of rural areas should be supported by the latest specific data. Employment aspects shall be better developed throughout section 4 (in the opportunities 4.1.4 and threats 4.1.5 sections and the needs part 4.2).

8. More data regarding biodiversity, NATURA 2000 and Prioritised Action Framework should be provided in the general characteristics and further reflected in the individual SWOT sections. The weaknesses and threats sections should be more detailed in describing negative impacts on biodiversity generally, while distinguishing specific impacts on Natura 2000, where relevant. Main harmful farming and forestry practices should be named and related to habitat and species ecology. The negative impact of homogeneity of farmed landscape on animal species should be mentioned explicitly.
9. Information on the evolution of agricultural GHG emissions and risk of increased production of GHG emissions from agriculture (including as a direct result of RDP's implementation) should be described in the respective parts of the SWOT analysis and analysed with forecast data. Identified climate change mitigation and adaptation needs should be defined more concretely on the basis of quantified information provided in the SWOT analysis. The current version of the RDP presents generic descriptions with limited number of target values.
10. There is a good integration of the issue of flood risk and soil erosion and promotion of natural water retention measures to address floods and droughts. However, there should be more explicit link to the opportunity in terms of deploying these measures to achieve the WFD objectives and the Floods Directive. A clear reference to the WFD objectives and Floods Directive objectives should be also included in the description of needs (in particular under need 07 "prevent degradation of aquatic ecosystems") and the description of Priorities (in particular under Priority 4B).
11. The SWOT and identification of the needs' sections do not sufficiently take into account key strategic environmental policy instruments like the EU Biodiversity 2020 Strategy, 7th EAP, Prioritized Action Framework (PAF), EU Forestry Strategy, EU Resource Efficiency Strategy, National Emissions Ceiling in relation to Ammonia, Water Framework Directive, Floods Directive. These should be further reflected in strategy.
12. The references to the national strategies for agriculture and forestry, as well as links to studies, analysis and evaluations shall be further detailed.
13. The Czech Republic should update the data for Common Context Indicators with the latest available data at national level. The common context indicator no. 37 (HNV farming) needs to be added.
14. The Czech Republic should use EUROSTAT indicators and the harmonised spatial definitions (e.g. NUTS, LAU) except for indicators where national definitions are used for territorial analysis or for the implementation of RDP (e.g. national definition of rural areas).
15. It is recommended to re-define the need no. 09 'Strengthening the capacity of agriculture and forestry to adapt to the anticipated climate change' (currently related to Focus Area 5E). From the current version of the RDP, it is not clear whether the need relates to adaptation or mitigation issue.
16. The description part of the need no. 16 (4.2.16) "Ensure effective knowledge transfer" should include "climate change mitigation and adaptation" as a cross-cutting objective.
17. All rural development priorities and focus areas, including cross cutting objectives, shall be covered in the needs assessment (chapter 4.2). FA 6C and 3B are not reflected. Even if there is no need identified for a certain FA, it should be also mentioned regardless whether they will be selected in the intervention logic.

DESCRIPTION OF THE STRATEGY (SECTION 5 OF RDP)

18. The strategy needs further improvement. It should also include and justify the choice of appropriate targets for each of the focus areas according to Art. 8(1)(c) of Reg. (EU) No. 1305/2013.

19. Furthermore, the strategy should better justify the combinations between measures (how measures will work together in order to achieve the policy goals) as referred to in art. 8(1)(c)(ii) of Regulation 1305/2013. The split of financial allocations to the selected measures and the adequacy of the financial resources with the targets set as referred to in Art. 8(1)(c)(iii) of Regulation (EU) No. 1305/2013 needs justification.
20. Lessons drawn from previous RDPs should be described in the strategy and taken into account in the current RDP.
21. Further information in section 5.1 ensuring that all the identified needs and activities not selected for RDP support will be sufficiently covered by other OPs is requested (e.g. information regarding the need no 10 is not sufficient).
22. The intervention logic on employment and social issues should be reinforced with clear specific objectives for each relevant priority followed by the identification of expected results and ways to their achievement ensured by measures and corresponding indicators. The text related to employment (p. 81 of the RDP, need no. 10) should clearly set out the employment strategy. The potential impact of priority 2A and 6A on increasing employment shall be demonstrated and supported by relevant data.
23. The strategy for protection of the environment provides a series of assurances that problems will be tackled but it should explain how exactly the needs will be addressed. Key strategic environmental documents shall be taken into account.
24. The contribution of all measures selected in section 5.2 under the relevant FA should be described in the part "combination and justification of RD measures" (example: FA 4B, section 5.2.4.2.1 – M12 and 13 are listed but not covered in section 5.2.4.2.3). It should be also mentioned when only a secondary effect is expected (e.g. 5A, 5B, 5D) as well as justification for non-inclusion of a FA. Link with the SWOT shall be clear in this respect.
25. The Czech authorities should provide a justification for not programming focus areas 5A and 5B, which seems to be inconsistent with the analysis. The programme should properly explain how water efficiency will be ensured/improved, also in view to climate change, (exclusion of need 19 in 5.1, page 82 is not sufficient), and how efficiency in energy use will be increased (in the light of the statement that a lot of renewable energy could not be produced without support – p. 48, 4.1.3).
26. The justification for choosing additional focus area 2C+ "Improving economic performance of forestry" is missing. It should be confirmed that FA 2C+ is a primary FA and propose programme specific target indicator for this additional FA.
27. Chapter 5.5 should describe measures to ensure that advisory capacity is sufficient for actions related to innovations as required by Art. 8(1)(c)(vi) of Reg. (EU) No. 1305/2013. The Czech Republic should clarify which advisory activities are focused on the innovation measures.

ASSESSMENT OF EX ANTE CONDITIONALITIES (SECTION 6 OF RDP)

28. The general ExAC on public procurement (G4) and on statistical system (G7) are indicated as 'partially fulfilled' in the Partnership Agreement, while in the Czech RDP they are indicated as fulfilled. Consistency with the PA shall be ensured or an explanation provided as to why these ExAC are considered to be fulfilled.

DESCRIPTION OF THE PERFORMANCE FRAMEWORK (SECTION 7 OF RDP)

29. The table with indicators (Chapter 7.1) must be consistent with the table Indicator Plan 11.1. FA 3B (11.1.3.2.) and 6C (11.1.6.3.) are not programmed; therefore in the table 7.1 the applicability of these FAs under P3 and P6 should not be crossed.
30. The alternative indicator for Priority 5 defined in table 7.2 duplicates the pre-defined indicator for priority 5 on renewable energy production as referred in table 7.1. This should be explained or corrected.

DESCRIPTION OF THE MEASURES SELECTED (SECTION 8 OF RDP)

GENERAL CONDITIONS APPLIED TO MORE THAN ONE MEASURE (SECTION 8.1 OF RDP)

31. A precise support rate should be indicated in the section "applicable amounts and support rates", (or more than one, where this was necessary because of variations between beneficiaries / types of operation in relation to a given measure). This will give clarity to future beneficiaries on the amount of support they will be able to obtain. The formula "up to [x] %" is not acceptable. However, as a minimum the following instruction presented in the RDC meeting of December 2013 should be followed: "Aid rates, amounts and support rates are defined at the type of operation level. If appropriate/necessary, an interval can be established for a type of operation, but the type of operation must describe under what conditions different aid rates will be granted."
32. Under the section 'type of support' it should be clearly mentioned which type of support is relevant (e.g. grant). A reference to eligible costs incurred is not sufficient.
33. A justification why producer organisations are excluded as beneficiaries of the measures (e.g. M01, M02, M04, M06) is requested.
34. Selection criteria: Commission Reg. (EU) No. 1305/2013 and Commission Implementing Reg. (EU) No. 808/2014 require the description in the RDP of the principles used for the setting up of selection criteria. In this respect and as a minimum it should be described whether a scoring system is used for ranking. Secondly, it should be clear whether a minimum threshold is defined which a project must reach in order to be eligible (quality aspect).
35. The RDP should clearly state that for any public contract/concession financed by EARDP, the national authorities will respect the EU public procurement rules and in particular (i) Directives 2004/18/EC and 2004/17/EC, (ii) Directives 2014/23/EU, 2014/24/EU and 2014/25/EU once transposed into national legislation, (iii) Directives 89/665/EEC and 92/13/EEC [as amended by Directive 2007/66/EC] and (iv) the general public procurement principles derived from the Treaty on the Functioning of the EU.
36. The part on verifiability and controllability for each measure is generally weak, it does not properly identify the risks of the implementation and does not reflect the changes in the use of public procurement procedures and the results of performed audits. The Czech authorities are invited to add references in the RDP to any major cross-cutting (i.e. concerning more than one measure) errors and/or audit findings from the 2007-2013 period and lessons learnt that could have an impact on the implementation of measures under new programming period, and to indicate how they have been addressed in the mitigating actions. In the part "Mitigating actions" the actions taken in the error rate action plan should be reflected. Methods how to verify and control each commitment shall be defined.
37. The Czech Republic is invited to introduce further safeguards for environmental elements, e.g. achieving certain water use efficiency or pollution discharge reduction targets (e.g. investments under art. 17 and 19), biodiversity, high nature value areas on agricultural and forest land, territorial system

of ecological stability, landscape features, abatement technologies as regards air quality maintenance etc. in the investment measures, especially where land take is envisaged.

38. Each measure/sub-measure should better describe how the concrete operation will contribute to the cross-cutting objectives (innovation, environment and climate change).

DESCRIPTION BY MEASURE (SECTION 8.2 OF RDP)

MEASURE 1 - KNOWLEDGE TRANSFER AND INFORMATION ACTIONS (ART 14)

39. The Czech Republic should clarify whether it will select beneficiaries (training providers) through public procurement procedures and whether the public procurement will be limited to entities accredited by the Ministry. It should be clarified whether the accreditation is an ongoing/open process and how long it takes to obtain accreditation. Furthermore, it should be specified which body will be responsible for public procurement procedure and for the accreditation of training providers.
40. The exclusion of other economic actors and land managers (e.g. bodies active in nature protection, SMEs active in rural areas) from participating in the training/information actions (Article 14(2) of Reg. (EU) No. 1305/2013) should be justified or reconsidered.
41. It should be specified how the support will be provided (annual payment, etc.)
42. The main categories of costs should be mentioned (e.g. salaries, materials, travel). Generic cost such as "expenditure relating to lectures" or "expenditure on organising and delivering training actions" shall be avoided.
43. It is not sufficient mentioning of up to 85 % of eligible costs. The RDP has to indicate a fixed support rate or an interval, if appropriate. In this case the type of operation must describe under what conditions different aid rates will be granted.
44. Some of the eligibility conditions mentioned in the draft RDP are not related to beneficiaries of the measure but to the persons benefitting from the actions. Such information shall be moved to the section 'other important remarks'.
45. Risks in the implementation of the measure (e.g. risks with regards to the selection of beneficiaries by public procurement) have to be analysed and appropriate mitigating actions proposed.

SUB-MEASURE 1.1 - SUPPORT FOR VOCATIONAL TRAINING AND SKILLS ACQUISITION ACTIONS

46. The Czech Republic should indicate how the proper environmental knowledge required by the target groups implementing environmental actions will be ensured. If necessary, the Czech Republic should also consider actively promoting training in the field of climate change adaptation, mitigation and environment.
47. A clear reference that bodies providing knowledge transfer have the appropriate capacities in the form of appropriate resources, staff qualifications and years of experience in regular training (Annex I, point 8 (2) (e) of the Commission Implementing Regulation (EU) No. 808/2014) should be included in the eligibility conditions.
48. The principles for setting of selection criteria should ensure the prioritization of those beneficiaries (service providers) that would provide the best service. The relevance and specificity of the first two referred principles needs further justification. An explanation should be also provided on what is meant by "activation method of teaching".

SUB-MEASURE 1.2 - SUPPORT FOR DEMONSTRATION ACTIVITIES AND INFORMATION ACTIONS

49. The description of operation should specify what forms of actions are foreseen (exhibitions, presentation etc.).
50. It should be clearly stated that potential beneficiaries are the bodies that will organize information actions.
51. The eligibility conditions should indicate that bodies conducting information actions have the appropriate capacities in the form of staff qualifications and regular training (Annex I, point 8 (2) (e) of the Commission Implementing Regulation (EU) No. 808/2014).
52. The principles for setting of the selection criteria that should ensure the prioritization of service providers (beneficiaries) that would provide the best service should be indicated.

MEASURE 2 - ADVISORY SERVICES, FARM MANAGEMENT AND FARM RELIEF SERVICES (ART 15)

SUB-MEASURE 2.1 - SUPPORT TO HELP BENEFITING FROM THE USE OF ADVISORY SERVICES

53. The topics planned for advice should be specified in the description of the operation. The Czech Republic should also consider covering forestry and other environmental issues (e.g. energy savings, use of RES, biodiversity etc.), including mitigation of the environmental impact.
54. The measure description should indicate how this support will be provided (Voucher system, annual payment, etc.). The eligible costs should be more detailed.
55. The Czech Republic should include in the 'links to other legislation' the references to the legal basis of the topics of the advisory activities to be provided and also a reference to public procurement legislation.
56. Beneficiaries shall be selected through calls for tenders (Art. 15(3) of Reg. (EU) No. 1305/2013) using Union and national public procurement rules (Art. 7 of Commission Implementing Reg. (EU) No. 808/2014). All bodies fulfilling the eligibility conditions (e.g. bodies active in nature protection, applied ecology institutes and others with qualified staff) should be potential beneficiaries under the measure, and therefore the condition defined in "information specific to the operation" on necessity to have a degree in agronomic field should be explained. The Czech Republic is invited to provide clarification on the articulation of the accreditation and public procurement procedures as well as on added value and timing of this two-step process. It is necessary to describe what will be the role of the Ministry in the procedure, who will be responsible for tenders and how the procedure applies in the case of physical persons and legal entities. The public procurement procedure should be open to all potential beneficiaries, regardless if they have the accreditation or not at the moment of the publication of the call for applications. The Managing Authority is asked to explain how the accreditation complies with the principle of equal access of tenderers and justify that it is not creating unjustified obstacles to the opening up of the public procurement to the competition (see also Article 23(2) of Directive 2004/18/EC).

MEASURE 4 - INVESTMENTS IN PHYSICAL ASSETS (ART 17)

57. An explanation is requested regarding how both the climate change mitigation and adaptation potential of the measure will be utilised and also taken into account in the selection criteria. Furthermore, it should be clarified whether the identified need "Strengthen the capacity of the agricultural and forestry sectors to adapt to the expected climate change" relates to climate change adaptation or is a mitigation issue.
58. The Czech Republic should identify risks in the implementation of the measure and mitigating actions, taking also into account the experience of implementation of the RDP 2007-2013.

59. The Czech Republic should further justify how the measure will comply with the provisions of Article 13 (e) of Commission Delegated Reg. (EU) No. 807/2014 as regards energy production.
60. A reference to Art.69 of Reg. (EU) No. 1303/2013 (CPR) should be introduced.

SUB-MEASURE 4.1 - SUPPORT FOR INVESTMENTS IN AGRICULTURAL HOLDINGS

61. It should be explained why the storage of cereals and oilseeds is excluded from the investment and it should be specified which "special" mobile machines are eligible.
62. The Czech Republic is invited to clarify whether the proposed definition of beneficiary (agricultural entrepreneur) complies with Art. 17(2) of Regulation (EC) No. 1305/2013 which defines beneficiaries as farmers or group of farmers. It seems that according to the Czech definition a natural/legal person intending to do business in agriculture is also eligible.
63. It should be noted that a state enterprise can only be eligible under Article 17(1)(a) if it complies with the national definition of agricultural holding and the investment improves the overall performance and sustainability of the agricultural holding.
64. The Czech Republic should explain how the investments to support farm restructuring are targeted based on the SWOT analysis and needs assessment carried out in relation to the Union priority for rural development "enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and sustainable management of forests". Appropriate targeting (whether per size, sector, area etc.) has to be ensured. The SWOT analysis needs to be improved in this respect.
65. The eligibility conditions should reflect that the minimum criteria for energy efficiency established by the Czech Republic for supported investments that consume or produce energy shall be respected (Art. 13(c) of Commission Delegated Reg. (EU) No. 807/2014).
66. The Czech Republic should clarify whether it will support installations whose primary purpose is electricity production from biomass. In such case the provision of Art. 13(d) of Commission Implementing Reg. (EU) No. 807/2014 has to be respected.
67. It is not sufficient mentioning of up to X % of eligible costs. The RDP has to indicate a fixed support rate.
68. The Czech Republic should confirm whether for the purpose of the definition of young farmers the setting-up period of five years (Annex II of Reg. (EU) No. 1305/2013, Article 17(3)) will be used.
69. It should be indicated by which means overcompensation or double financing with the investments supported under the CAP Pillar I will be avoided, in particular in the fruit & vegetables and wine sectors. The Czech Republic has notified the use of restructuring aid and investment in wine sector according to Articles 46 and 50 of Reg. (EU) No. 1308/2013. The overlapping of this aid with the RDP must be avoided.

SUB-MEASURE 4.2 - SUPPORT FOR INVESTMENTS IN PROCESSING/MARKETING AND/OR DEVELOPMENT OF AGRICULTURAL PRODUCTS

70. Also in respect of marketing the eligibility conditions should ensure that only Annex I products are covered and fishery products are excluded.
71. It is not sufficient to only mention up to 40 % of eligible costs. The RDP has to indicate a fixed support rate. If different support rates are applied, the RDP should indicate the rates applicable under different conditions

SUB-MEASURE 4.3 - SUPPORT FOR INVESTMENTS IN INFRASTRUCTURE RELATED TO DEVELOPMENT, MODERNISATION OR ADAPTATION OF AGRICULTURE AND FORESTRY

LAND CONSOLIDATION

- 72. It should be clearly indicated what type of landscape changes can be funded and how these contribute to restoring a good status of water bodies.
- 73. Green infrastructure should be prioritized as far as possible for solving the infrastructure requirements linked to land consolidation taking into account specific character of land (large parcels, lack of landscape features), given that this sub-measure is to contribute to Priority 4.
- 74. If investments in roads are foreseen, support should be limited to roads used mainly for agriculture/forestry purposes.
- 75. It should be clarified why the only beneficiary is the State Land Office.
- 76. The eligibility conditions should state that the investment operations will be preceded by an assessment of the environmental impact, in accordance with the relevant legislation, if and where the investment is likely to have negative effects on the environment.
- 77. It is not sufficient to only mention up to 100 % of eligible costs. The RDP has to indicate a fixed support rate. The conditions where a lower support rate is going to be applied have to be specified.

INFRASTRUCTURE IN FORESTS

- 78. It should be clarified what is meant by "related facilities and technical equipment" as eligible costs when forest roads are considered.
- 79. The Czech Republic should indicate whether the eligibility condition "project has to get the consenting opinion from the Ministry of Environment" concerns EIA (or biological assessment under Art. 67 of Act 114/1992 Coll). Otherwise, the investment operations should be preceded by an assessment of the environmental impact in accordance with the relevant legislation. It should be also clarified whether conditions (e.g. mitigation measures) on which the consenting opinion is conditional will be part of the project.
- 80. The Czech Republic should ensure that the density of forest roads at the level of holding /forest management unit will be compatible with the optimal density referred to in the SWOT analysis.
- 81. It is not sufficient to only mention up to 80 % of eligible costs. The RDP has to indicate a fixed support rate.
- 82. It should be explained whether and how the selection criteria take into account areas where nature protection is not the primary function of the ecosystem.

MEASURE 6 - FARM AND BUSINESS DEVELOPMENT (ART 19)

- 83. The Czech Authorities should ensure that audit findings under the programming period of 2007-2013, as well as root causes of errors identified in the national action plans on error rates are correctly taken into account in the RDP 2014-2020 and apply the relevant mitigating actions.

SUB-MEASURE 6.1 - BUSINESS START-UP AID FOR YOUNG FARMERS

- 84. The type of support proposed (reimbursement of eligible costs) rather corresponds to measure 4 (investment) and should be revised in various sections of the measure. Measure 6 is a start-up aid

measure paid in the form of a lump-sum for implementation of the business plan (which also inquires that eligible costs should not be specifically defined).

85. Allowing beneficiaries having set up as head of the holding no more than 36 months prior to registration of the application is not compatible with the Rural Development Regulation which gives no margin to extend the eligibility to farmers who have already set up at the moment of submitting an application.
86. The Czech Republic is also reminded that sufficient control mechanisms should be in place to control the correct implementation of the business plan as well as to control whether the beneficiary has fulfilled the requirement of acquisition of occupational skills at the end of the grace period.
87. Type of support should include the duration of the scheme (support will be paid in at least two instalments over a period of maximum five years).
88. The Czech Republic should indicate and justify in the RDP what exactly setting up for the first time in an agricultural holding as a head of the holding means, and if business start-up support for young farmers will be granted exclusively to young farmers setting up as sole head of the holding. Otherwise, the conditions provided for in Article 2 of Commission Delegated Reg. (EU) No. 807/2014 have to be described. The Czech Republic decided to use the share of the capital of more than 50% as a condition for young farmer (legal person) to be eligible for the scheme. It should be explained how the national legislation ensures (in case of the legal persons) the effective and long-term control of the holding and how such a control by young farmers will be verified.
89. The RDP should define both upper and lower thresholds allowing agricultural holdings access to the support as stipulated in Art. 19(4) of Reg. (EU) No. 1305/2013 and be in compliance with Art. 5(2) of Commission Delegated Reg. (EU) No. 807/2014. As the threshold is defined per type of production, it should be explained how it will be applied in case of mixed farming.
90. The amounts to be paid to the beneficiary should be defined in the RDP taking also into account the socio-economic situation of the programme area. In cases where different amounts or support rates are proposed the RDP should indicate the criteria for differentiation. Expressions like "up to" or "maximum" are not sufficient.

SUB-MEASURE 6.4 - SUPPORT FOR INVESTMENTS IN CREATION AND DEVELOPMENT OF NON-AGRICULTURAL ACTIVITIES

INVESTMENTS IN NON-AGRICULTURAL ACTIVITIES

91. Further description is requested regarding certain types of operations such as "research and development, textile, processing of metal products ". It should be explained how operations will be supported taking into account limited eligible costs and the fact that the beneficiary is only an agricultural entrepreneur.
92. The Czech Republic should clarify whether also the general costs referred to in Art. 45 of Reg. (EU) No. 1305/2013 will also be eligible under the measure and what is the maximum allowed share of general costs as a % of total eligible expenditure.
93. Support under this measure can be granted to micro- and small enterprises and natural persons in rural areas, as well as to farmers or members of a farm household (within the meaning of Art. 19(3) of Regulation (EU) No. 1305/2013). The definition of the beneficiary in the RDP should be in compliance with the above. It is to be clarified whether the Czech definition of the 'agricultural entrepreneur' as a beneficiary complies with this article. It seems that according to the Czech definition an agricultural entrepreneur who intends to do business in agriculture is also eligible. A

natural/legal person which is not undertaking an agricultural activity at the time of submitting an application, cannot be treated as a farmer.

94. The Czech Republic should indicate how small and medium size holding will be treated as regards the principles for the setting up of selection criteria.
95. Clarification is required regarding the condition 'in case of processing or marketing the output of the process must be non-Annex I products, eventually in combination with Annex-I products.' Support under measure 6.4 is aimed at the non-agricultural investments. Therefore, the main product should always be a non-Annex I product. Annex I products are only accepted in insignificant amounts as output in the form of by-products. The Czech Republic should explain how this will be ensured taking into account classification of economic activities in eligibility conditions (section C processing industry).

PROMOTING AGRI-TOURISM

96. The Czech Republic should clarify whether also the general costs referred to in Art. 45 of Reg. (EU) No. 1305/2013 will also be eligible under the measure and what is the maximum allowed share of general costs as a % of the total eligible expenditure.
97. The Czech Republic is invited to consider including the element of "re-use of rural brownfields" as one of the selection criteria.

INVESTMENTS TO SUPPORT ENERGY PRODUCTION FROM RES

98. The Czech Republic should clarify whether also the general costs referred to in Art. 45 of Reg. (EU) No. 1305/2013 will be eligible under the measure and what is the maximum allowed share of general costs as a % of total eligible expenditure?
99. The reference to Art. 13 (c) of Commission Delegated Reg. (EU) No. 807/2014 should be included among the eligibility conditions.
100. It should be described how compliance with Article 13(e) of Commission Delegated Reg. (EU) No. 807/2014 has been achieved. How has the 20% limit (cereals, sugar and oil) been established?
101. Clarification is requested regarding the relevance of the third eligibility condition taking into account the nature of the sub-measure which concerns exclusively renewable energy investments.
102. The objective of the use of 30% of pigs' slurry should be justified.

MEASURE 8 - INVESTMENTS IN FOREST AREA DEVELOPMENT AND IMPROVEMENT OF THE VIABILITY OF FORESTS (ART 21-26)

103. Links to other legislation under each operation should be completed (example: reference to Article 45 of Reg. (EU) No. 1305/2013 for investment operations).
104. The Czech Republic should refer to the implementation of the EU Forest Strategy, international forestry commitments (e.g. FOREST EUROPE, LBA) and to the national forest strategy.
105. It should be explained if the forest management sketch is obligatory for all forest holders below 50 ha. Is this an equivalent instrument to the Forest management plan and is it in line with the MCPFE guidelines in this field? The Czech Republic should justify the 50 Ha threshold and ensure that it covers the majority of forest holdings receiving support.
106. The synergies between actions under at least Articles 14, 15, 34 and 35 of Reg. (EU) No. 1305/2013 should be described.

107. It should be indicated whether simplified costs will be used under any operation. It should be clarified which body made calculations in Annex III and whether they were certified by an independent institution.

SUB-MEASURE 8.1 - SUPPORT FOR AFFORESTATION/CREATION OF WOODLAND

108. The Czech Republic should add a reference regarding the fulfilment of all the minimum environmental requirements set up in Art.6 (a-d) of Commission Delegated Reg. (EU) No. 807/2014. Safeguards for non-forest high nature value areas should be provided to ensure that high biodiversity and stable ecosystems will not be negatively affected by an afforestation.
109. The RDP explains that the area available for afforestation will be set on the basis of Council Directives 92/43/EHS and 2009/147/ES. Will this area be exclusively available or does it mean only prioritisation of this area?
110. The eligible expenditures are investment cost and not an annual payment.

SUB-MEASURE 8.3 - SUPPORT FOR PREVENTION OF DAMAGE TO FORESTS FROM FOREST FIRES AND NATURAL DISASTERS AND CATASTROPHIC EVENTS

PREVENTION MEASURES IN FORESTS

111. As the measure should decrease the impact of flood damages more detailed justification of this operation is needed using the data about the occurrence of floods in the Czech Republic. Where possible, green infrastructure solutions (water retentions measures) should be prioritized and justification why nature water retention measures are not among the selected operations should be provided.
112. The eligibility conditions of obtaining a favourable opinion of the Ministry of Environment should also ensure compliance with the WFD objectives, in particular with Art. 11(3)(h) of the WFD.
113. It should be clarified whether all the beneficiaries listed as being eligible should provide information required under forest management plans or forest management guidelines. In the section "eligibility conditions" the reference is only to "forest companies".
114. It should be clarified whether all the beneficiaries listed as being eligible should provide information required under forest management plans or forest management guidelines. In the section "eligibility conditions" the reference is only to "forest companies".
115. The principle "required support rate and predominant forest category" under the selection criteria should be explained. How will this work in practice?

SUB-MEASURE 8.4 - SUPPORT FOR RESTORATION OF DAMAGE TO FORESTS FROM FOREST FIRES AND NATURAL DISASTERS AND CATASTROPHIC EVENTS

RESTORATION OF FORESTS AFTER NATURAL DISASTERS

116. The method for assessment of various damages (threshold 20%) in forest potential has to be explained in the programme. Which "independent institution" and under which procedure will be in charge of the recognition of the disaster?
117. The following cost is mentioned as eligible: "removal of forest stands damaged by the disasters if under 40 years for reconstruction". Does this condition mean that if a stand has been destroyed but the trees are younger than 40 years no support will be paid?

118. The Czech Republic should consider prioritizing species adapted to local conditions in order to contribute to the goal of the operation to subsequently prevent the damage in the future.
119. The costs on chemical preparation of the soil should be explained and justified. The Czech Republic could consider the inclusion of ameliorative species and reducing chemical input as a selection criterion, also taking into account the EU legislative rules on Integrated Pest Management regarding the promotion of low pesticide input pest management.
120. More information is requested regarding the principle of "required support rate and forest category" under selection criteria. How this will work in practice?

RESTORATION OF DAMAGES CAUSED BY FLOODS

121. This operation is about restoration of watercourses in the forest areas. The definition of forest areas (PUPFL) shall be provided. What procedure is used if the object of restoration lies partly in PUPFL and partly in the neighbour area?
122. The method for assessment of various damages in forest potential has to be explained in the programme.
123. Operation "Elimination of damage caused by floods" can fund flood protection activities such as stabilisation of river banks on small streams, the removal of flood sediments in watercourses and the streamlining of the bed of a watercourse. The required favourable opinion of the Ministry of Environment should take into account the WFD objectives in case they are the type of operation which requires rules/controls on proper implementation of WFD (Article 11(3)(h)). Soil erosion/landscape protection operations should be considered before considering the need for these measures - and they should only be carried out where they will not contribute to degradation in water status. The selection of operations and the inclusion of natural water retention measures under eligible costs should be considered.
124. More information is requested regarding the selection criteria principle of "required support rate and forest category". How will this work in practice?

SUB-MEASURE 8.5 - SUPPORT FOR INVESTMENTS IMPROVING THE RESILIENCE AND ENVIRONMENTAL VALUE OF FOREST ECOSYSTEMS

INVESTMENTS IN THE PROTECTION OF SOIL IMPROVING AND STABILISING TREE SPECIES

125. The final information in the section 8.2.5.3.5.11."Information specific to the operation" is repetitive (also under other operations) and should be indicated in the "description of the measure" (8.2.5.2.) instead.
126. The general description of the operation should indicate which tree species are going to be supported and how they will contribute to the protection of forest. It should be clarified which part of the cost is being financed and what exactly is covered.
127. How is the eligibility condition of 80% of live trees controlled and sanctioned during the project period?
128. More details should be provided and it should be made clearer that only one-off interventions (e.g. thinning or pruning, (under) planting of desired trees or cutting of unwanted ones and investments) can be eligible under this operation. These one-off actions could usually be implemented 1(-2) time(s) during the lifetime of the programme (7 years) or during the lifetime of the forest management plan which usually is 10 years.

129. More information is needed regarding the principle "required support rate" and "type of mechanical protection". How will they work in practice?

NON-PRODUCTIVE INVESTMENTS IN FORESTS

130. The non-productive investments proposed in forests are linked only to cultural and recreational activities. The Czech authorities are invited to consider if activities linked to biodiversity conservation status of species and habitats should not be included.
131. The criterion "forest with certain predominant function" should be explained.

SUB-MEASURE 8.6 - SUPPORT FOR INVESTMENTS IN FORESTRY TECHNOLOGIES AND IN PROCESSING, MOBILISING AND MARKETING OF FOREST PRODUCTS

EQUIPMENT AND TECHNOLOGIES FOR FORESTRY

132. The Czech Republic should describe how it will ensure that beneficiaries will provide appropriate information about the expected value of their forest area both prior to and after the supported investment and verify that the support is effective and actually increases the economic value of the forest areas where the investment takes place.
133. It should be ensured that the capacity of machinery for processing (first transformation of wood) equipment could fit to the "prior-industrial" level, e.g. mobile or fixed sawing or wood splitting machines but of small-scale. For this operation for example the capacity of "small-scale" fixed or mobile sawmills should be considered (using wood capacity in m³).
134. The Czech Republic should indicate how it will be verified that only environmentally-friendly (soil friendly, resource friendly) technology is an eligible investment and not standard machinery.

TECHNICAL EQUIPMENT OF WOODWORKING ESTABLISHMENTS

135. The Czech Republic should confirm that only the "prior to industrial scale" processing of wood machinery is eligible as referred to in Art. 26(3) of Reg. (EU) No. 1305/2013.
136. The Czech Republic should explain in the RDP how it will be ensured that the support will be effective and actually will increase the economic value of the forest areas where the investment takes place (Article 26(2) of Reg. (EU) No. 1305/2013).

MEASURE 10 - AGRI-ENVIRONMENT-CLIMATE (ART 28)

137. The Czech Republic should indicate at the level of each operation how and to which RD priorities/focus areas the operation contributes. It should also indicate whether the operation contributes to any secondary focus area and how. The tables from AECM guidance document (Annex III) should be used.
138. It should be explained how the measure contributes to achievement of Nitrates and Water Framework Directives. It should be clarified which operations contribute to priority 4B.
139. The beneficiary is defined as a user of agricultural land. The Czech Republic should specify whether only farmers or also "other land managers" can be eligible. It should also indicate whether the concept of "collective beneficiaries" is applied and describe the relevant internal national arrangements.
140. Commitments may not be described under the heading "relevant usual farming practices". Commitments have to go beyond usual farming practices (which should be described as well).

141. The RDP has to include an ex-ante assessment of verifiability and controllability (regardless of the fact that measures are the same as in the previous period – Art. 62(1) of Reg. (EU) No. 1305/2013). The table illustrating the relation between AEC commitments and the methods of their verification and control at the level of each operation shall be filled in. Details on how the commitments will be verified must be provided (the method e.g. on-the-spot check is not sufficient), as well as the actions envisaged for mitigating error risks in accordance with the 2007-2013 period experience.
142. The methodology of premia calculations shall be more elaborated under each operation (info in the Annex 4 is not sufficient).
143. The Czech Republic should describe in detail how double funding is to be avoided, and also what are the differences in commitments with actions funded under the 1st pillar. It should also describe how it is ensured that there is no double funding with EFAs obligations. In the case of using AECM as equivalent practices to greening the exact practices as defined in Annex IX of Reg. (EU) No. 1307/2013 must be used. The information in the Annex about applying the concept of equivalence from 2016 (measures 10.1.5, 10.1.7, 10.1.8, 10.1.9.) needs to be revised (compatibility with 1st pillar rules) and mentioned in the RDP. It should be noted that it is also necessary to notify officially the equivalence according to Article 10(2) of Reg. (EU) No. 641/2014 by 1st July 2015.
144. It should be confirmed in the general part that investment costs are not eligible. It should also indicate whether transaction and opportunity costs are part of the calculations (in that case specific provisions apply).
145. In the Annex 4 next to each source of information the date of the information should also be included.
146. It should be justified why for some measures differentiation was not applied (integrated F&V production).
147. There should be a confirmation that the independent expert institution also certified the calculations (including the certification of double funding exclusion – greening) – as required by Art. 62(2) of Reg. (EU) No. 1305/2013.
148. The differences between the possible extent of the measure and the expected extent of the measure should be explained under each operation. How has the quantification within indicators been established? The sum of expected areas (888.710 ha) does not correspond to the indicator (850.000 ha).
149. It should be explained in detail how double financing with organic farming is avoided under each sub-operation. A statement about different commitments under OF is not sufficient.
150. For combined commitments it should be explained whether these are complementary and compatible with each other and whether this has been taken into account in the calculations. Furthermore, it should be explained how the combination of Natura 2000 and AECM is taken into account due to their "conditional combination". Annex 11 needs further explanation (the text is not clear).
151. Except operation 1 (integrated fruit production) and 2 (integrated vine production) there is no specific link with advisory services. It should be considered whether advisory services are necessary under other operations in order to achieve a smooth implementation of the relevant commitments.
152. A Revision clause according to Art. 48 of Reg. (EU) No. 1305/2013 should be added due to necessary establishment and adjustment of the relevant mandatory standards, requirements or

obligations referred to in Article 28, 29, 33 and 34 beyond which the commitments have to go (part 8.1). The revision should also cover adjustments due to double funding.

153. The Czech Republic should identify at the level of each operation for all commitments the relevant baseline elements (GAECs, SMR, minimum requirements for fertilizers and pesticides, other national/regional requirements, minimum activities, relevant usual farming activities). The content of the base line should be explicitly mentioned (reference to legal provision is not sufficient).
154. The general principles of integrated pest management must be described in the programme since a number of operations are linked to plant protection product use. It is not sufficient to provide references to legal acts/documents where the relevant baseline elements are defined. A relevant table should be used and within each operation it should be described how the commitments go beyond the baseline.
155. Various levels of LU density are used within this measure as well as in organic farming and ANC. It is recommended to simplify the density and preferably use the same level across all the measures (note problems when combining the measures, control aspects). The level of LU density needs to be justified (including intended change in the future).

SUB-MEASURE 10.1 - PAYMENT FOR AGRI-ENVIRONMENT-CLIMATE COMMITMENTS

INTEGRATED FRUIT PRODUCTION

156. As only selected types of fruits will be targeted, the Czech Republic should indicate which types of fruits are eligible.
157. There should be a description of the common practices in respect of pruning and how the commitments go beyond them. The use of minimum density of trees/bushes should be justified. What is the added environmental value?
158. Investment costs are not eligible. It should be confirmed that the purchase of meteorological station and cost of mechanization are not investments costs, otherwise they must be excluded and the calculation should be adjusted.
159. One of the commitments is the exclusion of chemicals with certain substances. The RDP should indicate which substances are excluded and confirm that this commitment goes beyond the base line of minimum requirements for the use of plant protection products.
160. Concerning analyses of soil/fruits, it should be clarified who sets the maximum limits and what will be the sanctions if the results go above the limit.

INTEGRATED PRODUCTION IN VINE, BASIC AND ADDITIONAL SUPPORT

161. The Czech Republic should indicate the expected areas for basic aid and for additional aid. It should confirm that summer pruning is not a standard practice. It should specify which chemical substances are excluded from use and what the base line is, as well as what the standard practise for the number of applications is.
162. The Czech Republic should justify why the maximum number of applications of chemicals is set per year as well as per commitment (5 years). What is the environmental added value of minimum plant density?

INTEGRATED PRODUCTION IN VEGETABLES

163. A more detailed description of the commitments is needed in order to justify their relevance and the level of payments vis-a-vis the commitments. The need to cover the cost of more expensive fertilisers should be justified.
164. It should be described which types of vegetables are eligible. As the data from 3 vegetables (carrot, onion, cabbage), are used for the cost calculation it should be indicated what the proportion of these three vegetables on the total vegetables eligible (in terms of areas) is.
165. The description of the operation does not include an appropriate follow-up if the commitments are not respected (e.g. the level of elements in soil/vegetables). The controllability aspects should be mentioned.
166. It should be clarified which elements are going to be analysed once during the commitment. The consistency with the footnote (30) in Annex 4 (10.1.3) should be verified.
167. The Czech Republic should indicate which chemicals may not be used for the protection of vegetables, and what is the baseline and to which extent the commitments go beyond this baseline.
168. A justification is required on how the limits of maximum 170 N/ha will be controlled. When referring to an 'average' amount per area of the beneficiary, does it mean that the limit can be exceeded on certain parcels? How is this verifiable? What is the baseline/common practice in respect of N application, is the limit 170kg N/ha above the baseline? What are the limits of N fertilisers for specific types of vegetables?
169. Which elements will be analysed in vegetables and what will be the follow-up if the level is exceeded? It should be specified when soil analyses will be performed.
170. In case of all types of analyses, there should be an indication of the baseline (maximum levels required by the relevant legislation), maximum levels required within integrated production (including their justification), and what sanctions are to be imposed if these maximum levels are not respected.
171. The Czech Republic should describe what is the common practice regarding the use of certified seeds. If certified seed is not common in use, why should only a certain amount of seeds used be certified? The problem of verifiability and controllability of partial use should also be considered.

TREATMENT OF GRASSLAND

172. The definition of categories supported under each sub-operation and their estimate areas eligible (e.g. definition of specific types of meadows, areas with Corn crake-chrystal polni, Dusky Large Blue - modrasek etc.) should be provided.
173. The general eligibility condition defines a maximum application of 160 kg N/ha while in the commitments this level is decreased to zero or 55/75 kg/ha. This relatively high basic level of N as a general eligibility condition should be justified. The baseline in respect of N use should be explained.
174. One of the SEA recommendations (see 3.2.27, page 29) is to avoid a wide-area and time unified mowing. It should be explained how this has been taken into account (grass treatment) to ensure environmental/biodiversity benefits of unmown parts. The negative effect of double mowing per year on protection of habitats should also be considered.
175. Consistency regarding leaving non-mowed areas should be ensured – the RDP refers to parcels above 12 ha, while the Annex refers to parcels above 20 ha. The calculations in the Annex must be reviewed (sub-operations 1, 2, 3, 4, 5).

176. In some sub-operations (2, 3, 4, 5) the N input via grazing is not considered as an application of fertilisers. This does not seem to be compatible with the Nitrate Directive (Annex III(2)) and has to be explained.
177. Sub-operation 1 – extensive meadows: The different limits of N/ha application set for a parcel (95 kgN/ha) and for areas eligible (55 kgN/ha) should be explained. Further explanation is needed about the difference of LU density (1.5 LU/ha grassland, or 1.15 LU/ha agric. land). It should be explained how the local application (bodova aplikace) of herbicides is controlled (also operation 10).
178. Sub-operation 10 – rich pastures: The maximum LU density of 8.15 LU/ha/day should be justified. How will the daily LU density and minimum input of 10 kg of N/ha of parcels via grazing be controlled? Why is the minimum LU density different from 2017?
179. Sub-operation 2 includes compensation for specific mowing (119 CZK) while it is not in the cost calculation of operation 1 (but requested there).
180. Sub-operation 8: In the commitments all fertilisers are excluded while in the cost calculation (provided in the Annex 1) only the zero level of N is referred to. This should be explained. Crex crex nests are sensitive to mowing. The introduction of a maximum of one mowing at an appropriate date (and not only as minimum treatment) should be considered.
181. In some case there is not full compensation of income foregone/cost. There should be an explanation how the level of compensation has been established and how it is ensured that the objectives of each scheme are not jeopardised.
182. The Czech Republic should justify in detail the higher payment, other than the ceiling set out in Annex II of Reg. (eu) No. 1305/2013 (450 E/ha) for permanently wet meadows (sub-operation 6, 692 E/ha).
183. The control aspects of the commitments should be described: e.g. limited levels of N/ha, the obligation to ensure an input of N via grazing, no additional fodder for the animals used for grazing, non-application of fertilisers etc.

GRASSLAND ON ARABLE LAND

184. In some cases there is not a full compensation of income foregone/cost. There should be an explanation regarding how the level of compensation has been established, and how is it ensured that objectives of each scheme are not jeopardised.
185. It should be explained how the maximum level of N application 120 kg/ha before sowing of grass will be controlled.
186. The entry requirement of minimum width strip of 15 metres for sub-measure on grassland in the proximity of water body should be further justified.

BIO-STRIPS

187. It should be explained why the maintenance of 2-3 years is applied and what happens afterwards (establishment on other part of the farm?). It should be confirmed that only arable land sown with bio-strip is eligible.
188. It should be clarified if there is GAEC/EFA requirement on bio-strips and what the relationship is.
189. Further explanation is needed why higher aid (670 E/ha) is applied for fodder bio-strips than for nectar bio-strips (591 E/ha). Which additional costs are associated with this increase?

PROTECTION OF NORTHERN LAPWING (VANELLUS VANELLUS, ČEJKA CHOCHOLATÁ)

190. The commitments in the programme should be consistent with the Annex 4 of the RDP in respect of the period without operations on eligible land (Annex: period is from the beginning of the year till 15/5, commitment: 15/4-31/5).
191. It should be specified which type of crops must be sown in the period 1-30/6 and how they are to contribute to the protection of the bird. Is this compatible with the nesting period?
192. The Czech Republic should also consider how other more threatened bird species (Annex I of the Birds Directive) could benefit from the measure.

CONVERSION OF ARABLE LAND INTO GRASSLAND IN WATER FLOW-OFF AREAS

193. The limited extent of the measure should be explained, only 3.000 ha are delimited of which only 400 ha are expected to be claimed. It should be confirmed that only annual crops may be cultivated on the arable land in question before conversion.

MEASURE 11 - ORGANIC FARMING (ART 29)

194. Is any contribution to secondary focus areas (5e) expected?
195. The Czech Republic should add an assessment of verifiability and controllability (using the appropriate table) describing how each commitment is verified. The statement that it is an ongoing measure and that all risks were eliminated in the previous programming period is not sufficient.
196. The methodology of premia calculations in the RDP should be described in more detail. It is not sufficient to have all information in the Annex.
197. The consistency between estimated areas (472.000 ha) and the indicator (357.500 ha) should be explained.
198. The Czech Republic should indicate in the RDP which body has made all the calculations and that they were certified, including the exclusion of double funding in the calculations (greening), by an independent body.
199. The Czech Republic should clarify whether only the maintenance scheme is applied. In any case, information on conversion period (2-3 years) must also be included in the RDP. It must be ensured that lower financial allocation and exclusion of the conversion will not lead to return of organic producers to conventional farming. It should be explained why commitment of conversion is included among the eligible costs.
200. It should be described how the organic farming action plan was taken into account when designing the scheme.
201. The level of compensation of the cost fluctuates significantly among the crops (44%-100%) without any explanation. It should be explained in the RDP how the percentage has been established for each crop.
202. Better justification is needed for the application of the same aid for hops as for vine yards (Annex 5, 11.2.5.).
203. The Czech Republic should better describe the synergic effects between OF measures and other actions financed under Articles 14, 15, 17, 19, 23, 28 and 33 of Reg. (EU) No. 1305/2013.

SUB-MEASURE 11.2 - PAYMENT TO MAINTAIN ORGANIC FARMING PRACTICES AND METHODS

204. The expected areas of orchards, vine yards, hops, vegetables and herbs should be provided separately.
205. A reference to revision clause according to Article 48 of Reg. (EU) No. 1305/2013 should be provided.
206. The Czech Republic should further describe the elements taken into account in the calculations so as to ensure that the commitments of operations go beyond the baseline.
207. The additional commitments under the relevant operation should be moved from Annex 19 into the RDP and it should be explained how they are linked with the Regulation on organic farming.
208. The verifiability and controllability of commitments should be further described.
209. The Czech authorities should confirm that the farmer is eligible for the aid only in the year when commitment is carried out (e.g. the land is fallow) and only the respective area can receive the aid (e.g. the area under the fallow).
210. Seed grass 11.2.2.2. the Czech Republic should indicate how the actual production of seeds will be controlled, including the quantitative and qualitative limits or seed certification.
211. The action weed clearing by grass/fallow (11.2.2.) has to be further justified, including the base line above which commitments must go.
212. Orchards 11.2.3. – The concept of landscape orchards should be defined.
213. Vine 11.2.4. – Is pruning part of the cost calculation? It should be confirmed that it is not common practice. It should also be explained what the "removal of leaf area" mentioned in the calculation means.
214. Organic Farming payments (grassland, arable land, vegetables and herbs) can be combined with AECM, LFA and Natura 2000 (see Annex 11). The Czech Republic should indicate how the risk of overcompensation is excluded in the premia calculation.

MEASURE 12 - NATURA 2000 AND WATER FRAMEWORK DIRECTIVE PAYMENTS (ART 30)

SUB-MEASURE 12.1 - COMPENSATION PAYMENT FOR NATURA 2000 AGRICULTURAL AREAS

215. The commitment of 'no application of fertilisers' is limited to only the area of Zone 1 of the national park (NP, CHKO) and adjacent areas. In total only 5.500 ha are supported which is very limited compared to the total Natura 2000 area of 1.5 million hectares in the Czech Republic). This restriction and the exclusion of forest land should be justified. How is the management of agricultural land in other Natura 2000 areas than in the 1st zone of NP/CHKO ensured?
216. The Czech Republic should further describe the consistency of Natura 2000 measure with the objectives of Priority Action Framework (PAF) and management plans. What is provided in the management plans in respect of fertilisers' application?
217. Further description is needed about the verifiability and controllability of commitments via on the spot checks, in particular as regards non-application of fertilisers.
218. The Czech Republic should describe in details what is the baseline for the farmers concerned and the sources and dates of the calculation provided in Annex 6. It should also explain how the total public cost (4 157 400 EUR) in the indicator table has been calculated.
219. The Czech Republic should clarify whether grassland or agricultural land is eligible.

220. The RDP should clearly indicate which body has made the calculations, that the calculations were certified by an independent body and that this certification also covers non-double funding aspects (greening).
221. It should be explained how the areas of stepping stones (1.100 ha) were established. It should be confirmed that they are directly connected (adjacent to) with the area of Natura 2000 within Zone 1 of the national park.

MEASURE 13 - PAYMENTS TO AREAS FACING NATURAL OR OTHER SPECIFIC CONSTRAINTS (ART 31)

222. The Czech Republic should explain the statement in all 3 sub-measures that "in the case of farming systems (FADN) the payment will be differentiated based on those farming systems". What are these systems? It should be noted that any differentiation according to the type of production is not acceptable.
223. The Czech Republic should explain how each commitment will be verified and controlled. The reference to the future national implementing rules is not sufficient.
224. The calculation of the loss for LFA-O must be added in annex 7. It should be justified under each operation how the reduced level of the compensation has been established.
225. The complete existing delimitation (map, municipalities) should be annexed to the RDP (Article 32(5)(a) of Reg. (EU) No. 1305/2013). It should be confirmed that the same delimitation used in the previous programming period will apply.
226. The Czech Republic should provide the data about the impact of degressivity per each operation and each level of payment in terms of area affected as well as in financial terms (impact with and without degressivity). The starting level of 1.000 ha seems to be very high taking into account the size of Czech beneficiaries. A detailed justification and evidence for used thresholds must be provided. Does the Czech Republic intend to apply the degressivity at the level of the members of the legal persons or groups according to Article 31(4)?
227. The definition of agricultural area according to the Article 2(f) of Reg. (EU) No. 1305/2013 instead of UAA should be used.
228. The RDP should clearly indicate which body has made the calculations, that the calculations were certified by an independent body and this certification also covers non-double funding aspects (greening).
229. Further details are needed on how the level of minimum LU density has been established and what its objective is. Why is the minimum LU density increased from 2017? What is the average stocking density in the area concerned? Is there obligation of grazing of these animals? How is this controlled and sanctioned? The Czech Republic should be aware that only grassland may be used for the purpose of minimum LU density and that its level should be significantly below the average level in the delimited area.
230. The Commission reserves its position concerning the new delimitation to be applied by the Czech Republic from 2018 calendar year as it will be subject of RDP modification. This delimitation has to be approved by a new Commission decision.

SUB-MEASURE 13.1 - COMPENSATION PAYMENT IN MOUNTAIN AREAS (H)

231. The level of payment should also be expressed in EUR/ha (not only % of an average payment).

232. The Czech Republic should explain how the change of the culture (agricultural land instead of grassland in the previous programming period) was reflected in the calculations of the aid.

SUB-MEASURE 13.2 - COMPENSATION PAYMENT FOR OTHER AREAS FACING SIGNIFICANT NATURAL CONSTRAINTS (O)

233. The substantial difference between possible areas (1.048.000 ha) and expected areas (310.000 ha) should be explained.

SUB-MEASURE 13.3 - COMPENSATION PAYMENT TO OTHER AREAS AFFECTED BY SPECIFIC CONSTRAINTS (S)

234. Compliance with the 10% criteria (Art. 32(4)) should be explained and confirmed. Cross compliance requirement should be added into eligibility conditions.
235. It should be justified how the level of aid has been established, why is 52% of the maximum level calculated in Annex 7? How has the "average" rate been calculated?
236. In the sections 8.2.9.3.3.11 and 8.2.9.6 it is mentioned that for the areas LFA-S which will not be eligible for the payment following the new delimitation, the procedure according to Article 31(5) of Reg. (EU) No. 1305/2013 will be used. This is not possible since this Article does not apply to the areas according to Article 32(1)(c) – LFA-S. Farmers previously eligible in the area with specific constraints are not concerned by the new delimitation required by Article 32(3).
237. The Czech Republic should explain how the change of the culture (agricultural land instead of grassland in the previous programming period) was reflected in the calculations of the aid.

MEASURE 14 - ANIMAL WELFARE (ART 33)

238. Annex II of the RDP (LU conversion coefficients) contains several different categories and different coefficients than Annex II of Commission Implementing Reg. (EU) No. 808/2014. Rates can only be increased based on scientific evidence and other categories may be added only exceptionally. It must be duly justified and explained in the RDP. The difference in terminology between "big" LU (commonly used in the Czech text) and LU according to EU legislation should also be explained. If possible, the terminology used should be the same.
239. A contribution to the 3 cross-cutting objectives should be added.
240. The assessment of verifiability and controllability of each operation is missing. The Czech Republic should which data and how the farmer will record the data in order to verify each commitment. The verification and control of the commitments must be described under each operation.
241. The Czech Republic should describe in detail how the calculation of the contribution for cattle welfare (34.6 Million EUR) and pig welfare (32 Million EUR) has been done. The significant difference between the amounts allocated for the welfare of pigs - 32 Million EUR - and the real calculation (using maximum numbers of LU) – 20.1 mio EUR, needs to be explained
242. How has the total public support (66.666.667 EUR) in the indicator table been calculated?
243. The differences between the possible and expected extent of the measure should be explained under each operation.
244. It should be stated who made the calculations and whether they were certified by an independent body.

245. A reference to the revision clause according to Article 48 of Reg. (EU) No. 1305/2013 should be provided.
246. The Czech Republic should confirm in each operation whether transaction costs are also covered and if it is the case, express their percentage of the aid paid (max. 20%).
247. It should be ensured that under each sub-measure the baseline is clearly defined. The commitments have to go beyond both EU and national mandatory standards and requirements. In the absence of legislative standards/requirements in one of the areas defined in Article 10 of the Commission Delegated Regulation (EU) No 807/2014, the current farming practise may be considered as baseline requirement. However, it must be proven that the commitments provide upgraded standards of production methods and result in additional costs/income forgone. Therefore for common practice further details should be provided to illustrate that common practice really exists (e.g. studies available, overview about housing/treatment etc.) and how the commitments go above this base line.

14.1.1 – Increased resting area – dairy cows

248. The calculations must be explained. It is not obvious how the level of the aid 2.178 CZK/LU and 653 CZK/LU was obtained and the level of compensation 33% established.

14.1.2 – Improvement of stable environment

249. The Czech Republic should explain what are the baselines in respect of number of chemical/biological operations against ecto-parasites and in respect of the use of bedding materials
250. It should be described what the chemical method of treatment of ecto-parasites (e.g. type of chemicals, form of application etc.) and biological method are. Is the combination of chemical and biological methods excluded?
251. Further information is needed on verifiability and controllability. How will the Ph level/use of relevant limestone dosage be checked?
252. How was the level of compensation 36% established? One rate of aid would be more appropriate in order to simplify the measure.

14.1.3 – Outdoor access for grazing – dairy cows

253. The baseline, e.g. what % (number) of dairy cows is without outdoor access should be specified in detail. It may be a common practice in the case the outdoor access is available.
254. Further information is needed on the content of commitments and their verifiability and controllability. What will be the length of the period of outdoor access (50 days?)? When and how will it be controlled? What is the relationship of the period in respect of calving?
255. The minimum area of outdoor access 2m²/LU used in the calculation should be justified and added into commitments.

14.1.4 – Improved treatment of winter site

256. The base-line is not clearly defined. Point 12 of Annex is an obligatory standard under Directive 98/58 of 20 July 1998: "Animals not kept in buildings shall where necessary and possible be given protection from adverse weather conditions, predators and risks to their health". The operation proposed does not go above this baseline to justify the payment.

257. The commitments are not sufficiently described. Is the obligation for a farmer to build a winter site? How should the access of animals be reinforced? The number of eligible animals per site is missing etc. The control aspects should be described.
258. The level of aid is paid as 39% of calculated cost without any explanation.

14.1.5. – Welfare improvement – gilt and sows

259. It should be described how and when the commitments will be controlled including the obligations to keep relevant records.

14.1.6. – Increased area for piglets

260. The calculation of cost is not clear. The compensation for cost of disinfection should be further justified. While the cost indicated of disinfection is 1.345 CZK/LU/100 days, the disinfection cost under 14.2.5 (Annex 8) is only 166 CZK/LU/100 days.

14.1.7 – Areas without floor grids for piglets

261. Further justification is needed on how the actions proposed go above the baseline of Annex I(3) of Directive 2008/120. The measure seems to be rather standard care provision.
262. The Czech Republic is required to justify in detail how the 9% of the total cost relating to cleaning of the floor area was established. Was standard cleaning (of slatted area) deducted? In the description of the operation it is admitted that 10% of floor area can also be ensured by simple removal of grids (no use of special coverage). It is in conflict with the commitments and with the calculations.
263. In the section 8.2.10.5. it should be stated that investment cost of coverage is excluded (the information in the Annex is not sufficient).

MEASURE 15 - FOREST ENVIRONMENTAL AND CLIMATE SERVICES AND FOREST CONSERVATION (ART 34)

264. The legal framework should provide a reference to the Art. 8 of Commission Delegated Reg. (EU) No. 807/2014.
265. The Czech Republic should include the link with the objectives of the national nature legislation and Natura 2000, as well as references to forest management plans, EU or national/regional Biodiversity strategy and other nature protection relevant documents.
266. Will there be a primary or secondary contribution to FA 5e? The contribution to the 3 cross-cutting objectives (only to the relevant ones) should be better explained.
267. The differences in values of target indicators should be explained. The target indicator for focus area 4A is set to 3.000 ha while M15 (Forest envi-climate services) cover only 300 ha, and the forest areas under 15.1 cover 33.000 ha. The Czech Republic should justify or correct the target indicator for focus area 4A (3.000 ha)" as it only covers 0,11 % of the total Czech forest area.
268. The Czech Republic should also include the sources and dates for the figures used for calculation; the reference to Annex IX is missing in both operations.
269. It needs to be indicated which body made calculations and that they were certified by an independent body (Art. 62(2) of Reg. (EU) No. 1305/2013) and confirmed that double funding is excluded.

270. The Czech Republic should explain the synergies with Articles 14, 15, 21 and 35 of Reg. (EU) No. 1305/2013. A reference to the revision clause according to Article 48 of Reg. (EU) No. 1305/2013 should be provided.

SUB-MEASURE 15.1 - PAYMENT FOR FOREST -ENVIRONMENTAL AND CLIMATE COMMITMENTS

271. The description should be more detailed regarding the type of operations to be supported.
272. The target of areas covered by forest environment contracts under measure 15.1 (300 ha) only cover less than 1% of the mentioned maximum possible forest area (39.000 ha). The consistency of this low target with the need identified for this sub-measure should be further, including in the PAF justified. The difference between output indicator in the table 8.2.11.2 (33.000 ha) and maximum extent of the operation in 8.2.11.3.1.1. (39.000 ha) should also be explained.
273. In case of use of flat-rate and standard costs, Article 67 of the Regulation (EU) No. 1303/2013 has to be respected. The RDP should also indicate the types and amount of the transaction costs and the payment methods.
274. Which are the species eligible for the aid (as being defined as "low economic use")?
275. The Czech Republic should indicate whether the forest management sketch is obligatory for all forest holders below 50 ha, and justify this threshold. Further clarification is also needed on whether this instrument is an equivalent to the Forest Management Plan, whether it is in line with the MCPFE guidelines in this field and how it covers the majority of forest holdings receiving support.
276. The main elements of the baseline and the planned interventions going beyond these levels should be included (tabular format).
277. It should be justified why there is no need for the differentiation of premia.

SUB-MEASURE 15.2 - SUPPORT FOR THE CONSERVATION AND PROMOTION OF FOREST GENETIC RESOURCES

278. In the description of the type of operations it has to be clearly stated that the actions eligible are different from those supported under Art.34 (1-3) of Regulation (EU) No. 1305/2013. The main elements of the baseline and the planned interventions going beyond these levels should be included (tabular format).
279. The Czech Republic should describe which species are going to be considered as eligible for the aid. Was the aspect of extinction of the species taken into account?
280. The Czech Republic should clearly indicate the objectives of the measure and which commitments go beyond the baseline, as well as the planned actions on the basis of Article 8 of the Commission Delegated Reg. (EU) No. 807/2014 ("targeted/concerted/accompanying").
281. The verifiability and controllability section should analyse the risks of double funding with relevant support on propagation materials and with notified state aid on protection and reproduction of forestry "genofond" (Zásady – reprodukce genofondu lesních dřevin na období 2014-2018).
282. The support under this measure should be linked with the activities supported under Art. 8(2) (a) of Reg. (EU) No. 1305/2013. The support under this sub-measure is not necessarily an area payment (as the maximum amount of payment under Article 34(3) of the Reg. (EU) No. 1305/2013 does not apply to the activities defined under Article 34(4) genetic resources). Therefore, the provided calculation of payment based on the additional costs and income foregone should be replaced with

one taking into account the purpose and costs for establishing and conservation genetic resources. The eligible costs can result from an investment, flat rate payment or standard costs for maintenance.

MEASURE 16 - CO-OPERATION (ART 35)

283. A definition of the innovation should be avoided in the RDP as the innovative nature of an operation cannot be identified ex-ante by an administrative act. Innovation or an innovative character of an operation shall not become an eligibility condition. All actions which are targeted towards innovation are eligible. The objective of targeting innovation can be reflected in the principles underlying the choice of selection criteria., When the RDP is implemented, the Monitoring Committee must ensure that this principle is translated into precise operational criteria which allow objective and transparent evaluation of aid applications received.
284. The information mentioned under the chapter 8.2.12.7. should be moved under relevant sub-measures.
285. The definitions for short supply chains and local markets should be deleted under each sub-measure if not relevant.
286. The ex-ante assessment of verifiability and controllability is not sufficiently detailed. Control aspects of the measures are missing in all sub-measures.

SUB-MEASURE 16.1 - SUPPORT FOR THE ESTABLISHMENT AND OPERATION OF OPERATIONAL GROUPS OF THE EIP FOR AGRICULTURAL PRODUCTIVITY AND SUSTAINABILITY

287. The Czech Republic should clarify how the combination of 'establishment' and 'operations' of operational groups (OG) will be made in an effective way and without provoking audit problems later on and whether a separate (first) call purely to support setting-up the OG will be organised.
288. The references to an 'action plan' and operational groups being composed of 'representatives' of sectors seem not in line with the EIP OG concept (see Art. 57(1)(a) and (b) or Regulation (EU) No. 1305/2013). Clarify the nature of activities the operational groups would tackle and how innovative ideas will be captured and funnelled into activities to be developed by the operational groups to be set up.
289. The Czech Republic should clarify if cost linked to setting up of operation groups, service costs of an innovation broker and costs linked to dissemination of results will be financed through Art. 35 of Regulation (EU) No. 1305/2013 and, if relevant, include them among the eligible costs.
290. The Czech Republic should clarify why the eligible costs refer only to direct 'investment' costs and how the direct costs of the projects will be financed. Will only investments be financed?
291. It should be explained how the technical assistance will be used for innovation brokering. Art. 35(5) of Reg. (EU) No. 1305/2013 can be used to cover the costs of an innovation broker helping the OG to set up and operate. Technical assistance can be used to pay for the set-up/service of the broker to look for possible OG.
292. The Czech Republic should clarify which arrangements are taken to incentivise advisors to take part in OG since they add value to the measure by broadening its impact on practitioners.
293. Principles to the selection criteria should be further clarified.

SUB-MEASURE 16.2 - SUPPORT FOR PILOT PROJECTS, AND FOR THE DEVELOPMENT OF NEW PRODUCTS, PRACTICES, PROCESSES AND TECHNOLOGIES

294. The Czech Republic should explain how in the case of individual actors support for stand-alone research is avoided. In the section 'beneficiary' it should be clarified whether that support may also be granted to individual actors as referred to in Art. 35(3) of Reg. (EU) No. 1305/2013. It should be clearly mentioned that results of the projects must be disseminated where carried out by individual actors (pursuant to Art. 35(4) of Reg. (EU) No. 1305/2013).
295. The pertinence of the use of "brand new" technology under the selection criteria needs to be verified in respect of its verifiability and controllability.
296. The measure should indicate the precise rate of public support. Mentioning "up to 50%" is not acceptable. The Czech Republic should justify the limitation to 50%.
297. It should be specified that where the project costs "fit" under another measure, the maximum aid intensities/amounts of the other measures will be respected.

SUB-MEASURE 16.3 - (OTHER) CO-OPERATION AMONG SMALLS OPERATORS IN ORGANISING JOINT WORK PROCESSES AND SHARING FACILITIES AND RESOURCES, AND FOR DEVELOPING/MARKETING TOURISM

298. The section 'beneficiary' should refer to at least two entities to be involved in co-operation that contributes to achieving the objectives and priorities of rural development policy.
299. The principles for establishing selection criteria should be further clarified, in particular what "prior cooperation" means in the principle "Benefitting projects with more entities which have already cooperated prior to submitting the common project".
300. In the description of the operation the investment actions need better explanation.

SUB-MEASURE 16.4 - SUPPORT FOR HORIZONTAL AND VERTICAL CO-OPERATION AMONG SUPPLY CHAIN ACTORS FOR THE ESTABLISHMENT AND DEVELOPMENT OF SHORT SUPPLY CHAINS AND LOCAL MARKETS, AND FOR PROMOTION ACTIVITIES IN A LOCAL CONTEXT RELATING TO THE DEVELOPMENT OF SHORT SUPPLY CHAINS AND LOCAL MARKETS

301. The section 'beneficiary' should refer to at least two entities to be involved in co-operation that contributes to achieving the objectives and priorities of rural development policy.
302. The eligibility conditions should include the references to supporting establishment and development of short supply chains and local markets. The Czech Republic should define "local market" in terms of maximum radius in kilometres from the farm of origin of any given product within which the activities of processing and sale to the final consumer must take place.
303. The principles for establishing selection criteria should be further clarified, in particular what "prior cooperation" means in the principle "Benefitting projects with more entities which have already cooperated prior to submitting the common project".

SUB-MEASURE 16.6 - SUPPORT FOR COOPERATION AMONG SUPPLY CHAIN ACTORS FOR SUSTAINABLE PROVISION OF BIOMASS FOR USE IN FOOD AND ENERGY PRODUCTION AND INDUSTRIAL PROCESSES

304. The eligibility conditions should ensure that support is offered only to projects for the sustainable provision of biomass.
305. It should be described in more detail which investment actions will be supported. It should be noted that the purpose of the measure is not to influence the production but rather help to organise the supply of biomass.

306. What investment actions are going to be supported in respect of "biologically degradable waste – composting plant"? How does this fit in the context of the measure as a "provision of biomass for use in food and energy production"?
307. The section 'beneficiary' should refer to at least two entities that are to be involved in co-operation that contributes to achieving the objectives and priorities of rural development policy.

MEASURE 19 - SUPPORT FOR LEADER LOCAL DEVELOPMENT (CLLD – COMMUNITY-LED LOCAL DEVELOPMENT) (ART 35 REGULATION (EU) NO 1303/2013)

308. The measure description should be streamlined avoiding unnecessary repetitions of passages of the same text (e.g. task of LAGs, coordination with other rural development measures, etc.).
309. One of the recommendations of the ex-ante evaluators is to introduce advance payments for running costs and animation. The recommendation was not accepted by the MA with the justification that running cost will be financed by the ERDF. Does this mean that running and animation costs are planned to be financed by ERDF for each local development strategy regardless the types of operations covered by the strategy (for example strategies covering only operations available under EAFRD)? Please clarify this point. Are advances planned under the ERDF?
310. The current RDP does not plan to implement preparatory support which is one of the compulsory elements of support under CLLD. This aspect should be reviewed.
311. The Czech Republic should detail the expected added value of LEADER in terms of innovation, compared to the other standard measures. Which projects will be considered as innovative, thus worth supporting via LEADER?
312. The verifiability and controllability of the measures should be described in more detail, in particular how any conflict of interest is avoided, and how will it be ensured that the LAGs selected have strategies and implementation plans of the highest standards, and that LDS contain measurable targets and revision procedures.
313. Further description is needed on the coordination mechanisms foreseen and complementarities expected with operations supported under other rural development measures, especially investments in non-agricultural activities and business start-up aid (Art. 19) and cooperation approaches under Art. 35 of Reg. (EU) No. 1305/2013.
314. The respective tasks of the managing authority, the Paying Agency and the LAGs should be clarified, in particular as regards "announcing calls for submission of projects under CLLD strategies", the financial circuits and delegation of additional tasks as provided in Art. 42 (1) of Reg. (EU) No. 1305/2013.
315. The criteria for budget allocation to LAGs should be further detailed. Different criteria can be taken into account provided that they are well grounded and compatible with the role LEADER is expected to play. The scope of strategy might be one of them.
316. A clear description of the co-ordination mechanisms to ensure synergies and complementarities with other operation supported under other EAFRD measures and national schemes for all the operations funded through LEADER and the other ESIF, in line with the information currently available in the PA is needed.

SUB-MEASURE 19.2 - SUPPORT FOR IMPLEMENTATION OF OPERATIONS UNDER THE COMMUNITY-LED LOCAL DEVELOPMENT STRATEGY

317. The Czech Republic authorities propose to limit the scope under LEADER to the actions foreseen in the standard measures of the RDP. However, LEADER should reflect a genuine bottom-up approach and past experience has clearly shown that pre-defined, rigid approaches are less successful. This limitation unnecessarily limits the scope of activities that can be implemented under a local development strategy and hinders its integrated and bottom up features. Thus, the Managing Authority should clearly describe the mechanism of complementarity and clarify in the Leader measure description that strategies can be submitted for all RD measures and will be financed either from EAFRD or other ESI Funds, depending on the measures concerned.
318. Further description is needed of the added value of LEADER in comparison to "standard operations" in top – down approach, of the specific eligibility conditions and the flexibility in the scope of support, as well as the principles with regard to the setting of selection criteria in the local development strategies.
319. The Czech Republic should make a link to the relevant legislation on the eligible costs (Art. 65 – 71 of Reg. (EU) No. 1303/2013) and Art. 45 of Reg. (EU) No. 1305/2013 and other relevant Articles, and clarify if the simplified cost option or financial instruments are foreseen.
320. The eligible costs should include eligible investment costs according to the Art. 45 of Reg. (EU) No. 1305/2013 and any operation should be in line with general rules of this Regulation, priorities for CLLD/LEADER and the LDS.
321. It needs to be noted that projects can also be carried out outside the LAG area provided that the benefit of the project accrues to the LAG area (e.g. marketing local products in a town close-by).

SUB-MEASURE 19.3 - PREPARATION AND IMPLEMENTATION OF COOPERATION ACTIVITIES OF THE LOCAL ACTION

322. A clear separation between support for preparation and support for cooperation projects should be made. The use of the technical preparatory support is obligatory. It should be explained what a cooperation project should be and/or should aim at, and there should be detail on the nature and scope of foreseen operations, the needs and objectives of the cooperation and the related type of expenditure.
323. It needs to be ensured that a list of eligible costs for co-operation activities not directly selected by LAGs will be made public at the latest two years after the date of approval of the RDP as required by Art.44 (3) of Reg. (EU) No. 1305/2013, in case the projects are not selected by LAGs.
324. LAGs are indicated as beneficiaries. It should be considered whether, in addition to LAGs, other local actors could also be potential beneficiaries under this sub-measure. While many cooperation projects are carried out by the LAGs themselves, in other cases the LAG may consider another organization better suited to lead or take part in a particular cooperation project.
325. More detail regarding the selection procedure of cooperation projects should be provided.

EVALUATION PLAN (SECTION 9 OF RDP)

326. The Czech Republic should further detail the action taken to ensure that the appropriate management system will be operational in due time.

FINANCING PLAN (SECTION 10 OF RDP)

327. The Measures 01 and 02 (training and advisory services) seem to be very significantly under-financed. The Czech Republic should describe how the objectives sought by these measures will be achieved with a very limited financing in comparison with previous programming period (6.4 Million

EUR vers 34 Million EUR in the 2007-2013 period). In addition, the Czech Republic should explain how the training of advisors will be financed since the measure 2.3 was not selected.

328. The Commission reserves its position concerning the compatibility between financial plan of section 10.1 of RDP and the Annex I of Reg. 1305/2013. The date of entry into force of the amendment of Annex I of Reg. 1305/2013 (transfer between pillars) shall precede the date of adoption of the RDP by the Commission.

INDICATOR PLAN (SECTION 11 OF RDP)

329. The specific table concerning the detailed calculation of the targets of priorities of Articles 5(4) and 5(5)(d) and (e) of Regulation (EU) No 1305/2013 should be added. In general the consistency of all target indicators with the measures must be verified.
330. There are no target and output indicators for the additional FA 2C+, which causes inconsistencies compared to the financial plan.
331. The Czech Republic should explain the quantification of the target indicator no. 22 for FA6B 'population benefiting from improved services' or eliminate it as the M07 is not programmed.

ADDITIONAL NATIONAL FINANCING (SECTION 12 OF RDP)

332. Table 12 should list measures falling within the scope of Article 42 TFEU, while table 13 should list measures falling outside that Article. Only measures meeting both criteria, i.e. falling within and outside Article 42 of the TFEU should be listed in both tables.

ELEMENTS NEEDED FOR STATE AID ASSESSMENT (SECTION 13 OF RDP)

333. The Commission services draw the attention of the Czech Republic to the fact that the Decision approving the Rural Development Programme is without prejudice to the Commission's position regarding compliance of any operation, falling within the scope of Article 81 of Regulation (EU) No. 1305/2013, supported under that programme with the procedural and substantive State aid rules applicable at the time when the support is granted. This includes compliance with the incentive effect requirement of the applicable State aid rules.
334. The granting of State aid falling within the scope of Article 107(1) TFEU, granted under aid schemes or in individual cases, requires prior approval by the Commission under Article 108(3) TFEU, except where the aid is exempted under an exemption regulation adopted by the Commission under Council Regulation (EC) No 994/98 of 7 May 1998 on the application of Articles 92 and 93 to certain categories of horizontal aid and its amendments or under Commission Decision of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest or granted as general de minimis aid. The Czech Republic has the responsibility to introduce the adequate State aid clearance references in the State aid table of the Rural Development Programme by way of a programme modification request to be submitted as soon as those references are known.
335. The Czech Republic should ensure correct legal references in chapter 13 as following: Measure M04 - Investments in physical assets: the correct legal basis for forestry measures shall be Article 40 of the Commission Regulation (EU) No 702/2014 (hereinafter referred to as "ABER"). Measure M15 - Forest environmental and climate services and forest conservation: if ABER is used, the correct the legal basis shall be Articles 37 and 42. Measure M16 - Co-operation – it should be noted that the ABER does not contain any legal basis for exemption of aid for co-operation under this measure. Therefore, the reference to ABER as a potential legal basis for the exemption should be corrected.

INFORMATION ON COMPLEMENTARITY (SECTION 14 OF RDP)

336. The Czech Republic should ensure consistency among the Annex 14 of the RDP 'complementarities and synergies between the RDP and other operational programmes' and chapter 2.1 of the Partnership Agreement. For example, regarding the coordination mechanisms in place in the area of research, development and innovation Council for ESIF mentioned in the PA is not included.
337. More information is requested regarding the focus of the activities within the SME's support under OP EIC and OP Fisheries described in the Annex 14.
338. The Czech Republic should explain in detail how the implementation of the complementary mechanisms will be followed-up and reported.
339. In Chapter 14 complementarities and synergies with other CAP instruments should be further elaborated and describe how the relevant mechanisms will be followed up and reported. In particular, the link to the practices to be notified under Article 43 of Direct Payments Regulation (Reg. (EU) No. 1307/2013) is missing. Complementarity, including the practical implementation of measures Article 28, 29 and 30 of the Reg. (EU) No. 1305/2013 with the agricultural practices beneficial for the climate and the environment as well as equivalent practices (greening) and measures in wine and fruit & vegetables sector under the first pillar should be clearly described.
340. The methodology for calculation of payment in order to ensure exclusion of double-funding should be clarified further. The Czech Republic should clarify how the aid granted under Reg. (EU) No. 1307/2013, and in particular the notifications under Article 43(8) of the same Regulation, are taken into account. A description of complementarities with Pillar I measures should be added, especially in wine and fruit & vegetables sector, where a possible risk of double-funding can occur.

PROGRAMME IMPLEMENTING ARRANGEMENTS (SECTION 15 OF RDP)

341. The Czech Republic should explain how the issue of a balanced composition of the Monitoring Committee has been taken into account (e.g. has the membership of the National Roma Contact Point been considered). It should be indicates if any joint Monitoring Committee with other ESIF is envisaged.
342. The Czech Republic should describe the actions aimed to simplification and reduction of the administrative burden as indicated under section 2 of the PA, and explain how the simplifications will be monitored, assessed and continuously improved in a timely manner.
343. The Czech Republic should describe the procurement system applicable under the technical assistance measure, ensuring transparency in the contracts and reasonableness of costs.
344. In order to comply with the general principles of sound financial management of EU Funds, Technical Assistance expenditure should be based on SMART operational objectives (Art 30, Financial Regulation (EU) No. 966/2012), following an appropriate needs assessment. The outputs should be monitored and evaluated, based on performance indicators. The operations should be subject to administrative and on-the-spot checks carried out by a functionally independent entity from the one authorising the payment (Art. 62 of Regulation (EU) No. 809/2014). The Czech Republic is invited to describe the actions envisaged to ensure the respect of these provisions.

ACTIONS TAKEN TO INVOLVE PARTNERS (SECTION 16 OF RDP)

345. The Czech Republic should indicate from which date a complete draft was made available for public consultation. Deadlines to provide comments in the different working groups should be added including the description how easy access to the information has been ensured.

346. The information about concrete follow-up decisions as a result of public consultation and their justification during the whole consultation process is missing.
347. It should include into the description in which phases the stakeholders were involved into the preparation of programme, as regards:
- (a) the analysis and identification of needs;
 - (b) the definition or selection of priorities and related specific objectives;
 - (c) the allocation of funding;
 - (d) the definition of programmes' specific indicators;
 - (e) the implementation of the horizontal principles as defined in Articles 7 and 8 of Regulation (EU) No 1303/2013;
 - (f) the composition of the monitoring committee.

NATIONAL RURAL NETWORK (SECTION 17 OF RDP)

348. The activities of the working programme to be undertaken by the NRN (listed in Art. 54 of Reg. (EU) No. 1305/2013) should preferably be mentioned under section 17.1.3. and not necessarily under section 17.1.4.

EX ANTE ASSESSMENT OF VERIFIABILITY, CONTROLLABILITY AND ERROR RISK (SECTION 18 OF RDP)

349. The Czech Republic should provide a statement by the Managing Authority and the Paying Agency on the verifiability and controllability of the measures supported under the RDP confirming that findings from audit reports and error rate causes have been taken into account.
350. The Czech Republic should consider filing the Table II provided for in the guidance fiche on verifiability and controllability of the measures. It is suggested to establish a clear link (e.g. table format) between the audit findings (DG AGRI/ECA) and the mitigating actions proposed in the RDP, for a better understanding the overall approach towards the error rate in the RDP 2014 – 2020.
351. Reference should be made to any major cross-cutting (i.e. concerning more than one measure) errors and/or audit findings from the 2007-2013 period (e.g. in relation to public procurement) and lessons learnt that could have an impact on the implementation of new measures, and how they have been addressed in the mitigating actions. A reference to the error rate should be added to the existing action plan.
352. There should be a clear statement that the bodies that certified the calculations are functionally independent from the authorities responsible for the programme. The list of the institutions should be included in the programme.

TRANSITIONAL ARRANGEMENTS (SECTION 19 OF RDP)

353. All carry-over measures and corresponding new measures to be financed from the 2014-2020 budget should be listed, whether decided under Article 1(1) of Regulation (EU) No.1310/2013 or on the basis of Regulation (EC) No.1698/2005 (to be paid in accordance of Article 3 of Regulation (EU) No. 1310/2013 or Article 16 of the Reg. (EU) No. 807/2014). Information must be transparent (indication of the old codes, justification of the indicative amounts carried over, the cut-off dates for all measures). For AECM and forestry environment measures the text should also refer to the both revision clauses under Article 46 of Reg. (EC) No. 1974/2006 and that commitments will be revised

accordingly in 2015. The text should also confirm that the new co-financing rates will be used and that operations are clearly identified in the management and control systems.

OTHERS

- 354. The RDP should include an updated version of the CC requirements (GAECs, SMR, - Annex I) as applied from 2015 as well as decisions related to minimum activities according to Article 4(2) or Reg. (EU) No. 1307/2013.
- 355. Annex 21 (list of abbreviations) needs to be completed.