



EU Funds Glossary for the 2021-2027 programming period

The EU Funds Glossary contains basic terms that appear in the set of all SNF methodological documents. Some of the terms refer to articles of Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy. For the purposes of clarity, the abbreviation CPR for 'common provisions regulation' is used in the text.

3E

3E is a principle of sound financial management, covering the principles of economy, efficiency and effectiveness. Economy, efficiency and effectiveness are defined by Act No 320/2001 Coll., on financial control. The terms effectiveness, efficiency and economy are often complemented with utility and sustainability. In context, the 3E rule means: making the most economical use of financial resources to achieve the best possible results that contribute to the set goals².

Absorption capacity

Absorption capacity expresses the extent to which the programme or its entities (especially potential applicants) are able to duly use the funding provided from EU funds.

Payment administration

Payment administration means the process of approving a request for payment, starting with the beneficiary's submission of a simplified request for payment, its verification by the managing authority/ intermediate body, including the possible return of the request for payment to the beneficiary for completion, the issuance of a full request for payment on the F1 form by the project manager/ finance manager, including the generation of related payment details, the payment approval and reimbursement to the beneficiary. In the case of administration of requests for payment issued by State organisational units and in some cases also by State contributory organizations, no payment is made.

Administration of an aggregate request for payment

Administration of an aggregate request for payment means the process where a managing authority generates a request addressed to the Paying Authority, containing individual pre-financed⁴ and authorized requests for payment, and forwards it to the Paying Authority for reimbursement.

Administrative capacity

¹ Blíže Metodický pokyn CHJ č. 3 – Metodika veřejného nakupování.

² For more see Methodological Guideline No 3 of the Central Harmonisation Unit – Methodology of public purchasing.

³ Netýká se programu Interreg Česko-Polsko.

⁴ This does not apply to the Czech Republic-Poland Interreg programme.



In general, the ability to implement programmes paid from European funds in accordance with the relevant rules and processes of the European Union. The main part of administrative capacity is human resources, i.e. employees of the implementation structure, who carry out programme management, announcement of calls, project administration, appraisal, selection, verification and other processes. Administrative capacity is also linked to the optimal structure of human resources, the appropriate education and competences of employees, the selection, remuneration and care of employees, etc. An important area is also the setting of administrative processes that are necessary for the implementation of European funds and that are subject to any of the EU regulations. This includes issues such as public procurement, prevention and detection of fraud, corruption and conflict of interest, the method of setting the substantive goals of various policies or support for beneficiaries.

Administrative verification

Administrative verification is a form of desk based check carried out in the inspector's office⁷. The course of administrative verification is not regulated by the Inspection Code, and the cooperation of the checked person is not required. Administrative verifications are recorded⁸.

Anti-Fraud Co-ordination Structure (AFCOS)

AFCOS (Anti-Fraud Co-ordination Structure) is a network of entities in a Member State, created to fight fraud and to cooperate with OLAF.

Aggregation

Aggregation means the summation of indicator values achieved at the various hierarchical levels of implementation. The most common case is horizontal aggregation – i.e. aggregation of indicator values achieved for individual operations to the lowest level of the programme (specific objective, or measure if the programme uses such hierarchical level). Horizontal aggregation is followed by vertical aggregation along the programme line, i.e. aggregation to a higher level - specific objective, priority, programme, PA up to the level of the Union. Indicators whose values cannot be added up, or are obtained as one time action from statistics, cannot be aggregated. In such cases, so-called specific aggregation tags are set for this purpose in MS2021+, which take these properties into account.

Aggregation map of the programme indicator system

The aggregation map represents an overall overview of the programme's indicator system, which is a summary of all the programme's indicators at all its levels. All indicators of the programme must be

⁵ Nejedná se o kontrolu operace dle obecného nařízení.

⁶ § 3 odst. 2 kontrolního řádu.

⁷ This is not an operation verification pursuant to CPR.

⁸ Section 3 paragraph 2 of the Inspection Code.

⁹ Východí úroveň programu, na které musí být nastaveny věcné cíle v podobě indikátorů, představují jednotlivé specifické cíle programu. V případě, že je na úrovni programu využívána nižší hierarchická úroveň (opatření), platí to i pro tuto úroveň. Pro potřeby monitorování a vyhodnocování musí být pro každou nejnižší úroveň programu (specifický cíl / opatření) indikátory definovány v rozpadu za jednotlivé kategorie regionů - a to jak indikátory výstupu, tak výsledku a případně kontextu, pokud je program využívá.



linked to a specific objective and the related structure of the programme¹⁰. If it is appropriate, one indicator can be used to measure the progress of implementation under several specific objectives (priorities) according to the intervention logic of the programme. The MA is responsible for keeping the aggregation map of its programme up-to-date.

Action Plan of the Regional Development Strategy of the Czech Republic

The Regional Development Strategy Action Plan is a tool for implementing the Regional Development Strategy and is prepared on a two-year basis.

Leverage effect

For financial instruments, it is the amount of reimbursable financing provided to final recipients divided by the amount of the contribution from the Funds. In the 2014-2020 programming period, this term was translated also as the activation of extrabudgetary resources. Leverage effect is an established concept.

Current CZK/EUR exchange rate according to the Czech National Bank

The current CZK/EUR exchange rate according to the Czech National Bank (CNB) means the daily exchange rate announced by the CNB and used by it to convert payments between CZK and EUR, transferred on a given day.

Current CZK/EUR exchange rate according to the European Central Bank (or Commission's monthly exchange rate)

The current CZK/EUR exchange rate according to the European Central Bank (ECB), or the European Commission's monthly exchange rate, means the exchange rate announced by the ECB, which is assigned to the individual requests for payment contained in the aggregate request according to the month in which the Paying Authority registered the record of accounting cases for the aggregate request. This exchange rate is used to convert the payment requests contained in the aggregate request from CZK to EUR.

Allocation

The allocation, i.e. the volume of financial resources earmarked for a Member State, goal, programme or a part thereof, year, or call for proposals, can be viewed in two ways. In the first of them, allocation means the volume of funding from EU funds and national co-financing sources (this meaning is used especially in calls for proposals). In the second case, the term allocation refers only to the volume of financial resources from EU funds (here, the allocation amount is used, for example, as a basis for calculating the n+3 target).

¹⁰ The basic level of the programme, at which substantive goals in the form of indicators must be set, is represented by the specific objectives of the programme. If a lower hierarchical level (measure) is used in the programme, this also applies to that level. For the purposes of monitoring and evaluation, indicators must be defined for the lowest level of the programme (specific objective/measure) in a breakdown by category of region. This applies to both output and result indicators, and also context indicators, if the programme uses them.



Allocation for the individual years of implementation (or allocation for year n)

Allocation for the individual years of implementation, or allocation for year n, means the volume of funding from EU funds allocated to a programme and a year of implementation, or year n.

Cost Benefit Analysis (CBA)

The cost-benefit analysis defines socio-economic effects of the planned project. In a simplified way, it shows what the project brings to whom and what needs to be spent on its implementation. The analysis defines the group of all direct and indirect stakeholders of the project. The analysis enumerates not only all financial costs and revenues but also major estimable indirect positive and negative consequences of the project. This allows for consideration of interventions which are not profit-making and financially rewarding but show a non-financial, e.g. social, benefit.

Attribute

An attribute is a characteristic or a collection of significant properties attached to an entity in an information system (it is defined, the value of a parameter).

Audit Authority

The Audit Authority is the authority responsible for ensuring audits in order to verify the effective functioning of the management and control systems of programmes, and for carrying out activities pursuant to Article 77 CPR.

Operation authorization

Operation authorization means the process of checking a defined set of project data in MS2021+. It is carried out by switching the project to the central status "Project with a legal act on grant award/transfer", if the project meets the conditions for being transferred to that status. The transition of the project to this status will be conditioned by a check of a selected set of data, after the authorization of the operation, a print report will be available.

Payment authorization

Payment authorization means the process of checking a defined set of data on a payment. It can be performed only after the operation authorization. Payment authorization is made by approving the relevant request for payment - status: Approved, level 2.

Asylum, Migration and Integration Fund (AMIF)

The Asylum, Migration and Integration Fund is an EU fund whose aim is to contribute to the effective management of migration flows and to the implementation, strengthening and development of the common asylum policy and the common immigration policy in accordance with the relevant acquis of the Union and in full compliance with the international obligations of the Union and the Member States arising from international instruments to which they are parties.

Current (nominal) prices



Current (nominal) prices are prices as they actually appear at a given moment in time. They include the effects of inflation and usually contrast with fixed prices.

Total allocation for the 2021-2027 programming period

The total allocation for the 2021-2027 programming period means the amount of funds allocated to a sub-programme level for the entire programming period.

Total expenditure

Total expenditure represent all expenses for the implementation of a given operation, i.e. not only total eligible expenditure but also ineligible expenditure covered by public and/or private resources of the beneficiary.

Central status

Central status means the status defined and used in monitoring the progress of the implementation of the Partnership Agreement and programmes and the implementation of individual operations at the central level.

Policy objectives

Policy objectives are the visions of the European Commission (the Commission) and the principles of the substantive focus of EU funds support for the 2021-2027 programming period.

According to Article 5 CPR, the ERDF, ESF+, CF and EMFAF support the following 5 policy objectives:

- a more competitive and smarter Europe by promoting innovative and smart economic transformation and regional interconnection of ICT;
- a greener, low-carbon transition to a carbon-neutral economy and a resilient Europe by promoting a just clean energy transition, green and blue investments, a circular economy, climate change mitigation and adaptation, risk prevention and management, and sustainable urban mobility;
- a more connected Europe through increased mobility;
- a more social and inclusive Europe through implementation of the European pillar of social rights;
- a Europe closer to citizens by promoting the sustainable and integrated development of all types of territories and local initiatives.

The JTF supports the specific objective of enabling regions and people to address the social, economic, environmental and employment impacts of the transition aimed at achieving the Union's 2030 energy and climate target and the transition to a climate-neutral Union economy by in 2050 based on the Paris Agreement.

Target group

Target group means a group of entities or persons at which the programme/project activity is aimed and which benefits from the activity during its implementation, including the period of sustainability



(e.g. participants in retraining courses, tourists, ethnic minorities, entrepreneurs, disabled persons, single-parent families, municipalities, etc.).

Time phases of payment administration in MS2021+

The payment administration process needs to be managed and monitored. This is done using defined payment statuses that make it possible to monitor the progress of payment administration over time.

Data item

A data item displays or expresses the value of one of the attributes.

End date for accepting aid applications

The end date for accepting aid applications is the last date on which aid applications can be submitted.

Start date of a call

The start date of a call means the date on which the call and the related documentation for the call are published in MS2021+ and on the website of the programme or the managing authority. Calls are announced by the managing authority of the programme.

Start date for accepting aid applications

The start date for accepting aid applications is the first date on which aid applications can be submitted.

Date of establishing access to the aid application in the monitoring system

The date of making the aid application accessible in the monitoring system and enabling applicants to fill it out in full.

Payment detail

A payment detail is a data area recorded in a separate form, which is linked to the F1 form (request for payment form) and which provides more detailed information about a payment made - including, for example, the amount for the given funding source, the nature of the expenditure, accounting and budget characteristics, etc. Selected kinds and types of payment details are transferred to the VIOLA Information System.

Sustainability period of the financial instrument ("pay-back phase")

The sustainability period of the financial instrument, or the pay-back phase, means the eligibility period + 8 years following its end (i.e. until 31 December 2037). It is a period in which funds are paid back into the financial instrument (FI). The funds returned to the FI during the eligibility period and the 8 years after its end are subject to specific sustainability rules pursuant to Article 62 CPR. Funds returned to the FI and paid out to final recipients during the pay-back phase, i.e. funds after the first turnover, are no longer reported as eligible expenditure.



Contractor

A contractor is a natural person or legal entity supplying goods, providing services or implementing construction works.

Financing agreement

A financing agreement means a contract specifying the conditions for contributions from a programme to a financial instrument. This contract regulates the relations between the managing authority and the financial instrument manager, or the manager of the holding fund, if it is involved in the implementation arrangement. If a holding fund is involved, the contract also regulates the relations between the holding fund manager and the financial intermediary or intermediaries.

Partnership Agreement (PA)

The Partnership Agreement (PA) is a strategic document governing the negotiations on the design of programmes under the ERDF, ESF+, Cohesion Fund, JTF and EMFAF between the Commission and the Member State concerned. It is prepared according to Chapter I CPR.

Complementary call

A complementary call is a call under one of the programmes that shares a complementarity with another programme(s). The complementary call is coordinated with the complementary call(s) under the other programmes with which the complementarity/complementarities are shared. The managing authorities mutually coordinate the preparation and opening of the complementary calls. The managing authority informs applicants about the complementarity in the schedule of calls and in the content of the call. For the purposes of setting the call specifications, links to other programmes are defined at the specific objective level.

Complementarity

Complementarities or complementary links are functionally interconnected and complementary interventions and links of such interventions that require mutual coordination or where such coordination is effective in terms of impact on the recipients/society or, for example, increase in the absorption capacity.

Subsidy

Subsidy means funds from the state budget, state financial assets or the National Fund, provided to legal entities or natural persons for a specified purpose and under the conditions set out in the Grant Award Decision issued by the granting authority to the beneficiary of the subsidy pursuant to Act No 218/2000 Coll., on budgetary rules and amending the related laws, as well as funds provided from the budget of a territorial self-governing unit, a municipal district of the City of Prague or a union of municipalities to a legal entity or natural person for a specified purpose and under the conditions specified in a public law contract on the provision of a subsidy concluded between the subsidy provider and recipient pursuant to Act No 250/2000 Coll., on budgetary rules of territorial budgets. It is a non-repayable form of aid.



Payment detail kind

The payment detail kinds are designed to enable a clear separation of payments to the beneficiary from the managing authority and payments made as a refund of state budget funds. The following types of payment are distinguished:

- EU pre-financing - a separate payment detail record/form indicates the pre-financing of the Union Contribution by the state budget of the Czech Republic.
- National resources standard - a separate payment detail record/form used only for national resources (this mode is also used to record the applicant's own resources which will be distinguished by an "own resource" tag).
- Refund of EU pre-financing - a separate payment record/form that records a refund payment to the state budget from the Union Contribution.

Subsidy Registration System/Administration of state-owned property (EDS/SMVS in Czech)

EDS/SMVS are modules of the budget system for the administration of national investment subsidies and repayable financial assistance provided from the state budget (the EDS part) or for administration of expenses on the acquisition or technical upgrade of assets owned by the state (the SMVS part). The budget system is administered by the Ministry of Finance.

Entity

An entity is any object (phenomenon, event) that is significant for some reason in a defined system, and which is designated by a suitable name.

Evaluation

Evaluation is one of the ways to support a decision-making process with concrete knowledge. It is a systematic activity that helps in decision making. Evaluation seeks to:

- bring useful ideas for improving interventions,
- eliminate or minimize implementation failures,
- increase the effectiveness of the interventions carried out.

Evaluation is a process based on thorough collection of primary and secondary data and their professional evaluation with the aim of obtaining a reliable basis for strategic management. Evaluation means the processing of information obtained from monitoring and outside it, the interpretation of information and the formulation of conclusions and recommendations to improve implementation. Evaluation requires prior monitoring, definition of a clear purpose of the evaluation and relevant arrangements for providing feedback. Evaluation contributes to economical management of public funding. Evaluations in the area of EU funds evaluate aspects such as strategic, policy, programme and project setting, their intervention logic, implementation and its effects and many other things. Mandatory evaluation criteria for the 2021-2027 programming period are effectiveness, efficiency, relevance, coherence and EU added value.



Evaluations can be divided in terms of purpose (formative and summative), phase of the programme/project (Ex-ante, Ongoing, Mid-term, Final, Ex-post), nature (strategic, operative/process, thematic, impact/result-oriented), etc.

European Regional Development Fund (ERDF)

The resources of the European Regional Development Fund are intended for investments in production leading to the creation of new jobs and for investments in transport, educational, social and health infrastructure. It supports the development of local potential (local development and the development of small and medium-sized enterprises in problem regions), research and development and environmental investments.

European Maritime, Fisheries and Aquaculture Fund (EMFAF)

The European Maritime, Fisheries and Aquaculture Fund contributes to the implementation of the Union's common fisheries policy and maritime policy. It pursues priorities such as the promotion of sustainable fisheries and the restoration and conservation of aquatic biological resources and the promotion of sustainable aquaculture activities, the processing and marketing of fishery and aquaculture products, thereby contributing to food security in the Union.

European Social Fund Plus (ESF+)

The European Social Fund Plus is used to support development projects in the areas of employment and human resources (for example, retraining, social integration, education, etc.) It achieves its goals, among other things, by strengthening the social programmes of the EU Member States, supporting projects helping at-risk population groups (young unemployed, disabled), supporting equal opportunities on the labour market and supporting the improvement of labour mobility within the EU.

European Anti-Fraud Office (OLAF)

The European Anti-Fraud Office is the authority to protect the financial and economic interests of the EU, as well as the authority that effectively fights against organized crime, fraud and all other illegal activities attacking the budget of the European Union.

E-government

E-government represents the use of information and communications technologies in public administration, combined with organizational changes and new skills to improve service delivery, develop democratic processes and strengthen support for public policies.

Payment detail phase

The payment detail phase represents a data area that records the right to payment (request) and the payment made (reality) in each payment detail. These are not separate payment details, but within one payment detail, the amount and date of the request and the amount and date of the reality will be distinguished.

Phased projects



See Operations subject to phased implementation.

Fiche

The term fiche is generally used at the Commission level for methodological and interpretive documents regarding the implementation of the cohesion policy.

Final status

The final status is the last positive status in a sequence or any negative status that ends the administration of a given operation.

Financing not linked to costs

Financing not linked to costs is one of the forms of providing support in addition to the forms of reimbursement of expenses actually incurred, reimbursement based on unit costs, lump sums and flat-rate financing. It is an operation financing model without a link to costs, in which payments are based on fulfilling conditions (implementation steps) or on achieving results, regardless of the actual expenses incurred in achieving them.

Financial analysis

Financial analysis means an analysis carried out from the point of view of the project operator, which makes it possible to verify and ensure the cash balance (verify financial sustainability), as well as to calculate indicators of the financial return of the project based on net discounted financial flows, which relate exclusively to the economic unit that will implement the project.

Financial target

The financial target means the amount of funds to be achieved (spent) based on the n+3 rule at the programme level.

Financial institution

A financial institution is usually a legal entity which, as its main or major activity, carries out one of the banking activities, i.e. commercial banks and public banks (in addition to the European Investment Bank and the European Investment Fund, also the National Development Bank), or licensed asset managers (investment company, investment fund).

Financial control

Financial control within EU funds is part of the financial management system that ensures the management of public funds. The main objectives of financial control include, in particular, verifying regulatory compliance, checking the protection of public funds against risks, irregularities or other deficiencies, and verifying the economical, efficient and effective use of public funds.



Financial correction according to Article 103 CPR

Financial correction means the cancellation of all or part of the support from EU funds for an operation or programme in connection with detected irregularities of an individual or systemic nature in the expenditure reported to the European Commission. The amount of the financial correction will take into account the nature and severity of irregularities of an individual or systemic nature and the resulting financial loss.

Financial instruments

Financial instruments use funding from EU funds in a repayable manner. They represent a structure through which financial products are provided to final recipients. Most often, they take the form of credits, loans or guarantees, equity or quasi-equity investments, or other risk-sharing instruments. Where appropriate, financial instruments may be combined with subsidies.

Financing plan

The financing plan means a summary of information on the overall allocation for the period of implementation of the Partnership Agreement and programmes, or for the period of implementation of the individual operations. In addition to the overall allocation, the financing plan divides the allocation into sub-periods of the given period, breaks it down by funding source and expenditure eligibility and, in the case of operations, also shows the expected payment request dates during this period.

Financing plan of the Partnership Agreement/ programmes

The financing plan of the Partnership Agreement/ programmes means a summary of information about the total allocation for the 2021-2027 programming period, allocations for individual years of implementation, or annual commitments, and also about the amounts for flexibility purposes in the case of the 2026 and 2027 allocations, which will be allocated depending on the evaluation in the middle of the programming period (not relevant for EMFAF and ETC). It is drawn up for the Partnership Agreement, programmes and lower programme levels.

Integrated strategy financing plan

The integrated strategy financing plan means the financing plan of the integrated territorial investment (ITI)/ community-led local development (CLLD) territorial strategy. It is designed above the level of the programmes from which the implementation of the strategy is financed. The financing plan may contain the expected financial volume of expenditure that will not be financed from EU funds.

Project financing plan

The project financing plan is a mandatory data area of the aid application. It can be entered automatically in the aid application (if the financing plan template is filled in) or manually by the applicant. For ex ante type payments, the financing plan includes both the expected amount of the advance required and the expected amount of the actual statement of account (expenditure). In



In addition to the requested amounts, the applicant also states in the financing plan the expected dates of requiring the advance payment and of submitting the statement of account.

Financial product

A financial product means the way/form in which support is provided to final recipients from a financial instrument. Financial products can be divided into three main groups: credits (and loans), guarantees and capital inputs (capital or quasi-capital investments).

Financial management

Financial management is a tool for efficient absorption of the allocation in line with EU and Czech regulations. The main goal of financial management is achieving the financial target based on the n+3 rule and contributing to the financial and substantive objectives at the level of the PA and the National Reform Programme (NRP). Financial management must be seen as part of the programme management as a whole and with a close link to the management of other processes and areas of programme implementation, e.g. management of progress towards substantive objectives, management of administrative capacity and human resource development, risk management, etc.

Financial unit

Financial unit means the unit(s) within a chapter of the state budget (SB), a State organizational unit or a state fund, which makes payments to beneficiaries from the SB, or a state fund, corresponding to the share of national co-financing and the share intended for the pre-financing of expenditure to be later covered by the EU budget. In the case of the Czech Republic-Poland Interreg programme, it is the unit of the manager of the Ministry of Regional Development (MoRD) budget chapter, which makes payments to beneficiaries from the SB corresponding to the share of national co-financing and payments from the EU budget released by the Paying Authority to an account with the disposition authorisation of the MoRD financial unit.

Financial intermediary

In the case of financial instruments, the financial intermediary means the entity to which the beneficiary entrusted a part of the implementation of the financial instrument through a holding fund on the basis of a concluded financing agreement. Financial intermediaries are selected through open, transparent, proportionate and non-discriminatory procedures avoiding conflicts of interest.

The official Czech translation of the 2021-2027 CPR uses the term body implementing a financial instrument carrying out tasks of a specific fund, where the holding fund manager uses the specific fund to provide financial products to the final recipients. For the sake of clarity at the national level, we recommend using the established term financial intermediary, and that only for managers of a specific fund in the structure of a holding fund.

Turnover

Turnover refers to the ratio of the number of employees (or their working times) who leave the organization (if the employment relationship ends, either by agreement, resignation, immediate

cancellation or cancellation during the trial period), relative to the total number of employees or the number of full-time equivalents (FTE) over a certain period in a given body of the implementation structure. The value is expressed as a percentage.

EU funds

EU funds intended to co-finance programmes included under the Partnership Agreement: European Regional Development Fund, Cohesion Fund, European Social Fund Plus, European Maritime, Fisheries and Aquaculture Fund and the Just Transition Fund.

EU Funds in a broader sense can also include funds in the field of internal affairs, which are the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy. With the exception of publicity, those funds are not reflected in the SNF.

Small project fund

A small project fund is an instrument (operation) for supporting low-budget small projects of an investment and non-investment nature in a programme co-financed under the European Territorial Cooperation objective. A small project fund has its own strategy and allocation and, through the implementation of small projects, contributes to the substantive and financial goals of the programme.

Just Transition Fund (JTF)

The Just Transition Fund supports the economic diversification and transformation of the affected territories. In the Czech Republic, this applies to the Karlovy Vary, Moravian-Silesian and Ústí nad Labem Regions. It provides targeted support, especially for coal regions, to mitigate the socio-economic impacts of the transformation (coal mining phase-out, transformation of the economy, etc.).

Internal Security Fund (ISF)

The Internal Security Fund is an EU fund which aims to contribute to ensuring a high level of security in the EU, in particular by preventing and combating terrorism and radicalisation, serious and organized crime and cybercrime, by providing assistance and protection to victims of crime, as well as by preparing for events, risks and crises related to security, protection against them and their effective management and handling.

Cohesion Fund (CF)

Cohesion Fund is an EU fund, intended to support the policy of economic, social and territorial cohesion of the European Union, specifically to co-finance projects investments in the environment, including areas related to sustainable development and energy which present environmental benefits, and in the area of the trans-European network as part of transport infrastructure, in accordance with the guidelines adopted in Decision of the European Parliament and of the Council No 661/2010/EU of 7 July 2010 on Union guidelines for the development of the trans-European transport network and in the field of technical assistance.



Full time equivalent (FTE)

FTE (full time equivalent) are the hours worked, converted to a full-time job, related to a given period. 1.0 FTE is equal to the work of an employee who is 100% dedicated to a given activity in a full-time job for 1 year.

Functional hinterland of a town (city hinterland)

The functional hinterland of a town is understood as the catchment area of the town, defined on the basis of functional links.

General Financial Directorate (GFD)

The General Financial Directorate is a financial administration body established by Act No 456/2011 Coll., on the financial administration of the Czech Republic with nationwide scope, subordinate to the Ministry of Finance. In the area of EU funds, it mainly carries out tasks according to Act No 218/2000 Coll., on budgetary rules and amending some related laws, namely in the matter of remission of levies for breach of budgetary discipline and keeping a central register of subsidies.

Responsible body/ supervisor

The body responsible for an activity.

Schedule of calls

The schedule of calls means a publicly available continuously updated (at least three times a year) list of calls that a managing authority intends to announce. The schedule of calls contains basic information about the focus/nature of the calls.

Hierarchy of the Partnership Agreement and programmes

The hierarchy of the Partnership Agreement and programmes is represented by the structure of the implementation of EU funds in the Czech Republic. It consists of a programme line and strategic line and their levels.

Project appraisal

Project appraisal is part of the project approval process, which includes an assessment of the formal requirements and acceptability of the aid application, and may also include a substantive appraisal of the content of the aid application and a final verification of eligibility.

Holding fund (HF)

A holding fund means a fund established on the basis of the powers of the managing authority under one or more programmes for the purpose of implementing one or more specific funds. The term 'holding fund' corresponds to the term 'fund of funds' used in the 2014-2020 programming period.

Horizontal principles



Horizontal principles are the key principles of the economic, social and territorial cohesion policy for achieving sustainable and balanced development of regions supported by EU funds in the 2021-2027 programming period.

The main horizontal principles are: promotion of equal opportunities and non-discrimination based on gender, race, ethnic origin, religion, world view, disability, age or sexual orientation), promotion of gender equality and sustainable development (i.e. achieving a balance between economic, social and environmental areas).

None of the supported projects may be in conflict with the above horizontal principles. The managing authority assesses compliance with horizontal principles in projects and informs about the results at the programme monitoring committee meetings or on other appropriate occasions connected with the communication of the issue to the public or other bodies of the implementation structure, including the Commission.

Optimal drawing threshold (ODT)

The optimal drawing threshold is an ideal amount of funding to be spent at a specific point of financial absorption at a certain point in time in order to meet the n+3 target for the given year. ODT is determined by the MoRD-NCA on the basis of an expert estimate, the implementation system and experience from previous programming periods. The ODTs are advisory.

Payment detail identifier

The payment detail identifier captures the key stages of the payment lifecycle at the level of detail required for effective financial monitoring. It is tied to the payment detail form. In MS2021+, the history of identifiers will be tracked on the payment detail.

Incident

An incident is an event with an impact on a service.

Stability index

The stability index is a supplementary value to the turnover rate. The stability index helps to determine what percentage of jobs (employees) is affected by turnover and what share of jobs (employees) remains stable. The value is expressed as a percentage.

Indicator system

The indicator system represents a comprehensive system of all programme indicators, which defines relevant and interconnected indicators for all hierarchical levels of the programme, with linkage to the Partnership Agreement and the common European level.

Indicator

An indicator bears concrete information about the substantive achievement against a plan / measurement of the goal, progress, or achieved effects of the implementation of EU funds. In the EU



fund context, indicators represent concrete tools for programming a strategy, measuring the state of its implementation, and for evaluation. (Note: the term 'indicator' in the EU fund context has the same meaning as the Czech term 'ukazatel'.) Indicators must be defined in such a way that they can be used for quality evaluation of the outputs and results of interventions. Each indicator must be accurately defined - it consists of a code, name, clear definition, unit of measurement including a description of the measurement method, source of data, and the baseline, target and currently achieved values.

Typology of indicators based on how they are used:

Contextual (statistical) indicators are suitable for monitoring the state or trend of the national or regional situation, not the current state of the substantive implementation of the programme. From the point of view of implementation management, they are not suitable for use as indicators of the performance framework as the development of their values is influenced by factors other than the implementation of the given intervention (for these indicators, the net effect of the interventions cannot be evaluated). Appropriately chosen contextual indicators make it possible to define and retrospectively evaluate a strategy as to the conceptual setting of the intervention logic of the programme.

Result indicators established at the level of the programme (specific objectives/ measures), as well as of the operations, make it possible to demonstrate the effects of interventions, or illustrate the change / benefits of the programme / Partnership Agreement. Thanks to the ability to measure the results of interventions, they are an important basis for managing the programme throughout its implementation. The selection of appropriate result indicators will enable an overall understanding of the proposed intervention logic (theory of change) and subsequently assess the achievement against the set objectives. It is necessary to regularly analyse their achieved values - due to the influence of external factors, the originally set targets may be achieved in a different way during the programming period.

Output indicators provide information about specific final outputs of individual operations. Output indicators must be monitored from the project level and must be linked to result indicators which illustrate a specific change achieved thanks to the implemented measures and activities. In a programme, the output indicators are primarily taken from the list of common indicators defined by the Commission. In some cases, these may not adequately reflect the programme's activities and it is necessary to identify programme-specific output indicators.

Typology of indicators based on whether they are part of the programming document:

Core indicators represent the indicators contained in the programming document of a programme. They form the so-called performance framework of the programme. The indicators of a programme's performance framework are directly subject to approval by the Commission and are used for the evaluation of interventions at the various levels of the programme and are regularly reported to the Commission as required by the CPR (Article 42, Annex VII).

The performance framework of a programme represents one of the main elements that is discussed with the Commission during the entire programming period to assess the progress and developments of the implementation of the given programme.



Internal indicators are not part of the programming document and are not subject to approval by the Commission. These indicators are also part of NCI 2021+ and the aggregation map of the relevant programme and serve the internal needs of the programme, or they may be auxiliary indicators supplementing data aggregation.

Typology of indicators based on their link to the common European level:

Common output and result indicators are set by the Commission in fund-specific regulations for the purpose of aggregating information in a Member State and across all EU Member States. Common indicators reflect the intervention areas of each of the funds.

Programme-specific output and result indicators are set at the national level (specifically for each EU Member State) in order to enable monitoring and evaluation of the achievement against the individually set programme objectives beyond the framework of the common indicators.

Indicator values:

- *A milestone* represents an intermediate value to be achieved by the end of 2024 and is binding for the output indicators of the programme's performance framework. Milestone values are mandatorily set in the programming documentation where required by the Commission following the common legislation¹².
- *The target* is a value to be achieved by the eligibility end date of the 2021-2027 programming period - the end of 2029. It is binding for the output and result indicators of the programme's performance framework.
- *Target value*

The value (plan) of the programme indicator determined by the managing authority as the state to be achieved with the help of interventions. If the indicator is part of the programming document, it is the target state to which the programme commits vis-à-vis the European Commission. The programmes have target values set for all indicators. The target value is set in relation to the total allocation.

At the level of operations, the target value is defined as an indicator plan that the aid applicant undertook to achieve vis-à-vis the granting authority, including the date by which this value is to be achieved. At the level of the financial instruments/holding fund (FI/HF), the FI/HF manager enters as the target value the one that corresponds to the moment of reporting expenditure from all deposits into the FI/HF. The target value no longer reflects the funding returned to the FI/HF and its subsequent reuse.

- *Achieved value*

The value of the achievement against the indicator (during or after the completion of the programme / operation). The achieved value is a cumulative figure from the beginning of the implementation of the programme / operation, with the exception of indicators where the monitoring of values is set, for

¹¹ S výjimkou specifických cílů programu týkajících se implementace technické pomoci a specifického cíle dle čl. 4(1)(m) nařízení ESF+, pro které se mílníky nestanovují dle čl. 16(2) obecného nařízení

¹² With the exception of the specific objectives of the programme, related to the implementation of technical assistance and the specific objective according to Art. 4(1)(m) of the ESF+ Regulation, for which milestones are not set pursuant to Art. 16(2) CPR.



example, annually, and the values cannot be added up. For achieved values, the dates of their increases are also monitored.

- *Baseline value*

The indicator value measured before the start of the programme/operation implementation.

- *Commitment*

Aggregation (sum) of the target values of the indicator to which the beneficiaries have committed themselves in their legal acts for a selected level of the programme.

Fraud indicator

A fraud indicator is a suspicious sign or phenomenon (especially in the form or content of a document) that should be focused on as part of an administrative verification and check on the spot in order to reveal unlawful conduct.

Individual project (IP)

An individual project is a project without other attributes, see the definition of the term operation. The term is used to distinguish IPs from specific types of projects (e.g. simplified project).

Information on the project (IoP)

Information on the project means information drawn up by the beneficiary on its project (individual project, simplified project, integrated project) and submitted via MS2021+ to the managing authority, or to the intermediate body if it is involved in the implementation of the programme, during the implementation of the project between the interim/final reports on the project implementation. This is a supplementary tool to project implementation reports, which the managing authorities can use in managing and coordinating the implementation of the programme and projects. The aim of the information is to provide the granting authority with interim information about the state and progress of the implementation of the given project, or to identify problems that occurred during the implementation.

Information system Records of Levy Management (IS ESO in Czech)

Information system of the financial administration for the management of levies for violation of budgetary discipline.

Information system Subsidy Register (IS ReD in Czech)

A database of the financial administration, which contains data on subsidies, repayable financial assistance and other similar transfers provided from the state budget, state funds, state financial assets and the National Fund, and their recipients.

Information system VYKONT (IS VYKONT)

An electronic inquiry service, providing information on subsidy controls carried out by financial administration authorities.



Integrated territorial strategy of a metropolitan area/agglomeration (MA/A)

The integrated territorial strategy of a MA/A is a territorial strategy within the meaning of Article 29 CPR, prepared and implemented under the responsibility of a city according to Section 17d of Act No 248/2000 Coll. on regional development support, as amended.

Integrated Territorial Investments (ITI)

Integrated territorial investments are a tool for supporting integrated territorial development in accordance with EU regulations. In the Czech Republic, the ITIs will be implemented in metropolitan areas/agglomerations, thereby emphasizing the role of metropolitan areas/agglomerations as poles of growth and development of the territory. The integrated approach to the use of EU funds through ITI is applied on the basis of an approved integrated territorial strategy.

Integrated instruments (II)

Integrated instruments mean a set of interconnected and territorially targeted interventions (integrated projects) from different priorities of one or more EU fund programmes. Integrated instruments are used to implement integrated strategies of territorial or local development - Integrated Territorial Investment (ITI) and Community-Led Local Development (CLLD).

Integrated Treasury Information System (IISSP in Czech)

This is an integrated information system of the Treasury for effective management of public finances, the main objectives of which include centralization of revenue, management of expenditure, financial planning, payment transactions, control, accounting and reporting.

Integrated project

An integrated project is an individual project that is implemented under an integrated instrument and contributes to an integrated strategy of territorial or local development.

Integrated approach

Integrated approach means the principle of substantive (suitably and logically interlinked and needed thematic/sectoral interventions), territorial (implementation of interventions in suitable, geographically and economically contiguous territory) and temporal (realistically prepared schedule and interventions well arranged in terms of timing and content follow-up) coherence of interventions implemented on the basis of an integrated strategy of territorial or local development.

Integrated risk management system (IRMS)

The integrated risk management system (IRMS) is an established system of the National Coordination Authority (MoRD-NCA) used for effective risk management at the programme and horizontal level, i.e. for the identification, evaluation and elimination of risks that affect, or could affect, absorption of ESI/EU funds in the programming periods 2014-2020 and 2021-2027. At the programme level, programmes are classified into risk categories (of high, medium and low risk) each year of



implementation, marked with traffic-light colours. Measures to eliminate the most significant risks are defined both at the programme and horizontal level.

Internal state

Internal state means a state that captures in more detail the manipulation with an aid application/operation by the managing authority, between the managing authority and the intermediate body if involved in the implementation of the programme, and between the managing authority/intermediate body and other entities involved in the administration of the aid application/operation. It is used by the managing authority/ intermediate body and other entities of the implementation structure for the internal needs of monitoring the progress in the implementation of operations.

Intervention logic

For the purpose of EU fund implementation, intervention logic means the interdependence of the identified problems or opportunities, defined objectives and proposed measures and activities to achieve those objectives. In this context, the intervention logic is sometimes also referred to as *theory of change*.

Intervention logic (theory of change) describes and explains the mechanism by which programme/project activities will contribute to achieving the planned effects, results and impacts of the programme/project. The main aspects covered are chronological and causal links, but also external assumptions and the overall context. It is defined using three basic questions: *What do we want to change and can change? How do we want to achieve it? How do we verify that we were successful?*

Investment cycle

Investment cycle is the period during which the support from a financial instrument is paid to the final recipients and then paid back. The investment cycle is sometimes referred to as a “loop”.

Investment portfolio

Investment portfolio means a set of planned and possible investment projects of the manager of the financial instrument/holding fund, to be financed from the financial instrument.

Irregularity Management System (IMS)

The Irregularity Management System is an information system owned and administered by OLAF. For the purposes of reporting irregularities, it is used exclusively for the external level.

Single undertaking

All undertakings that have at least one of the relationships listed in Article 2(2)(a) - (d) in Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the



Treaty on the Functioning of the European Union to *de minimis* support are considered a single undertaking.

Lump sums

Lump sums are one of the simplified cost options. All eligible costs of a project or a part thereof are calculated on the basis of a predetermined lump sum, in accordance with predetermined conditions for the achievement of specific outputs, milestones or activities. Support is paid if these pre-set conditions are met.

Unit costs

Unit costs are one of the simplified cost options where all or part of a project's eligible costs will be calculated based on quantified activities, inputs, outputs or results, multiplied by predetermined values of the unit costs. This option can be used for any type of project or a part thereof, if it is possible to determine the quantity related to the given activity and the amount of the unit costs. Unit costs are usually used for easily measurable quantities of standardized units of output or result (hours of training, persons supported, etc.). Unit costs reported on the basis of the actual number of units achieved are considered eligible.

Single national framework (SNF)

The Single national framework of rules and procedures for EU funds in the 2021-2027 programming period is a document that contains basic principles, structure, phasing, involvement of partners and a schedule for the preparation of the methodological environment. The Single National Framework was approved by Resolution No 284 of the Government of the Czech Republic dated 29 April 2019.

Equity investment

Equity investment means the provision of capital to a certain undertaking by an investor, directly or indirectly in exchange for ownership of a corresponding share in the given undertaking. The term capital input is also used, the terms are interchangeable.

Category of intervention

The category of intervention is a statistical tool of the Commission, defined in Article 22(3)(d) and Article 22(5) CPR and in Article 17(3)(e) of Regulation (EU) No 1059/2021 of the European Parliament and of the Council of 24 June 2021 on special provisions regarding the objective of European Territorial Cooperation (Interreg) supported by the European Regional Development Fund and external action financing instruments, which identifies in more detail the nature of operations supported by EU funds in terms of various aspects. The classification of categories of intervention is divided into 8 dimensions, namely: intervention field, form of support, territorial delivery mechanism and territorial focus, economic activity, location, secondary theme of the European Social Fund+ (only for the European Social Fund+), gender equality and macro-regional and sea-basin strategies. The categories of intervention are not relevant for EMFAF - see Types of intervention.

Category of aid

Category of aid is the basic designation for the areas listed in Article 1 GBER (e.g. regional aid, operating aid). New categories of aid can be determined by the Council of the EU at the proposal of the European Commission, for example categories of regional aid intended for the development of a broadband network.

Category of region

Categories of region mean the classification of NUTS level 2 regions based on the ratio of GDP per capita of the region, expressed in the purchasing power standard (PPS) and calculated on the basis of Union data for the period 2015-2017, to the average GDP per capita of the EU-27 countries for the same reference period. There are three categories of region: less developed regions, transition regions and more developed regions. NUTS 2 regions are classified under a category of region by the Commission. The funding (allocation) of the ERDF, ESF+ and JTF under the "Investment for jobs and growth" goal is divided among the three categories of region (in the case of CF and EMFAF, the categories of region are not used).

Key financial figure

The key financial figure is the volume of funds in the implementation phase, which is essential, and has a high informative value about the state and progress of the implementation of EU funds.

Document library

The document library is a part of MS2021+, storing documents drawn up by entities of the implementation structure and beneficiaries, and related to the implementation of EU funds in the 2021-2027 programming period. The document library includes both documents processed on the basis of information from the MS2021+ (e.g. reports and information on the implementation of the Partnership Agreement and of programmes), as well as documents of a legislative and methodological nature that are drawn up by entities of the implementation structure - e.g. the Commission for Member States, central authorities for managing authorities, managing authorities for applicants/beneficiaries, etc.

EU cohesion policy

The EU cohesion policy, or EU economic, social and territorial cohesion policy, is a policy aimed at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions, and strengthening economic, social and territorial cohesion for the purpose of the harmonious development of the European Union.

Time-limited call

It is a competitive type of call where projects are compared with each other. Support will be granted to projects that meet the conditions for granting support, in the order from the best one according to the result of the evaluation until the full allocation of the call is granted.

Combined call



This is a call of the managing authority of an EU funded programme, to which it is possible to submit both individual projects and integrated projects.

Community-Led Local Development

It is an integrated instrument consisting in a comprehensive set of operations, implemented in order to meet the goals and needs at the sub-regional level, and contributing to the achievement of inclusive and sustainable growth, and implemented by local action groups.

Community-led local development focuses on a specific territory (the territorial scopes of local action groups), is led by local action groups composed of entities that represent public and private subregional socio-economic interests, and in which no public authorities defined according to national regulations nor any of the interest groups have the decision-making majority, it is carried out on the basis of strategies designed by the individual local action groups (CLLD strategies), is conceived with regard to sub-regional needs and potential and includes innovative elements in local contexts, networking and cooperation.

End recipient

The end recipients are the poorest persons who receive the aid referred to in Article 4(1)(m) of the ESF+ Regulation, addressing their material deprivation by providing food or basic material aid to the poorest people, including children, and taking accompanying measures to support their social inclusion.

Final recipient

Final recipient is a legal or natural person who receives support from the funds through a beneficiary of a small project fund or from a financial instrument.

Counterfactual impact evaluation

Counterfactual impact evaluation (CIE) is a quantitative tool for measuring the impact of public intervention. It is able to compare the result indicators of supported and unsupported entities, and thus quantify the impact of the intervention. This method has come to the fore especially in recent years in connection with more frequent evaluation of the impacts of EU funds, and its implementation is also supported by the European Commission (2012). In essence, the CIE expresses the difference between the situation observed after the intervention (observable; factual) and the situation that would have occurred if the intervention had not taken place (non-observable; counterfactual).

Control body (inspection authority)

The control body (also called inspection authority) means a public authority (usually a managing authority or an entrusted intermediate body) authorized to carry out a public-administrative control of a controlled person according to Act No 320/2001 Coll., on financial control (hereinafter referred to as "control"). The control body checks how the controlled person fulfils its obligations arising from legislation or required by the issued legal act on financial grant award/transfer.



Control

Control is a set of activities that are performed to compare the actual state with the desired state in order to provide a reasonable guarantee of the effectiveness, efficiency and economy of operations, reliability of reporting, safeguarding of assets and information, prevention, detection, correction and follow-up of fraud and irregularities, as well as adequate management of the risks relating to the legality and regularity of the operations carried out, taking into account the multiannual character of programmes as well as the nature of the payments concerned. Controls may include various verifications as well as the implementation of any strategies and procedures to achieve the objectives stated in the first sentence. A control is carried out by the control body in accordance with Act No 320/2001 Coll., on financial control, and is carried out in the form of administrative verification, monitoring visits, public-administrative checks on the spot (public administration control according to the above Act)¹⁵ or public-administrative desk-based checks¹⁶.

Check on the spot

A check on the spot means the method of performing public-administrative control of entities involved in the system of management or use of financial resources from EU funds according to the procedure established by Act No 255/20212 Coll., the Inspection Code. During a check on the spot, the inspector works usually with original documents or their copies if original documentation is not available, and verifies data directly in the information systems (e.g. accounting system, property records, information system documenting attendance, etc.). A check on the spot is a public-administrative control that corresponds to on-the-spot verifications of operations according to CPR. A check on the spot is also an inspection carried out inside an organization in the event that one department is in the role of the aid granting authority and inspects another department that is in the role of aid beneficiary¹⁸.

Desk-based check

A desk-based check means a method of performing public-administrative control of entities involved in the system of management or use of financial resources from EU funds according to a procedure established by Act No 255/20212 Coll., the Inspection Code. In a desk-based check, the inspector works with original documents or their copies if the original documentation is not available, and verifies the data in information systems, including those of the beneficiary if they allow remote access, or verifies data provided by the beneficiary from the beneficiary's information systems. A desk-based check is a public-administrative control²¹, carried out administratively or remotely, at the inspector's office. A desk-based check is also an inspection carried out inside an organization in the event that one

¹³ § 3 odst. 2 zákona o finanční kontrole, procesní postupy se řídí kontrolním řádem.

¹⁴ § 3 odst. 2 zákona o finanční kontrole, procesní postupy se řídí kontrolním řádem.

¹⁵ Section 3 paragraph 2 of the Act on Financial Control, procedures are governed by the Inspection Code.

¹⁶ Section 3 paragraph 2 of the Act on Financial Control, procedures are governed by the Inspection Code.

¹⁷ V takovém případě kontrolující nastaví procesní postupy obdobné kontrole dle kontrolního řádu a definuje rozsah součinnosti příjemce.

¹⁸ In such a case, the inspector sets the procedures similarly to an inspection according to the Inspection Code and defines the scope of the beneficiary's cooperation.

¹⁹ Nejedná se o kontrolu operace na místě dle obecného nařízení.

²⁰ V takovém případě kontrolující nastaví procesní postupy obdobné kontrole dle kontrolního řádu a definuje rozsah součinnosti příjemce.

²¹ This is not an on-the-spot verification of operations according to CPR.



department is in the role of the aid granting authority and inspects another department that is in the role of aid beneficiary²². In MS2021+, a desk-based check is established similarly to a check on the spot.

Controller

Controller means the entity designated on the basis of Article 46 of Regulation (EU) No 2021/1059 of the European Parliament and of the Council of 24 June 2021 on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments, on both sides of the border, which is responsible for verifying the legality and regularity of expenditure declared by each beneficiary participating in the operation. The controller proceeds in accordance with Act No 320/2001 Coll., on financial control.

Controlled person

Controlled person means a natural or legal person who is an applicant for financial aid or a beneficiary thereof. In the case of verification of the proper performance of delegated activities, the controlled person is the intermediate body.

Corruption

Corruption is defined as the misuse of entrusted powers for the purpose of obtaining undeserved personal benefit. More specifically, it is a promise to give or the giving of any undue advantage in favour of someone for some form of consideration. This consideration does not always have to be financial (a bribe), it can be leaks of advantageous information, favouring of acquaintances (clientelism), favouring of relatives (nepotism), etc.

Cutting

Cutting means a reduction by the managing authority/ intermediate body of the required amount in the request for payment. In this case, both the cut amount and the amount of the approved statement of account and, where appropriate, the reasons for the cutting from the managing authority/ intermediate body are recorded on the payment request form.

Regional Action Plan for Education (RAP)

The RAP sets the priorities and the steps necessary to achieve the goals of the educational policy in the territory on the basis of need, urgency, benefits and evidence from real data and analyses. It is processed in cooperation with partners in the territory and in cooperation with an expert supervisor. It is a tool that is primarily focused on those areas of education that directly affect the regional labour market and innovation. RAP is the basis for the implementation of the Integrated Regional Operational Programme (IROP) in the field of regional education. From the point of view of the school system, this concerns mainly secondary and post-secondary vocational schools and organizations of extra-curricular and non-formal youth education.

²² In such a case, the inspector sets the procedures similarly to an inspection according to the Inspection Code and defines the scope of the beneficiary's cooperation.



Cross-financing

The principle of cross-financing allows projects co-financed from the European Social Fund plus, within the limit of 15% of the funds provided by the EU to the programme priority, to finance that part of the operation whose costs are eligible for support from the European Regional Development Fund, and vice versa. The eligibility rules applicable to the relevant fund must be followed and the expenditure so financed must be necessary to the satisfactory implementation of the operation and directly linked to it. This option does not apply to the resources of these funds, transferred to the Just Transition Fund.

State aid/ *de minimis* aid cumulation

Cumulation of State aid / *de minimis* aid occurs in the case of concurrent aids according to Article 8 of the GBER Regulation. A State aid/ *de minimis* aid granting authority may in practice cumulate aid outside the State aid/ *de minimis* aid with other State aid schemes or with *de minimis* aid at the level of one target operation. Cumulation is inadmissible with other State aid/ *de minimis* aid to cover the same eligible costs, partly or fully overlapping, if such cumulation would result in exceeding the highest aid intensity or aid amount applicable to this aid under GBER.

LEADER (LEADER Method)

The LEADER method means the method used in community-led local development (Liaison Entre Actions Développement de l'Économie Rurale - Links between activities for the development of rural economy).

The basic principles of the LEADER method are the "bottom-up" approach, the partnership of public and private entities, the creation of a local development strategy, integrated and multi-sectoral actions, innovation in solving the problems of rural regions, networking and the exchange of experience between development actors, cooperation in joint projects of local action groups within a Member State, the EU and other countries.

Drawing thresholds

Drawing thresholds mean the minimum amount of funds that must be submitted in payment applications to the European Commission in order to meet the n+3 target in a given year of implementation. In other words, it is the amount of the annual commitment for year n, which needs to be absorbed by the end of year n+3, minus advance payments. It is usually stated in a cumulative amount from the beginning of the programming period (e.g. the drawing threshold for the year 2028 includes commitments of the years 2021-25 reduced by advance payments that were or were supposed to be paid by 2028).

VIOLA Management and Accounting System

The VIOLA management and accounting system is an information system used for financial management and accounting for funds from the EU budget on the accounts of the Paying Authority within the accounting unit of the Ministry of Finance.



Monthly information on the absorption of EU funds 2021-2027

Monthly information on the absorption of EU funds 2021-2027 is used for regular monthly informing of the public about the spending of EU funds in a concise and clear form. During the programming period, the structure and content of the report may be updated depending on the needs of the MoRD-NCA. The report is processed outside the MS2021+ based on data from MS2021+.

Monthly information on the absorption of EU funds 2021-2027

Monthly information on the absorption of EU funds 2021-2027 is used for regular monthly informing of the public about the spending of EU funds in a concise and clear form. During the programming period, the structure and content of the report may be updated depending on the needs of the MoRD-NCA. The report is processed outside the MS2021+ based on data from MS2021+.

Methodological document

Methodological document is a collective designation of documents that describe binding or recommendatory procedures in a specific area of EU fund implementation.

- *Methodological guideline, Methodological opinion*
Binding methodical documents regulating significant areas of the implementation of EU funds.
- *Recommending manual*
A recommending methodological document regulating selected areas of implementation of EU funds.

Small project

A small project is a coherent set of activities financed from a small project fund, aimed at achieving clearly defined and measurable objectives of the given small project fund. Small projects are used only in programmes co-financed under the European Territorial Cooperation goal and are administered and implemented outside MS2021+.

Milestone

A milestone is an intermediate planned value of the indicators of the program's performance framework, which expresses the intended progress planned by the end of 2024 - see the term "Indicator" for more details.

Default rate

The default rate is the share of projects of final recipients who are unable to meet their obligations (in particular repayment of funds provided from the financial instrument) arising from their contract with the financial instrument manager (or financial intermediary for a specific fund in the structure of a holding fund).



Local action group (LAG)

A local action group is a sub-regional partnership between the private and public sectors that operates in a defined territory for which it designs and implements a CLLD strategy.

Payment lifecycle monitoring

Payment life cycle monitoring tracks the progress of the payment life cycle over time, it is enabled by payment identifiers that provide detailed information about the payment life cycle from the submission of payment registration up to declaring the payment to the European Commission within the accounts. Payment identifiers, in combination with other attributes, make it possible to monitor e.g. key financial figures, etc.

Monitoring visit

A monitoring visit is a form of on-the-spot verification, intended to identify the state of implementation²⁵ of a project. A monitoring visit is an action preceding an inspection pursuant to Section 3 of the Inspection Code and does not replace a check on the spot. The managing authority/intermediate body prepare records of monitoring visits²⁶. The course of the monitoring visit is not governed by Act No 255/2012 Coll., on inspection (the Inspection Code). If the monitoring visit is followed by a check on the spot or a desk-based check, the record of the monitoring visit can serve as a basis for inspection findings.

Monitoring system

The monitoring system is an information system used for administration, monitoring, management, evaluation and reporting of reports and information on the implementation of EU funds in the Czech Republic in the 2021-2027 programming period, at all levels of implementation (operation, programme, Partnership Agreement). It is referred to as MS2021+ or MS21+.

Monitoring committee

The monitoring committee is a committee whose task is to assess the programme implementation. Monitoring committee performs functions in accordance with Article 40 CPR.

Members of the monitoring committee are representatives of the relevant managing and coordinating bodies and partners (e.g. departments of ministries, partner ministries, regions, municipalities, non-governmental non-profit organizations, etc.).

Monitoring

The aim of monitoring is to continuously collect, sort, aggregate and store data and information, and ascertain the state and the progress in the implementation of operations, programmes and the

²³ Nejedná se o kontrolu operace dle obecného nařízení.

²⁴ § 3 odst. 2 kontrolního řádu.

²⁵ This is not an operation verification pursuant to CPR.

²⁶ Section 3 paragraph 2 of the Inspection Code.



Partnership Agreement, and compare the information obtained with the baseline values and the plan, including after the plan is implemented (e.g. result indicators). Monitoring is a continuous activity that takes place throughout the duration of an operation/ programme/ Partnership Agreement and is an integral part of both the operation and programme cycle, as well as of the implementation of the Partnership Agreement.

Small and medium-sized enterprises (SMEs)

SME as a size category of an undertaking means a micro-enterprise, small enterprise and medium-sized enterprise, i.e. the size sub-categories as defined in Annex I of the GBER.

Multiplier ratio

In connection with guarantee financial instruments, it means the ratio, determined on the basis of a prudent ex ante risk assessment of each offered guarantee product, between the value of newly disbursed guaranteed loans, equity and quasi-equity investments and the amount set aside from the programme to cover expected and unexpected losses from these new loans, capital and quasi-capital investments.

Cost

Cost means the consumption of an economic resource expressed in monetary units, which is usually associated with a current or future expenditure of money. In financial terminology, it is a decrease in the value of assets or an increase in liabilities that affects the profit or loss.

Management costs

Management costs represent direct or indirect costs of implementing financial instruments, reimbursed on the basis of a submitted evidence of the expenditure.

National Codelist of Indicators for the 2021-2027 programming period (NCI 2021+)

The National Codelist of Indicators for the 2021-2027 programming period represents a central set of indicators defined for the needs of the implementation of EU funds at the national level, including the representation of indicators taken from the common European level on the basis of applicable legislation regarding EU funds for the 2021-2027 programming period. It is a tool that builds on experience from previous programming periods. With regard to the need of central coordination in this area, it primarily enables a comprehensive response to the needs of programme monitoring and evaluation.

NCI 2021+ is a summary of methodologically confirmed and approved indicators, where each indicator is defined on the basis of all its binding parameters (for more details see the Methodological Guideline for indicators, evaluations and publicity in the 2021-2027 programming period – part indicators). The content of NCI 2021+ is binding for all entities implementing EU funds at the national level. From a technical and content point of view, the effort is to set it so that its scope covers all supported activities within the specific objectives of the programmes and that it is updated in the event of a proven need

and, if possible, to such an extent that it does not mean an administrative burden for the involved entities of the implementation structure. The administrator of NCI 2021+ is the National Coordination Authority.

National Coordination Authority

The National Coordination Authority (MoRD-NCA) is the central methodological and coordinating body for the implementation of programmes co-financed from EU funds in the Czech Republic in the 2021-2027 programming period. In that area, it is the partner for the European Commission on behalf of the Czech Republic, manages the Partnership Agreement on the national level, administers the monitoring system of MS2021+, defines the methodology of implementation and acts as the central authority for publicity.

National Network of Local Action Groups of the Czech Republic (LAG NN)

It is a community bringing together organizationally independent legal entities - local action groups - who work using community-led local development, or the LEADER method, for the benefit of rural areas in the territory of the Czech Republic.

National co-financing

National co-financing is the collective designation for national public resources and private resources, if they are involved in national co-financing of EU fund programmes.

National Standing Conference (NSC)

The National Standing Conference is established as a platform for coordinating the territorial dimension. The territorial dimension is understood as a targeting of public policies that takes into account the different starting conditions and objectives of different types of territory. NSC is an umbrella platform for the design and implementation of the Regional Development Strategy of the Czech Republic, and for this purpose it acts as the National Coordination Group. NSC is based on the principle of partnership and mutual dialogue between partners, thereby contributing to the coherence of activities of the central government and territorial partners.

National public funding

National public funding is a collective designation for the state budget, state fund, regional budget, municipal budget and other national public resources from which operations, implemented under EU funds, are co-financed.

Border Management and Visa Instrument (BMVI)

The aim of this instrument is to ensure a strong and effective European integrated border management at the external borders, thereby contributing to ensuring a high level of internal security in the Union. And all that while ensuring the free movement of persons within the Union and full compliance with the legal order of the Union, as well as the international obligations of the Union and the Member States resulting from the international instruments to which they are parties.

Financial management tools



Financial management tools are defined as specific tools through which and with the use of which allocation spending can be managed and set goals can be achieved.

Call specification documents

The call specification documents contain detailed information on the conditions of the support, the method of implementation, the obligations of the applicant and beneficiary, and binding templates of the aid application annexes. The call specification documents must be published on the website of the managing authority or programme no later than on the day the call is announced.

Negative status

A negative status is a status in MS2021+, which means a definitive unsuccessful termination of the administration of a call, the implementation of individual operations or the administration of submitted forms (e.g. project implementation report, request for payment, change request, integrated strategy implementation report, etc.).

The latest date of completing the physical implementation of a project

The latest date of completing the physical implementation of a project is the date on which the implementation of the activities that are the content of the operation can be completed at the latest. It is specified by the managing authority. The specific date is set out in the call.

Indirect cost

An indirect cost is a cost that arose during the implementation of a project or as a result of it, but its amount is derived indirectly by calculation. Due to the difficulty of assigning the expense to a specific activity and the complexity of documenting such expenses, in practice it is preferred to report indirect costs at a flat rate related to the amount of total direct costs or a part of the direct costs of the project.

Irregularity

Irregularity is a case that meets the definition of irregularities in Article 2 CPR, i.e. any breach of applicable law, resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the budget of the Union by charging unjustified expenditure to that budget, and at the same time the unjustified expenditure has been approved by the Paying Authority in an aggregate request for payment.

Neutral status

The neutral status is a temporary state of the administration of a call and the implementation of an operation, which lasts until the elimination of problems or a change in the conditions for the administration/ implementation.

Uncleared advance payment



Uncleared advance payment means the financial volume of support paid to the beneficiary as an ex ante payment, which has not yet been cleared by the beneficiary in a request for payment.

Ineligible expenditure

Ineligible expenditure is the expenditure that cannot be co-financed from EU funds for its non-compliance with the relevant EU and national regulations relevant for the operation and other rules defined by the granting authority or with conditions of the legal act on grant award/transfer.

Holder, strategy holder

The strategy holder or promoter means the responsible entity that carries out activities in a defined territory for the purpose of preparation, approval, implementation and evaluation of an integrated territorial/local strategy for the development of the territory according to Article 29 in the form set out in Article 28 CPR.

In the case of an integrated territorial investment (ITI), the holder is the core city of the agglomeration according to Section 17d of the Act on Regional Development Support, which will be empowered to negotiate during the implementation of the integrated strategy (the city entrusted with the leading role). In the case of community-led local development (CLLD), the holder of the strategy is a Local Action Group (LAG).

State aid notification

State aid notification means an exemption from the general prohibition of State aid, permitted on the basis of an individual decision of the European Commission. According to Article 108(3) of the Treaty on the Functioning of the European Union, any plans to grant or alter aid must be notified in advance to the European Commission, unless there is a legal title (exemption) to a legal granting of the aid. At the same time, the aid must not be granted before a positive decision is issued in the matter.

Eligibility period

Eligibility period means the period during which expenditure is eligible for a contribution from EU funds. Expenditure is eligible for a contribution from EU funds if it was incurred by the beneficiary and paid in the period from the date of submission of the programme to the European Commission or from 1 January 2021 – whichever occurs first – to 31 December 2029.

Irregularity Analysis and Reporting Department

The Department of Irregularity Analysis and Reporting is a department of the Ministry of Finance, which exercises the Ministry's competence within the integrated framework of internal management and control systems in public administration. In particular, it designs the National Strategy for the Protection of the Financial Interests of the EU and Other Donors. It harmonises legislation with EU laws, and in this area acts as a coordinator for dealing with irregularities, monitors the detected significant irregularities and the reaction of public budget managers to the occurrence of irregularities, and communicates with the bodies supervising compliance with legislation. In the area of protection of EU's financial interests, it acts as the Central Contact Point of the AFCOS network in the Czech Republic.



Sending a payment application to the European Commission

Sending a payment application to the European Commission means the processing of expenditure submitted by managing authorities to the Paying Authority, and after taking into account any financial corrections, the expenditure is sent to the Commission in the format of Annex XXIII CPR from the position of the body carrying out the accounting function.

Measure

A measure is a programme level (for the European Maritime, Fisheries and Aquaculture Fund it is binding in the programming document, for the European Regional Development Fund, European Social Fund Plus, Cohesion Fund and Just Transition Fund it is non-binding in the programming document). It is a set of interventions/activities that lead to the achievement of a specific objective. If the measure level is used in a programme, the allocation, indicators, fund and category of region etc. are also defined for the measures.

The term measure can also be defined in the programming document in the context of a specific activity. In the context of IRMS, the measures are defined sets of activities, designed and discussed with the concerned entities on the basis of risk assessment for the most significant risks at the programme level, and for all identified risks at the horizontal level, and intended to minimise the risks. The implementation of the set measures is monitored and evaluated by the MoRD-NCA at regular intervals. The measures are concentrated in action plans, the main tool for minimizing risks and their impacts, both at the programme and horizontal level.

Ad hoc measure

An ad hoc measure means *State aid/ de minimis aid*, which is not provided under a scheme, but on a one-time basis to one beneficiary for one pre-defined project.

Scheme measure

The scheme measure means a measure in which the beneficiary is not specified, but common rules are laid down for all potential beneficiaries, various projects and the period in which *State aid/ de minimis aid* can be granted.

State aid/ de minimis aid measure

A *State aid/ de minimis aid* measure means support in which *State aid/ de minimis aid* has been identified.

Operation

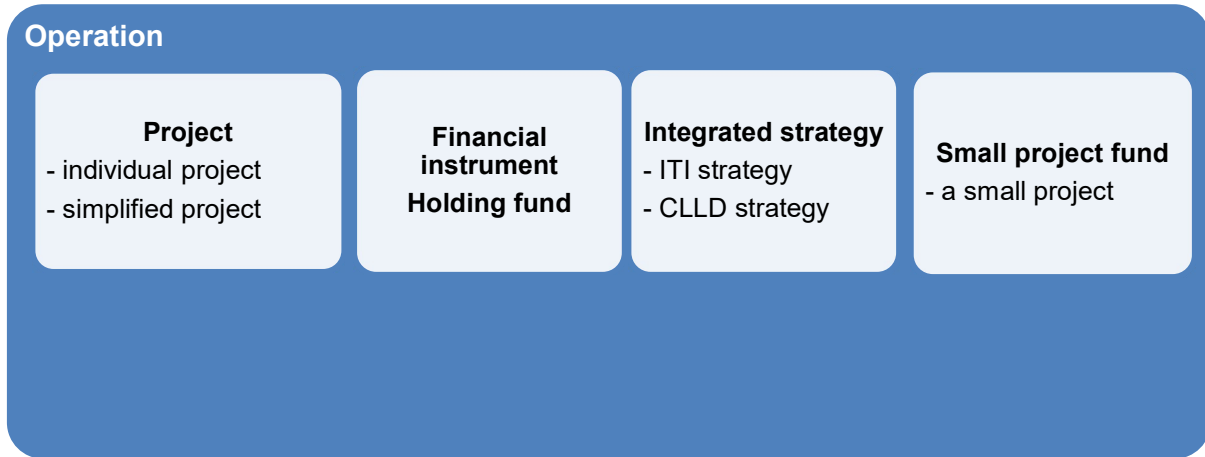
An operation is a collective designation for a project, contract, action or group of projects selected by or under the responsibility of the managing authority of the programme concerned in accordance with the criteria for the given programme and which contribute to the achievement of the objectives of the priority or priorities they are related to.



The Interreg Czech Republic-Poland programme also includes a small project fund among the operations. In the context of financial instruments, an operation is the contribution from the programme to a financial instrument and the subsequent financial support provided by the financial instrument to the final recipients (see Article 2(4) CPR).

An operation is also an integrated territorial strategy of a metropolitan area/agglomeration (ITI strategy) and a community-led local development (CLLD) strategy.

Operations are divided as follows:



Operations of strategic importance

An operation of strategic importance means an individual or simplified project according to Article 2(5) CPR.

Eligible applicant

Eligible applicant means an entity that belongs to the group of entities authorized to apply for aid from EU funds. Eligible applicants are defined at the level of specific objectives of a programme²⁸. Their definition is usually a general list of admissible types of applicants, such as regions, municipalities, small and medium-sized enterprises, natural persons, non-governmental non-profit organizations, higher education institutions, etc. The eligible applicants are exactly specified in each call for proposals.

State organizational unit (SOU)

State organizational units (SOU) are ministries and other administrative bodies of the state, the Constitutional Court, the courts, the public prosecutors' offices, the Supreme Audit Office, the Office of the President of the Republic, the Office of the Government of the Czech Republic, the Office of the Ombudsman, the Czech Academy of Sciences, the Grant Agency of the Czech Republic, the Technology Agency of the Czech Republic and other bodies specified in a specific regulation or in Act No 219/2000 Coll., on the property of the Czech Republic and on the Czech Republic as a party to legal relationships. SOU is not a legal entity and its actions are those of the state. The rules of the SOU financing are laid

²⁷ U OP Rybářství na úrovni priority Unie.

²⁸ For OP Fisheries at the Union priority level.



down by the Act on Budgetary Rules, and in implementing projects co-financed from the EU budget, a SOU proceeds in accordance with the rules set by the managing authority or intermediate body for the given programme and other binding methodological documents. SOU manages funds of the state budget (SB) and its revenues and expenditure are the revenues and expenditure of the SB. Each SOU is obligated to establish one revenue and one expenditure account of the SB with the Czech National Bank, unless the Ministry of Finance approves an exception for the SOU.

Personnel Costs

This is the wage/salary/remuneration arising from an agreement³⁰, personal supplementary allowances, compensation of salary/wage, management premiums, financial motivation (motivational (personal) allowances and incentive rewards), rewards for lecturing activities, target/extraordinary rewards, other components of wage/salary provided according to the organization's internal regulations, contribution to the Cultural and Social Needs Fund (provided that the obligation to create a Cultural and Social Needs Fund follows from the law), statutory contributions to general health insurance and social security and any other contributions that are mandatory for employers.

LAG partner

A natural or legal person active in a local action group (LAG). In the case that the LAG has the legal form of an association, it is a natural or legal person who has been accepted as a member of the LAG, in the case of a public benefit society and a registered institute, it is a legal or natural person operating in an organizational component on the basis of a contract.

Partnership (at project level)

Partnership means that the applicant does not have to implement the project alone, but can have one or more partners. A partner may or may not be a co-applicant. The form of cooperation between partners is agreed in a contract between the partners. Partners in their mutual relationship meet the condition that one partner (beneficiary) receives aid from European funds, all partners meet the conditions of the programme and predetermined rules. Partners are not beneficiaries of EU funds within the meaning of the general regulations. The nature of the legal relationship between the aid beneficiary and its partners is not based on the provision of services (a supplier is not a partner).

Public Private Partnership

A public private partnership (PPP) is a generally used term that describes a project or group of projects in which the private and public sectors jointly participate and which aim to satisfy needs traditionally met by the public sector. PPP generally refers to forms of cooperation between public administration bodies and the business sector in order to secure the financing, construction, renovation, management or maintenance of public infrastructure or the provision of a public service.

Partners according to Article 8 CPR

²⁹ Odměnou z dohody se rozumí dohoda o práci konanou mimo pracovní poměr (DPP nebo DPČ).

³⁰ Remuneration arising from an agreement refers to an agreement on work performed outside the employment relationship (agreement to perform work, or agreement to carry out a job).



According to Article 8 CPR, partners are entities involved in the preparation, monitoring and evaluation of the implementation of the Partnership Agreement and of programmes.

Flat rate financing

Flat rate financing is one of the forms of providing support in addition to the forms of reimbursement of expenses actually incurred, reimbursement based on unit costs, lump sums and financing not related to costs. It is mainly used to support costs that are administratively demanding to verify or are negligible. The flat rate is determined as a percentage of one or more categories of costs, either based on one of the calculation methods according to Article 53(3)(a-d) CPR or it is possible to directly use the flat rate set out in CPR or fund-specific regulations.

In writing

Written form means paper or electronic form, including email or similar communication; an electronic signature is not a mandatory requirement.

Ex ante payment

Ex ante payment means a procedure where the beneficiary receives payment in advance (usually after concluding the legal act on grant award/transfer) before documenting any output/activity of the project. The advance payment provided in this way is subsequently cleared by the beneficiary.

Ex post payment

Ex post payment means a procedure where the beneficiary can submit a simplified request for payment, along with relevant documents proving the payment of the expenses incurred, only after the implementation of the project activities (or a part of them).³²

Combined payment

A combined payment means a procedure where the beneficiary can submit a simplified request for payment, along with relevant documents, only after the implementation of the project activities (or a part of them), but it is not necessary to prove the payment of the accounting documents attached to the request for payment.

Paying Authority

The Paying Authority is the body carrying out the accounting function pursuant to Art. 76 CPR, i.e. the body responsible for the methodological set-up of the financial management of the funds granted to the Czech Republic from the EU budget, the preparation and submission of payment applications and accounts, and the conversion of amounts to euros.

Platforms

³¹ Neplatí pro zjednodušené projekty.

³² Not applicable to simplified projects.



Platforms are a basic element for setting up and implementing the partnership principle, at the same time they are an important tool for coordinating the programmes with each other and with the PA (e.g. Methodology Working Group, Opponent Working Group on the Single National Framework, etc.).

Full aid application

A full aid application means an aid application submitted in the second round of a two-round appraisal model.

The number of systematized posts for a given position

The number of systematized posts for a given position means the number of staff given by the organization's internal regulations (e.g. organizational rules).

Subcontractor

A subcontractor means an entity through which a contractor/supplier will perform a certain part of the contract (order), or which is to provide the contractor with certain items or rights for the performance of the contract.

Share of an employee's involvement in activities for EU funds

The share of an employee's involvement in activities for EU funds means the share of an employee's involvement in the implementation of a programme or Partnership Agreement.

Undertaking (enterprise)

The definition of the applicant/beneficiary as an undertaking within the meaning of Article 107(1) of the Treaty on the Functioning of the European Union does not depend on its legal status, the method of its financing or its economic nature. Decisive for the beneficiary to be considered an undertaking is the fact that it carries out an economic activity, which is an activity consisting in the offer of goods and/or services on a certain market.

Fraud affecting the financial interests of the European Union

In the field of expenditure, fraud affecting the financial interests of the European Union means any intentional act or intentional omission regarding the use or presentation of false, incorrect or incomplete statements or documents, which has as its effect the misappropriation or wrongful retention of funds or assets from the Union budget or budgets managed by the Union, or on its behalf, non-disclosure of information in violation of a specific obligation, with the same effect, the misapplication of such funds or assets for purposes other than those for which they were originally granted. In respect of revenue, it is any intentional act or omission relating to the use or presentation of false, incorrect or incomplete statements or documents which has as its effect the illegal diminution of the resources or assets of the Union budget or budgets managed by the Union, or on its behalf, non-disclosure of information in violation of a specific obligation, with the same effect, misapplication of a legally obtained benefit, with the same effect. Fraud is defined by Act No 40/2009 Coll., the Criminal Code, as a crime.



Aid (support)

A general term for a contribution to the beneficiary from EU funds and national public resources.

Half-yearly report on the implementation of EU funds 2021-2027

The half-yearly report on the implementation of EU funds 2021-2027 is a detailed output of the regular monitoring of the implementation of the PA and programmes. It provides an overview of the current status, progress and development of financial absorption and achievement against substantive indicators. It is also a means of informing the general public about the implementation of EU funds in the Czech Republic with the aim of maintaining transparency and awareness of the management of public funds from European and national sources. During the programming period, the structure and content of the report may be updated depending on the needs of the MoRD-NCA. The report is processed outside the MS2021+ based on data from MS2021+.

Funding ratios

Funding ratios express the share of each funding source in a given programme/ call/ operation. For the level of operations, they are set in each call. As needed, they are registered in MS2021+ for groups of funding sources and for individual funding sources.

Management fee

The management fee means the price of the provided services, determined in the financing agreement concluded between the managing authority and the manager of a holding fund or a stand-alone financial instrument and, where applicable, between the holding fund manager and the financial intermediary.

Farmer's portal

It is an information portal that enables LAGs to access information related to the implementation of CLLD in the Strategic Plan of the Common Agricultural Policy (LAG calls, appraisal of applications submitted to the calls). The portal also provides the final applicant/beneficiary with access to information about their applications and enables them to use support for selected actions. The portal is available via the website www.szif.cz or www.eagri.cz.

Provider of (financial) aid (granting authority)

Provider of (financial) aid means a central state administration body or other entity designated by law, which may, on the basis of Act No 218/2000 Coll., on budgetary rules and amending some related laws, or pursuant to Act No 250/2000 Coll., on the budgetary rules of territorial budgets, provide a subsidy or repayable financial assistance from public sources.

Provider of State aid/ *de minimis* aid (State aid granting authority)

According to Section 2 of Act No 215/2004 Coll., the provider of State aid / *de minimis* aid is the entity which decides on granting the State aid/ *de minimis* aid. In the context of EU fund implementation,



this role is usually performed by the managing authority/ intermediate body, or a ministry or other central administrative body.

Operations subject to phased implementation (Phased operations)

The managing authority may select an operation which consists of the second phase of an operation selected for support and launched under Regulation (EU) No 1303/2013, provided that the conditions set out in Article 118 of the current CPR are met. The provisions of that regulation shall then apply to the second phase of the operation.

The Czech version of the regulation uses the term "gradually implemented operation", however, following the English version of the regulation using "operations subject to phased implementation" and the established practice from previous programming periods, the term "phased operation" is used at the national level.

Mandatory bodies of a local action group (LAG)

Mandatory bodies of a LAG are the supreme body (an assembly of all LAG partners) and bodies performing decision-making, selection and verification functions. Mandatory bodies of LAGs are enshrined in the Methodological Guideline for the use of integrated instruments and regional action plans for the 2021-2027 programming period.

Positive status

A positive status is a status in MS2021+, which means successful progress in the administration of a call, the implementation of individual operations or the administration of partial forms (e.g. project implementation report, request for payment, change request, integrated strategy implementation report, etc.).

Position

A position means a job or post from the point of view of the hierarchical structure of the implementation structure entity.

The n+3 rule

The n+3 rule is a tool to ensure the smoothness of spending funding from EU funds. According to that rule, the allocation of support for year n must be spent over the next three calendar years.

Legal act on grant award/transfer

A legal act on grant award/transfer is a legal document which, according to the legislation of the Czech Republic, establishes the beneficiary's legal right to the grant or aid. Specifically, it is a legal act confirming a grant award/transfer by the granting authority to the beneficiary. The act specifies the conditions for the grant award/transfer. Depending on the relationship and character of the granting authority and the beneficiary, it can take different forms, e.g. a grant award decision, a grant award contract, a project contract, determination of expenditure/conditions, a legal act issued in accordance



with the internal regulations of a State organizational unit, a financing contract, a financing agreement etc.

Spending forecast

Spending forecast means an expected plan of absorption of the funds in a certain period of time, prepared at the programme and priority level for the key financial figures (such as the volume of funding in submitted requests for payment).

Forecast of payment applications submitted to the Commission

The planned volume of funds in a certain period of time, which is expected to be submitted to the Commission in payment applications for each programme.

Partnership principle

In accordance with CPR, the partnership principle includes close cooperation between public administration bodies at national, regional and local level, economic and social partners and civil society organizations concerned. Partners should be actively involved throughout the programme cycle – in programme preparation, implementation, monitoring and evaluation.

Priority

A building block of a programme co-financed from EU funds. A programme consists of one or more priorities. According to the relevant provisions of CPR and fund-specific regulations, each priority corresponds to one policy objective, a specific objective of the JTF or technical assistance. In the case of a policy objective, it is fulfilled through one or more specific objectives of the given policy objective. According to the relevant provisions of CPR and fund-specific regulations, a priority is co-financed from one or more funds. More than one priority may correspond to the same policy objective.

Pro rata formula

The pro rata formula determines the proportions in which the project's financial data (financing ratios, financing plan, payment details) are distributed among the categories of region.

Project approval process

The project approval process is a set of activities that are carried out in the period from the submission of the aid application to the issuance of a legal act on grant award/transfer or to the end of the administration of the aid application. The aim is to transparently select quality projects that will achieve the substantive and financial objectives of the programme.

Contracting authority profile

The contracting authority profile is an electronic tool defined in Section 28 paragraph 1 letter j) of the Public Procurement Act. The modifications of the contracting authority profile are covered in Section 214 of the Public Procurement Act.



Programme

The basic strategic document of thematic, financial and technical nature for a particular thematic area or territory with a description of concrete objectives and priorities for using the EU funds in the 2021–2027 programming period, which the Member State wants to achieve in the thematic area/priority and how they are to be achieved, in linkage to the Partnership Agreement and Union strategy. It is a binding document for the managing authority of the given programme vis-à-vis the European Commission. It is also called a programming document. The programme is entered into SFC2021 and MS2021+ in the form of structured data.

Programme line

The programme line is represented by a part of the hierarchy of the implementation structure, which consists of programme sub-levels that are a tool for the implementation of EU funds in the Czech Republic, namely from the Partnership Agreement, programmes and other lower programme levels.

Programming

Programming is a process of organization, decision-making and allocation of financial resources in several phases, intended for the multi-year implementation of a joint action of the EU and Member States in order to achieve defined priorities.

Programme framework

A part of the SCLLD action plan defining the implementation of parts of the SCLLD through one of the programmes supported by EU funds. In the case of the Czech Republic, these are the Integrated Regional Operational Programme, the Operational Programme Employment Plus, the Operational Programme Environment, the Operational Programme Technology and Applications for Competitiveness and the Strategic Plan of the Common Agricultural Policy.

Project

A project is a coherent set of activities co-financed from a programme, aimed at achieving clearly defined and measurable objectives. A project includes eligible and non-eligible project activities that contribute to the fulfilment of evaluation conditions, and the achievement of the goals and purpose of the project. A project is implemented within a specified time frame and with a given budget, distinguishing eligible and ineligible expenditure. In terms of types of operation, a distinction is made between an individual project and a simplified project.

Project cycle

The project cycle is a process from the preparation of the project intent, finding a suitable subsidy scheme and sources of funding, drawing up and submitting an aid application, to project implementation, administration incl. implementing tenders and evaluating the project, and sustaining it for the period of sustainability.



Project partner (abbreviated as ‘partner’)

Project partner means:

- in the case of projects under the European Territorial Cooperation goal: The beneficiary responsible for the implementation of a part of the project, while the responsibility for the implementation of the entire project is borne by the lead partner.
- in the case of other projects: An entity that implements a project together with the beneficiary, and not on the basis of a supplier-customer relationship. A project partner can receive a part of the aid through the beneficiary to cover the project expenses incurred by the partner.

Connected undertakings

These are undertakings between which there is one of the relationships set out in Art. 3(3) of Annex I to Commission Regulation (EU) No 651/2014 of 17 June 2014, which in accordance with Articles 107 and 108 of the Treaty declare certain categories of aid compatible with the internal market.

Continuous call

This is a non-competitive, continuously open call. Only the fulfilment of the conditions for the provision of aid, which are determined in advance by the managing authority, is appraised. The appraisal takes place continuously and support is provided to applicants whose projects meet the given conditions for granting the aid, in the order in which they applied for support until the entire allocation of the call for individual projects is distributed.

Transmission of data

The transmission of data means information processed by the managing authority and the Ministry of Finance - Paying Authority and provided to the European Commission pursuant to Articles 42 and 69(10) CPR and also pursuant to Article 46(3) of Regulation (EU) No 1139/2021 of the European Parliament and of the Council of 7 July 2021 establishing the European Maritime, Fisheries and Aquaculture Fund.

Pre-financing payment

Pre-financing payment means funds that represent a certain percentage of the total allocation of the programme for the 2021-2027 programming period and which the European Commission provides to a Member State, specifically to the account of the Paying Authority, in instalments in the years 2021-2026.

Preliminary aid application

A preliminary aid application means an outline aid application submitted in the first round in the case of a two-round appraisal model.

Ex ante assessment

The ex ante assessment must be carried out by managing authorities pursuant Article 58(3) CPR as a condition for introducing financial instruments into a programme. The aim of the ex ante assessment



is to propose financial products, the target group of final recipients, the amount of the contribution from the programme and to assess the contribution of the FI to the achievement of the relevant specific objective of the programme.

In the 2014-2020 programming period, this term was translated as a preliminary assessment, or the term ex ante evaluation or ex ante analysis was used.

Pre-financing

Pre-financing means that expenditure to be covered by funds from the EU budget is financed in advance by funds from the state budget or a state fund. In practice, this means that the beneficiaries receive funds from the state budget, or a state fund, for expenditure to be covered by funds from the EU budget. After incurring the expenditure, the funds from the EU budget are transferred from the account of the Paying Authority to the income account of the relevant the organizational unit of the State, which made the pre-financing payment to the beneficiary.

Overview of training events

The overview of training events includes training events provided by the National Coordination Authority for all employees of the implementation structure entities.

Overview of funding sources

The overview of funding sources is part of the structured data of a project, recording the specific amount for each of the financing sources during the project's life cycle. Furthermore, this overview of funding sources in a specific amount for each source is also displayed in MS2021+ for the programmes and their parts, the calls, financial instruments and integrated strategies.

Overpayment

Overpayment means the part of the aid to be returned by the beneficiary outside the recovery procedure, e.g. due to the payment of a higher advance by the managing authority than the beneficiary's final statement of expenditure. It is always registered as a negative amount and the associated payment detail has the tag "Overpayment".

Converted working time

Converted working time is calculated as follows: value = percentage of involvement * employee's working time. Unlike FTE³⁴ the value is not related to or calculated for a certain period.

Overcommitted expenditure

Overcommitted expenditure means the amount of expenditure that was spent on a project approved as co-financed from the EU budget and which, as a result of commitments made to projects in CZK but

³³ FTE z anglického „full time equivalent“, což lze přeložit jako „ekvivalent zaměstnance na plný pracovní úvazek“.

³⁴ FTE stands for "full time equivalent", which can be interpreted as the equivalent of a full-time employee.



exceeding the programme allocation in EUR, will not be able to be refunded from the EU budget, but will be fully covered from the state budget.

Income

Income is an inflow of cash or cash equivalents, irrespective of the purpose for which it is used.

Beneficiary

Beneficiary means a public or private entity with or without legal personality, or a natural person, responsible for initiating or both for initiating and implementing operations.

In the context of a public-private partnership (PPP), the beneficiary is the public body initiating a PPP operation or the private partner selected for its implementation.

In the context of State aid schemes, the beneficiary is the undertaking that receives the aid. In the case of de minimis aid provided in accordance with Commission Regulations (EU) No 1407/2013 or (EU) No 717/2014, a Member State may decide that the beneficiary for the purposes of this Regulation is the body granting the aid, where it is responsible for initiating or both initiating and implementing the operation.

In the case of a programme co-financed under the ETC goal, the beneficiary is the lead partner or the sole partner according to Article 23(6) of the ETC Regulation, who applies to the managing authority for funds based on a legal act on grant award/transfer and receives funds from the EU budget released by the financial unit of the Ministry of Regional Development, which the beneficiary then transfers to the partners' accounts.

In the context of financial instruments, the beneficiary is the manager of the holding fund or, where there is no holding fund structure, the manager of the financial instrument or, where the managing authority manages the financial instrument, the managing authority.

Direct cost

As a rule, direct costs mean costs directly connected to a certain supported activity of an entity and it is possible to establish a direct link between the cost and the activity.

The competent coordinating body in the field of State aid

The competent coordinating body for State aid is the Ministry of Agriculture for the area of agriculture and fisheries and the Office for the Protection of Economic Competition (OPEC) for other areas. If a measure has been notified to the European Commission through the Ministry of Agriculture, the coordinating body is the Ministry of Agriculture. If a measure has been notified to the European Commission through OPEC, the coordinating body is OPEC.

Union contribution

The Union contribution is a collective designation for sources of co-financing from EU funds, i.e. the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the



European Maritime, Fisheries and Aquaculture Fund, the Just Transition Fund and the European Agricultural Fund for Rural Development (in the case community-led local development strategies).

Public contribution

Public contribution means any contribution to the financing of operations the source of which is the budget of national, regional or local public authorities or of any European grouping of territorial cooperation (EGTC), the budget of the Union made available to the Funds, the budget of public law bodies or the budget of associations of public authorities or of public law bodies and, for the purpose of determining the co-financing rate for ESF+ programmes or priorities, may include any financial resources collectively contributed by employers and workers.

Council for European Union Funds

The Council for European Union funds is a permanent inter-ministerial expert and advisory body of the central government in the field of substantive coordination of assistance provided by the European Union from all EU funds.

Refund

Refund means the reimbursement of state budget funds that were used to pre-finance operations under EU fund programmes. The reimbursement is carried out by the Paying Authority on the basis of submitted and approved aggregate requests for payment.

Regional Action Plan (RAP)

The RAP is a tool of the territorial dimension for the implementation of selected IROP topics and at the same time a tool for implementing the territorial objectives of the Regional Development Strategy of the Czech Republic 2021+. The RAP is approved by the Regional Standing Conference (RSC) platform which represents important actors of regional development in the territory of each region and thus involves territorial partners in the implementation of regional policy. The implementation of the RAP will streamline the spending of EU funds on the development of the region's territory in the RAP topics.

Regional Standing Conference (RSC)

The Regional Standing Conference is a voluntary regional grouping of territorial partners in the field of local and regional development, which consists of representatives of member institutions, including public administration bodies of the relevant region. RSC is founded and managed using the partnership principle. RSC participates in the implementation of the territorial dimension and the action plan for the implementation of the Regional Development Strategy of the Czech Republic.

Contingency reserve

Contingency reserve means the financial amount or time needed based on previous estimates to reduce the risk of not meeting the project's goal to a level that is acceptable to the organization. The amount is added to the budget to prevent possible overruns and other unexpected expenses.

State aid scheme



A State aid scheme is the designation of a group exemption from the general prohibition of State aid / *de minimis aid*, i.e. block exemption, notification, services of general economic interest and *de minimis*.

Risk

In the context of EU funds, risk is understood as an event or a phenomenon which, by its negative effects, can lead to non-fulfilment or only partial fulfilment of the main objective of the programme and thus affect the ability of the managing authority to achieve the expected result, and thereby affect the fulfilment of the goals of the Partnership Agreement.

Risk categories in IRMS

Horizontal risks - risks at the level of the Partnership Agreement, which the managing authority cannot influence/eliminate from its own level (e.g. exchange rate risk) and the cooperation of horizontal institutions is needed to influence/eliminate them.

Programme risks - risks at the level of programmes, i.e. those that occur across all programmes and the managing authorities can influence/eliminate them from their level (e.g. non-compliance with SNF). In isolated cases, there may be risks specific to a programme, that cannot be classified and evaluated as a risk common to all programmes and which the managing authorities can influence/eliminate from their level (they always relate to specific problems connected with the substantive focus of the programme).

Mandatory programme risks - risks defined in the Methodological Guideline on Common Processes (Risk Management chapter), which are included in the Set of Programme Risks and Measures in MS2021+, and MAs are obligated to monitor and evaluate these risks at specified intervals. These risks will be an input in the programme's risk assessment.

Optional programme risks - managing authorities and MoRD-NCA can identify and evaluate other optional risks that they consider relevant in the given year of implementation. Those risks are usually an input in the programme's risk assessment.

Annual Communication Plan

The annual communication plan is a document prepared by each programme for a given year. Annual communication plans help to fulfil the Common Communication Strategy, they specify the planned information and publicity activities, including the planned values of relevant monitoring indicators in the given year, the expected costs and periods of implementation of the activities.

Annual report on administrative capacity

The annual report on administrative capacity means a report drawn up by all entities of the implementation structure on the state and development of administrative capacity over the past year.

Equal opportunities

The principle of equal opportunities is one of the fundamental horizontal priorities (themes) of the EU. The principle of equal opportunities means non-discrimination based on gender, race, ethnic origin,



religion, belief, disability, age or sexual orientation. The theme of equal opportunities also applies to other disadvantaged groups, such as migrants, the long-term unemployed, people with low qualifications, people from areas with difficult transport access, drug addicts, released prisoners, school-leavers, etc., collectively groups at risk of social exclusion. Special emphasis is placed on fulfilling the principle of equal opportunities for women and men.

Project budget

The project budget is structured information on the breakdown of eligible and, where relevant, ineligible project expenditure, registered in MS2021+. The budget can be registered in MS2021+ in several versions corresponding to the life cycle of the project; the project budget is linked to the roster of documents. It is defined by the managing authority in the relevant call. The level of the budget detail is set by the managing authority. MS2021+ offers a choice of several budget types: unit budget, annual budget, basic budget, etc. Each type of budget has a different header - different labels of the columns.

Managing authority

The managing authority (MA) is a body responsible for effective, efficient and economical management and implementation of its programme in compliance with the principles of sound financial management. A national, regional or local public authority or a public or private entity may be entrusted with the functions of the managing authority of a programme co-financed from the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund. A managing authority performs activities in accordance with Article 72 CPR.

Risk management

Risk management is the process of identifying and evaluating risks, monitoring them, and taking measures that reduce the risks incurred. Risk management also includes responsibility for risks incurred and the process of continuous streamlining of the entire risk management system.

Set of programme risks and measures

The set of programme risks and measures is regularly reported by the managing authority in MS2021+. It is a set of pre-defined mandatory risks affecting the implementation of the programme and defined measures to eliminate them.

List of operations

The list of operations means the list of all operations supported by EU funds, which is publicly accessible on the website www.dotaceEU.cz. The report is always generated at the beginning of the calendar month and contains a complete list of projects with their name and the amount of aid the project received. The list includes all operations for which a legal act on grant award/transfer has been concluded.

The actual date of completion of the physical implementation of a project



The actual date of completion of the physical implementation of a project is understood as the date on which the purpose and goal(s) of the project are achieved. The specific facts (activities/ events/ documents, etc.) that are considered to be the final proof of the fulfilment of the project's purpose and goals are determined by the managing authority according to the nature of the intervention in the management documentation, or in the conditions of the legal act on grant award/transfer.

The "estimated date of completion of the physical implementation of the project" is also recorded in the aid application / project, which represents the planned date on which the physical implementation of the project is expected to end.

The actual start date of the physical implementation of a project

The actual start date of the physical implementation of a project is understood as the date on which activities aimed at fulfilling the purpose and goal(s) of the project are started. The specific facts (activities/ events/ documents, etc.) that are considered to initiate the fulfilment of the project's purpose and goals are determined by the managing authority according to the nature of the intervention in the management documentation, or in the conditions of the legal act on grant award/transfer.

The "estimated start date of the physical implementation of the project" is also recorded in the aid application / project, which represents the planned date on which the physical implementation of the project is expected to start.

Services of general economic interest

Services of general economic interest refer to non-market provision of public goods from public budgets as a result of market failure, if the services are of an economic nature. If the provided services are of a non-economic nature, they are not services of general economic interest.

Grant award contract (FI)

The grant award contract means a legal act concluded between the manager of a financial instrument/holding fund or a financial intermediary and the final recipient.

Aggregate request for payment

An aggregate request for payment means a request for payment submitted by the managing authority to the Paying Authority, requesting a reimbursement of funds from the EU budget to the account of the pre-financing State organisational unit or to an account with MoRD's disposition authorisation in the case of the Czech Republic-Poland Interreg programme.

Private sector

The private sector includes legal or natural persons under private law (entrepreneurs and non-entrepreneurs), including non-governmental non-profit organizations.

Private expenditure/sources means the amount of expenditure out of the total expenditure on a project, which is covered by funds from the beneficiary's private sources invested in the project.



Roster of documents

Roster of documents

A roster of documents means the record of structured data on accounting documents in MS2021+. It is linked to the project budget/balance of resources and needs.

Specific training events

Specific training events are training events provided by the entities of the implementation structure for their employees in specific areas of implementation.

Specific objective (SO)

The intended change/goal to be achieved through the activities within the priority, and defined in the theory of change. It is a programme level defined in CPR and fund-specific regulations.

Common Communication Strategy of the European Funds in the 2021-2027 programming period

The Common Communication Strategy of the European funds in the 2021-2027 programming period is a document that represents the framework communication strategy for all managing authorities of programmes in the 2021-2027 programming period and the National Coordination Authority. The Common Communication Strategy defines the main objectives of information and publicity of EU funds, target groups, communication tools, outline schedule, and rules for monitoring and evaluating the success of meeting the set objectives.

EU Common Fisheries Policy

The EU Common Fisheries Policy means the EU's policy, the main objectives of which are to preserve fish stocks, protect the marine environment, ensure the economic viability of the European fleet, supply consumers with quality food and create and sustainably use living aquatic resources from an environmental, economic and social point of view. Sustainability must be based on scientific knowledge and the precautionary principle.

EU Common Agricultural Policy

The EU Common Agricultural Policy means the EU's policy aimed at ensuring food production, its export, developing agriculture and the rural areas, and safeguarding a reasonable living for farmers.

Co-financing

Co-financing is understood as a percentage of the volume of funds that the member state/beneficiary contributes to a programme/operation. In every programme paid from EU funds, it is necessary to co-finance the EU funding with the resources of the Czech Republic or the beneficiary's own resources.

The financial instrument manager



A financial instrument manager is an entity implementing a financial instrument based on a financing agreement concluded with a managing authority. It is the manager of a specific fund without a holding fund structure.

In the CPR, the term body implementing a financial instrument carrying out tasks of a specific fund is used for the financial instrument manager.

Holding fund manager

A holding fund manager is a body implementing a holding fund based on a financing agreement concluded with a managing authority. The holding fund manager is a beneficiary within the meaning of Article 2(9) CPR.

The holding fund manager can select other bodies (financial intermediaries) for the implementation of a financial instrument (called "specific fund") in accordance with Article 59(4) CPR.

In the CPR, the term body implementing a financial instrument carrying out tasks of a holding fund is used for the holding fund manager.

MS2021+ Administrator

The MS2021+ Administrator means the body (National Coordinating Authority of the Ministry of Regional Development) which is contractually responsible for the development, support and operation of the MS2021+ system, i.e. is entrusted with the setup and management of MS2021+ and is responsible for the technical solution and functioning of MS2021+.

Constant (real) prices

Constant (real) prices are prices that have been reduced by the relevant price index based on the prices prevailing in the given base year (i.e. prices without taking into account inflation, expressed at the price level of a specific year).

LAG standards

These are requirements for the institutional and functional setup of local action groups (LAGs). The LAG standards for the 2021-2027 programming period are laid down in the Methodological Guideline for the use of integrated instruments and regional action plans in the 2021-2027 programming period.

State Agricultural Intervention Fund (SAIF)

The State Agricultural Intervention Fund is an intermediate body and performs the function of a paying agency under the Common Agricultural Policy. EU subsidies are provided under the Common Fisheries Policy through the European Maritime, Fisheries and Aquaculture Fund and under the Common Agricultural Policy through the European Agricultural Fund for Rural Development. The State Agricultural Intervention Fund is established by Act No 256/2000 Coll., as amended. The central office of SAIF is located in Prague, regional offices of SAIF are located in the NUTS II regions.



Financial figure (state of funds)

The financial figure shows the amount of funds at a certain point in time during the implementation of a programme or programme levels, or implementation of operations.

Payment status

The payment status captures the development of a payment administration over time - it is registered on the payment request form and is one of the attributes enabling the monitoring of administration of payments.

Strategic line

The strategic line is a part of the hierarchy of the implementation structure, which consists of strategic sub-levels that represent the strategic focus of support from EU funds in the Czech Republic, namely policy objectives and specific objectives.

Strategic Environmental Assessment

Strategic Environmental Assessment (SEA) is a tool for environmental optimization of plans, programmes and policies that may have significant environmental impacts. The issue is regulated by Act No 100/2001 Coll., on environmental impact assessment. The aim of the SEA is to obtain objective and comprehensive information about the possible impact of planned policies on the environment.

Community-led local development strategy (SCLLD)

Community-Led Local Development Strategy means a comprehensive territorial development document designed for the territorial scope a LAG.

Regional Development Strategy of the Czech Republic (RDS)

The Regional Development Strategy of the Czech Republic is a fundamental strategic document in the field of regional development.

Implementation authority

The implementation authorities are the managing and national authorities of programmes, intermediate bodies, and coordination and horizontal activity authorities.

Coordination and horizontal activity authority

The coordination and horizontal activity authorities are the National Coordination Authority, the Audit Authority, the Paying Authority, and the Central Contact Point of the AFCOS network.



Warning system

The warning system is a monitoring and evaluation tool to identify potential problems and risks in the implementation of EU funds.

System project

A system project is a project that sets up a system in a certain area, where the applicant/beneficiary is usually a public administration body or an organization established/funded by it.

Theory of change

Theory of change describes and explains the mechanism by which programme/project activities will contribute to achieving the planned effects, results and impacts of the programme/project. The main aspects covered are chronological and causal links, but also external assumptions and the overall context (see also the term 'intervention logic').

Theory of change is defined using three basic questions:

- What do we want to change and can change? - Defining specific problems that we want to change with interventions and are able to do so.
- How do we want to achieve this? - The mechanism of the intervention's effect through clear measures and activities.

How do we verify that we have been successful? - The system of evaluating the achieved outputs and results, or impacts. Theory of change must include, or be complemented with, correctly set indicators that will ensure the measurability of outputs and related results in a direct link to the objectives of the programme/project.

Text of the call

The text of the call is the basic document containing information on the conditions for obtaining support under a specific call.

Payment detail type

The payment detail type shows whether the payment is an advance payment or payment of claimed expenditure. Within the payment of claimed expenditure, a distinction is made between claim_ex_ante, claim_ex_post and claim_refund.

Type of operation

In the implementation of EU funds, the following types of operations are distinguished: individual project, simplified project, financial instrument, small project fund and integrated strategy.

Type position

Type positions are job positions linked to programme implementation processes that must be ensured by managing authorities and intermediate bodies.

Types of intervention



Types of intervention are a statistical tool of the Commission defined in Article 22(3)(d) and Article 22(5) CPR, which more closely identifies the substantive focus of operations supported from EMFAF.

Participant in a procurement procedure

A participant in a procurement procedure means a supplier who initiates negotiations with the contracting authority or has submitted a bid in the procurement procedure.

Accounting year

In the context of EU fund implementation, the accounting year means the period from 1 July of a given year until 30 June of the following year, with the exception of the first accounting year, which is the period from the start date for eligibility of expenditure until 30 June 2022. For the final accounting year, it means the period from 1 July 2029 to 30 June 2030.

Sustainability of the project

The sustainability of the project is the period during which the beneficiary must maintain the project outputs in accordance with Article 65 CPR or in accordance with the call conditions set by the managing authority. If sustainability is relevant for a given project, the aid beneficiary is obligated to fulfil the sustainability conditions set in the legal act on the grant award/transfer, in which the granting authority specifies the sustainability period. Compliance with the sustainability commitment may be checked by the relevant institutions. In the case of a failure to fulfil the sustainability obligation, the beneficiary may, in extreme cases, be ordered to return the support or a part thereof.

Employee's working time

The employee's working time means the total amount of the employee's working time committed for the organization, regardless of the percentage of the employee's involvement in the implementation of EU funds.

Closure of accounts

The closure of accounts means the process through which the Paying Authority confirms the completeness, accuracy and veracity of accounts in accordance with Article 98 CPR.

Territorial scope of a LAG

This is a geographical area defined by the territories of municipalities that have approved to be included in the territorial scope of the relevant LAG for a certain programming period (currently 2021-2027). The territorial scope of a LAG has a population of 10 thousand to 100 thousand and does not include towns with more than 25 thousand inhabitants (for the 2021-2027 period, the population is assessed as of 1 January 2020 according to the Czech Statistical Office).

Territorial dimension

The territorial dimension is understood as an opportunity to concentrate funding from EU fund programmes in specific types of territory, supporting the competitiveness (depending on the



development potential) of the Czech Republic and taking into account the requirement to level out territorial disparities (with regard to internal territorial differentiation and concentration of economic, social or environmental problems).

Territorial approach

Territorial approach means territorially targeted thematic intervention (fully or partially targeted intervention in selected territories according to the typology of the territory of the Czech Republic, or in the territories of government-supported regions, or in other territories defined according to other criteria).

Managerial employees

Managerial employees are employees who, at various levels of management, are authorized to determine and assign work tasks to subordinate employees, organize, manage and check their work and give them binding instructions for that purpose. In the case of civil service, they are the superiors.

SCLLD implementation manager

The SCLLD implementation manager is a natural person designated by the relevant LAG, who is responsible for the implementation of SCLLD. It is a management position that has powers and responsibilities related to ensuring the implementation of SCLLD.

Large enterprise

A large enterprise is a size category of an enterprise, not falling into the size category of small and medium-sized enterprises.

State aid

State aid means any aid granted by a Member State or through from public sources in any form whatsoever which distorts or may distort competition by favouring certain undertakings or the production of certain goods and affects trade between Member States. The aid that meets the above criteria, is incompatible with the common EU market and therefore is prohibited. Exemptions to the general ban on the provision of State aid may be permitted in the form of a regulation (e.g. block exemptions, de minimis aid) or on the basis of an individual decision of the European Commission (so-called notification).

Private sector

The public sector includes the state, regions, municipalities, voluntary associations of municipalities, state administration bodies and legal entities that are funded, established or at least 50% owned by municipalities, voluntary associations of municipalities, regions or the state, regardless of their legal form, i.e. e.g. contributory organizations of the state and other public corporations (municipalities, regions, etc.), but also enterprises majority-owned by municipalities or the state (e.g. city maintenance services, Forests of the Czech Republic, etc.). In case of doubt as to whether an entity is a public entity,



the provision of Article 2(1)(4) of Directive 2014/24/EU of the European Parliament and of the Council is decisive.

Public contract

The award of a public contract means the conclusion of a contract for pecuniary interest between the contracting authority and a contractor, establishing the contractor's obligation to provide supplies, services or construction work. Public contracts are governed by Act No 134/2016 Coll., on public procurement, as amended, and relevant methodological guidelines³⁶.

Public expenditure

See Public contribution.

A body governed by public law³⁹

A body governed by public law is a body that is established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character, has legal personality, and is financed mostly (i.e. in more than 50%) by the State, regional or local authorities, or by other bodies governed by public law⁴⁰, or is subject to management supervision by those authorities or bodies, or have an administrative, managerial or supervisory board, more than half of whose members are appointed by the State, regional or local authorities, or by other bodies governed by public law.

This is in particular the Czech Republic, a state contributory organization, a territorial self-governing unit or a contributory organization which is governed and funded by a territorial self-governing unit, or another legal entity if it is funded or established for the purpose of satisfying public interest needs that are not of an industrial or commercial nature, and is mostly financed by one of the above bodies or is controlled by those bodies, or such body appoints or elects more than half of the members in its statutory, administrative, supervisory or control body.

Multi-fund financing

Multi-fund financing means the possibility to combine financing for one programme from several EU funds.

The applicant's own share in financing the operation

³⁵ Metodický pokyn pro oblast zadávání zakázek pro programové období 2021-2027.

³⁶Methodological Guideline on Public Procurement for the programming period 2021-2027.

³⁷ Status subjektu se může v průběhu času měnit. Subjekt si udržuje svůj status po dobu 12 měsíců od začátku rozpočtového roku. V rámci projektu se status subjektu po dobu jeho realizace nemění. Rozhodující je status subjektu v době vydání nebo uzavření příslušného právního aktu o poskytnutí / převodu podpory.

³⁸ Do tohoto financování se nezapočítávají prostředky, které jsou poskytovány společně s povinností poskytnout tyto prostředky dalšímu subjektu (např. globální granty, partnerství). Dále se do tohoto financování nezapočítávají prostředky, které jsou poskytovány vůči konkrétnímu protiplnění (např. dodávka zboží).

³⁹The status of a body may change over time. A body maintains its status for 12 months from the beginning of the budget year. Within a project, the status of a body does not change during the implementation. The status of the body at the time of issuance or conclusion of the relevant legal act on grant award/transfer is decisive.

⁴⁰ This financing does not include funds that are provided together with the obligation to provide these funds to another entity (e.g. global grants, partnerships). This financing also does not include funds that are provided against a specific consideration (e.g. delivery of goods).



The applicant's own share in financing the operation is registered in MS2021+ as a private source or as a public source, depending on the nature of the beneficiary (see also the term 'sources of funding'). The payment detail on which the beneficiary's own source will be registered will have a specific tag.

Recovery

Recoveries represent the right of the managing authority/Paying Authority to recover a part of the funds provided to the beneficiary in the event that the funds were used in violation of the terms of the management documentation of the given programme, in violation of budgetary discipline, or as an irregularity. Recoveries may also represent funds returned by beneficiaries without an irregularity detected.

Procurement Procedure

A procurement procedure means the contracting authority's procedure set out in the Methodological Guideline for Public Procurement in the 2021-2027 programming period, the purpose of which is to award a contract, until the conclusion of the contract or until the cancellation of the procurement procedure.

Selection of projects

Project selection is a part of the project approval process following the project appraisal process, and its main goal is to decide which projects will be supported and which will not.

Expenditure

An expenditure is an outflow of cash or cash equivalents, irrespective of the purpose for which it is used.

Exclusion of a project from financing

Exclusion of a project from financing means a decision by the Paying Authority, the managing authority or another responsible entity or body that the project or a part thereof will no longer be co-financed from the EU budget.

Evaluation and update of the evaluation plan of the Partnership Agreement / programme

The evaluation of the evaluation plan (EP) is carried out once a year. It is advisable to update the plan along with its evaluation. If the EP is updated, the update is included in the evaluation. Evaluations and updates are discussed at the relevant platforms.

Through the evaluation and updating of the evaluation plan, relevant platforms are informed in maximum detail about the implemented evaluation activities and their outputs and how they are used in the implementation of the Partnership Agreement/ programme and about the currently planned evaluation activities.

Yield



Yield means an increase in an economic resource expressed in monetary units, caused by the performance of the entity, usually associated with current or future monetary income. The term yield is seen as identical with the term income and vice versa. The opposite of yield is cost.

Statement of expenditure

Expenditure divided by priority and, where applicable, by category of region, set out in the accounting of the entity performing the accounting function, the so-called statement of expenditure, contains all eligible expenditure within the given programme (i.e. including national public co-financing and private co-financing) with the exception of expenditure associated with specific objectives, for which the enabling conditions pursuant to Article 15 CPR are not fulfilled, except for the expenditure of operations that contribute to the fulfilment of the enabling conditions, all financial corrections, any other adjustments and the corresponding contribution from public sources, a part of which, co-financed from the EU budget, was entered by the Paying Authority in IS VIOLA, cumulatively for the accounting year in EUR until the last day of the period of the payment application to the Commission.

The statement of expenditure is submitted to the European Commission together with the interim payment application.

Annual control report

The annual control report means a report on the findings of audits during the previous accounting year, drawn up by the Ministry of Finance - Audit Authority pursuant to Article 77(3)(b) CPR.

Annual Report on the Implementation of the 2021-2027 Partnership Agreement

The Annual Report on the Implementation of the 2021-2027 Partnership Agreement is based on the experience of managing and coordinating the implementation of the funds in previous programming periods. The Report makes up for the absence of a summary report on the implementation of EU funds in the Czech Republic - it summarizes the progress, current state and expected development of the PA implementation and serves in particular as a basis for decisions at the national level on key issues of the implementation of the PA and programmes, intended to streamline the management, coordination and implementation of EU funds. During the programming period, the structure and content of the report may be updated depending on the needs of the MoRD-NCA. The report is processed outside the MS2021+ based on data from MS2021+.

Call

A call is the activity of the managing authorities (or other entities in the case of integrated strategies) inviting potential applicants to submit aid applications according to predetermined conditions (content of the call). Aid applications are accepted in the period specified by the call. The document specifying the conditions is called the text of the call.

Call of a LAG to receive projects under its Community-Led Local Development Strategy (the "LAG Call")



This is a type of call, announced by a local action group, for proposals of integrated projects within the Community-Led Local Development Strategy. The LAG Call must be based on the call for the CLLD instrument, issued by the managing authority or the State Agricultural Intervention Fund.

Call for integrated projects

A call for integrated projects means a specific type of call, announced by the managing authorities, for proposals of projects fulfilling the approved integrated strategies made under the various integrated instruments (the calls are entered in MS2021+).

Call for integrated strategies

The call for integrated strategies means the call for holders of integrated instruments to submit applications for support of their integrated territorial or local development strategies. The call is announced by the Ministry of Regional Development.

Workflow

Workflow is an implementation diagram broken down into sub-steps and their links. A clearly defined sequence of procedural steps can be described using statuses, their mutual sequence, and conditions of transition between statuses.

Contracting Authority

The contracting authority is any beneficiary who carries out a tender or public procurement procedure during the implementation of their project. A project partner may also be a contracting authority.

Public Procurement Procedure

Public procurement procedure means the procedure of the contracting authority according to the Public Procurement Act, the purpose of which is to award a public contract, ending with the conclusion of the contract or a cancellation of the procurement procedure.

Employee

The term employee means an employee or a civil servant.

Interest group

LAG partners form interest groups that are specifically focused on a certain issue of SCLLD. The LAG defines interest groups in accordance with the SCLLD. LAG partners choose an interest group e.g. according to the focus of their predominant activity. A LAG partner may belong to one interest group only.

Final report on programme implementation

Final report means a report that contains information on the implementation of the programme and its contribution to the Union's strategy for smart, sustainable and inclusive growth. Final reports are

submitted by the Member State to the European Commission for programmes co-financed by the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime Fisheries and Aquaculture Fund at the end of the programming period. Details on the submission of final reports are provided in Article 43 CPR.

Sources of funding

Sources of funding are sources from which EU fund operations are financed, e.g. the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the European Maritime, Fisheries and Aquaculture Fund, the Just Transition Fund, as well as the state budget, state funds, financial resources of municipalities and regions, other public sources and private sources.

Simplified record of subsidies (ZED in Czech)

It is a budget system module for recording national non-investment subsidies and returnable financial assistance granted from the state budget or subsidies (investment and non-investment) co-financed from the European Union budget, and other expenditure co-financed from the European Union budget or financial mechanisms. The budget system is administered by the Ministry of Finance.

Simplified request for payment

A simplified request for payment means a form/data area in MS2021+ where the beneficiary records data necessary for the administration of a payment.

Simplified cost options

This is a method of reimbursement of eligible project expenditure, which does not use the method of actually incurred expenditure evidenced through accounting, tax or other documents. When using simplified cost options, eligible expenditure is determined using predefined method based on outputs, results or some other costs. The payment of aid is conditional on the achievement of defined milestones and outputs and/or the fulfilment of predetermined conditions. Simplified cost options include unit costs, lump sums, and flat rate financing.

Simplified Project

A simplified project is a project that consists exclusively of standardized activities defined by their outputs or results, which are determined by the managing authority and for which the managing authority has set, in accordance with the rules for simplified cost options, the exact amount of support attributable to each activity (or outputs or results).

Integrated Strategy Implementation Report (ISg Implementation Report)

A report on the implementation of an integrated strategy drawn up by the holder of the integrated instrument. The report contains an overview of the development of the integrated instrument implementation including the achievement against indicators, schedule and financing plan, an overview of approved and implemented projects, a description of the synergies achieved and information on the overall context of the integrated instrument within the territory.

Progress report on integrated instruments



The progress report on integrated instruments means the report prepared by the Ministry of Regional Development - Regional Policy Department on the basis of reports on the implementation of integrated strategies and data from MS2021+. The report is one of the background documents for the Annual Report on the Implementation of the Partnership Agreement for the 2021-2027 programming period.

Project implementation report (PIR)

The report drawn up by the beneficiary for its project (individual project, simplified project) and submitted to the managing authority, or to the intermediate body if it is involved in the implementation, through MS2021+. The aim of the report is to provide the granting authority with information about the state and progress of the implementation of the given project, or to identify problems that occurred during the implementation. During the project implementation, the reports are marked as interim, except for the last one, which is marked as final.

Project sustainability report (PSR)

The report drawn up by the beneficiary for its project (individual project, simplified project) covered by Article 65 CPR, or resulting from the conditions of the call set by the MA, and submitted via MS2021+, for each completed year of the sustainability period that starts on the date a project with ex-ante financing acquires the central status "Project physically terminated" or the date a project with ex-post or combined financing acquires the central status "Project financially terminated by the MA". The aim of the report is to provide the granting authority with information on the fulfilment of the beneficiary's obligations during the sustainability period of the project. During the project sustainability, the reports are marked as interim, except for the last one, which is marked as final.

Report on the risks and measures of the EU fund implementation

A report that is regularly processed by the MoRD-NCA in cooperation with other entities of the implementation structure based on the results of IRMS. The MoRD-NCA regularly submits this report to the Government of the Czech Republic.

Intermediate body

Intermediate body means a public or private entity to which the managing authority has delegated some functions or tasks, or for whose activities the managing authority is responsible.

Eligible expenditure

Eligible expenditure is expenditure incurred for a specified purpose and within the period specified in the legal act on grant award/transfer, complying with the relevant regulations of the EU and the Czech Republic, the relevant methodological guideline of the MoRD-NCA and other rules established by the managing authority for the programme.

Specific fund

A specific fund is defined as a fund through which the managing authority or the holding fund manager provides financial products to the final recipients.



Applicant

Applicant means a specific entity that has submitted an aid application. Applicant ceases to be an applicant upon becoming a beneficiary or when their aid application is excluded from the approval process.

Request for payment (payment claim)

Form labelled F1/data area in MS2021+, where the project manager/ financial manager of the MA/IB records the data necessary for payment administration. It is linked to the payment detail.

Request for payment, also called payment claim, means a document submitted by the beneficiary to the relevant managing authority or intermediate body as a basis for reimbursement of realized eligible expenditure, in the case of combined payments it is expenditure on work/supplies/services performed so far but not paid for. The request must be supported by the necessary documents (e.g. copies of documents, account statements, documentation proving the achievement of units in the case of projects with unit costs, etc.).

Payment application to the European Commission

In a payment application to the Commission, a Member State asks the European Commission to reimburse the Union contribution to the declared eligible expenditure (public or total) at an amount corresponding to the co-financing rate set for each priority.

Aid application

An application for support, filled out by the applicant and submitted to the relevant managing authority or intermediate body with the aim of obtaining financial aid under the given programme. The aid application must be drawn up in accordance with the conditions of the programme and the rules of the announced call.

In the context of financial instruments, this is a document submitted by the final recipient to the financial instrument manager or to a financial intermediary based on a call for proposals applying for aid from the financial instrument.

Application for support of an integrated strategy

This is an application for support of an integrated territorial strategy of a MA/A or a community-led local development strategy (SCLLD) submitted through the monitoring system for the 2021-2027 programming period. The application consists of a conceptual part of the strategy and several so-called programme frameworks which are designed for being supported from the relevant programmes. The output of the process of appraising and approving the integrated strategy is the MA's commitment to reserve the required programme allocation, not the provision of financial support. The strategy is implemented through integrated projects that are submitted to the MA's call and undergo a standard appraisal process.

Request for review



The request for review represents a specific control mechanism established in methodology, used in proceedings before a first-instance administrative authority. The rules for the 2021-2027 programming period are governed by the Methodological Guideline for calls, appraisal and selection of projects.

Change request

The change request is a tool for modifying the data in the aid application/ project / integrated strategy.

Life cycle

The life cycle captures the course of administration of a call and implementation of operations through phases and states of the administration/implementation.