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| **Component 1.4: DIGITAL ECONOMY AND SOCIETY, INNOVATIVE START-UPS AND NEW TECHNOLOGY** | |
| **Investment/ reform CID reference** | **Reform 1** |
| **Investment/ reform name** | **Institutional reform of the coordination and support system for digital transformation of economy (incl. RIS 3)** |
| **Type of change compared to CID** | [Added/ removed/ modified] |
| **Legal base of the change (select at least one)** | Article 14(2) – loan request  Article 18(2) – update of the maximum financial contribution  Article 21 – amendment due to objective circumstances  Article 21a – REPowerEU non-repayable financial support (ETS revenue)  Article 21b (2) – BAR transfers  ☐ None of the above, correction of clerical error |
| **Elements modified (only for modified measures)** | Component / Measure description  Milestones and targets  Estimated cost  Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure)  DNSH self-assessment |

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| **Reform 1: Institutional reform of the coordination and support system for digital transformation of economy (incl. RIS 3) – Milestone 47** | | |
| *Description and justification of the change* | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** | *The institutional reform aims to simplify the organisation structure overseeing the digital transformation. The newly established Digital Transformation Committee (DTC) shall closely cooperate with National Innovation Strategy for Smart Specialisation governing entities that identify and disseminate key technologies and relevant fields of research and innovation. It shall ensure connectivity and coordination amongst actors across the entire digital ecosystem and shall include the representation of private and public stakeholders. To support this work, it shall commission analytical studies and procure expert support services and it shall also raise awareness among businesses and citizens on the opportunities to apply new digital technologies.*  *The further improvement of the digital and innovation ecosystem (including start-ups, spin-offs and strategic technologies) shall include the establishment of a coordinating body, under the Digital Transformation Committee, responsible for the implementation of support programmes for business under this component in line with EU Start-up Nations Standard and it is expected to commission legal analyses and proposals, impact assessments, and provide recommendations and advice on the implementation of the reform and the related investments. The reform shall lead to setting up cooperation between the public and private sectors and to supporting the three pilot co-investment funds, entepreneurship and business support schemes, activities to enhance internationalisation of start-ups and regulatory sandboxes testing innovative solutions in practice, as proposed under this component.* | *The institutional reform aims to simplify the organisation structure overseeing the digital transformation. The newly established Digital Transformation Committee (DTC) shall closely cooperate with National Innovation Strategy for Smart Specialisation governing entities that identify and disseminate key technologies and relevant fields of research and innovation. It shall ensure connectivity and coordination amongst actors across the entire digital ecosystem and shall include the representation of private and public stakeholders. ~~To support this work,~~ it shall ~~commission analytical studies and procure expert support services and it shall~~ also raise awareness among businesses and citizens on the opportunities to apply new digital technologies.*  *The further improvement of the digital and innovation ecosystem (including start-ups, spin-offs and strategic technologies) shall include the establishment of a coordinating body, under the Digital Transformation Committee, responsible for the implementation of support programmes for business under this component in line with EU Start-up Nations Standard and it is expected to ~~commission legal analyses and proposals, impact assessments, and~~ provide recommendations and advice on the implementation of the reform and the related investments. The reform shall lead to setting up cooperation between the public and private sectors and to supporting the three pilot co-investment funds, entepreneurship and business support schemes, activities to enhance internationalisation of start-ups and regulatory sandboxes testing innovative solutions in practice, as proposed under this component.* |
| ***Milestones and targets*** | *The Digital Transformation Committee, including the representation of public and private stakeholders, shall coordinate the implementation of the reforms and investments under component 1.4 and 1.5. This shall also include a special consultative/expert working group overseeing the implementation of the EU Start-up Nations Standards under this component and it shall provide legal analyses, impact studies and expert opinion on the selection of methods of implementation. This milestone shall be considered fulfilled once the Committee and the working group start to work.* | *The Digital Transformation Committee, including the representation of public and private stakeholders, shall coordinate the implementation of the reforms and investments under component 1.4 and 1.5. This shall also include a special consultative/expert working group overseeing the implementation of the EU Start-up Nations Standards under this component and it shall provide ~~legal analyses, impact studies and~~ expert opinion on the selection of methods of implementation. This milestone shall be considered fulfilled once the Committee and the working group start to work.* |
| ***Estimated cost*** | *9 mil. CZK* | *0 CZK* |
| ***Green and digital tagging*** | *No change* | *No change* |
| ***DNSH self-assessment*** | *No change* | *No change* |

CZ proposes to delete the estimated cost 9 mil. CZK which was envisaged for the commissioning of studies and analysis publicly procured. CZ has chosen a more cost – efficient solution to implement the reform. We have found the internal knowledge resources which does not require external studies or analysis anymore for delivering the main objecitives and implementation of the reform. Therefore, the suggested change would not alter/hinder the objective and the ambition of the reform, but otherwise would enable CZ to redirect the saved resources to other measures where it is needed.

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| **Component 1.4: DIGITAL ECONOMY AND SOCIETY, INNOVATIVE START-UPS AND NEW TECHNOLOGY** | |
| **Investment/ reform CID reference** | **Reform 2** |
| **Investment/ reform name** | **Joint Strategic Technologies Support and Certification Group with the Strategic Technologies Board** |
| **Type of change compared to CID** | [modified] |
| **Legal base of the change (select at least one)** | Article 14(2) – loan request  Article 18(2) – update of the maximum financial contribution  Article 21 – amendment due to objective circumstances  Article 21a – REPowerEU non-repayable financial support (ETS revenue)  Article 21b (2) – BAR transfers  ☐ None of the above, correction of clerical error |
| **Elements modified (only for modified measures)** | Component / Measure description  Milestones and targets  Estimated cost  Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure)  DNSH self-assessment |

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| **Reform 2: Joint Strategic Technologies Support and Certification Group with the Strategic Technologies Board – Milestone 48** | | |
| *Description and justification of the change* | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** | *TheThe reform aims at creating accredited quality management and product certification authorities and providing a network of accredited laboratories with sufficient testing and certification capacities, which shall improve the quality of products and facilitate the management of production processes and competitiveness of Czech companies. This shall increase the necessary capacity and lower the costs of authorising institutions, hence making certification more accessible, particularly in strategic sectors such as aerospace and medical devices industry. The reform shall support activities such as the retrofitting of laboratories, facilitating accreditation processes and purchasing equipment with a focus on: advanced materials and technologies (composites, additive manufacturing, laser applications); green technologies (hybrid/electric propulsion, decarbonisation, noise reduction, biofuel, sustainability of air transport); automation and digitisation; Unmanned Aerial Vehicle (UAV)/Unmanned Aircraft Systems (UAS); Urban Air Mobility (UAM); software applications; Industry 4.0 in Aerospace (AI, IoT, Big Data). The component shall also include consultancy and advisory services to firms in preparation for obtaining certification and in dissemination of manufacturing practices.* | *The reform aims at development of accredited quality management and product certification authorities and providing a network of accredited laboratories with sufficient testing and certification capacities, as well as sharing the best practices particularly in strategic sectors such as aerospace and medical devices industry, which shall improve the quality of products and ~~facilitate the management of production processes and~~ competitiveness of Czech companies. ~~This shall increase the necessary capacity and lower the costs of authorising institutions, hence making certification more accessible, particularly in strategic sectors such as aerospace and medical devices industry.~~ The reform shall support activities such as: ~~the retrofitting of laboratories,~~ facilitating accreditation processes and purchasing equipment with a focus on: advanced materials and technologies (composites, additive manufacturing, laser applications); green technologies (hybrid/electric propulsion, decarbonisation, noise reduction, biofuel, sustainability of air transport); automation and digitisation; Unmanned Aerial Vehicle (UAV)/Unmanned Aircraft Systems (UAS); Urban Air Mobility (UAM); software applications; Industry 4.0 in Aerospace (AI, IoT, Big Data). The component shall also include consultancy and advisory services to firms in preparation for obtaining certification and in dissemination of manufacturing practices.*  *To maintain the long-term sustainability of such process, part of the component will be allocated to create educational development courses to level up the knowledge of Czech experts within certification process including but not limited to preparation of technical documentation, reviewing processes etc.* |
| ***Milestones and targets*** | *Name: Establishment and appointment of certification authorities*  *Qualitative indicator: Creation of a network of certification authorities for strategic sectors*  *Description of each milestone and target: Establishment of certification authorities with testing capacities for certification including laboratories, equipment and know-how to support the development and innovation in strategic sectors.*  *Timeline for completion: Q4/2023* | *Name: Establishment and appointment of professional certification network*  *Qualitative indicator: Creation of a network of certification authorities, technical experts and involved companies for strategic sectors.*  *Description of each milestone and target: Creation of a network platform that serves as a one stop shop for sharing best practices, finding actual information on certification such as quality and availability of accredited laboratories or/and notified bodies, offers for technical support.*  *Timeline for completion: Q2/2023* |
| ***Estimated cost*** | *Based on the increased need for certification, especially in the field of healthcare, unit costs were estimated. approx. CZK 0.5 to 5 million per company / project / certification, Expected number of supported projects: 40*  *Expected average project support: CZK 2.75 million Total expected costs: 40 \* 2.75 = CZK 110 million.* | *Based on the increased need for certification, especially in the field of healthcare, unit costs were estimated. approx. CZK 0.5 to 2.5 million per company / project / certification, Expected number of supported projects: 50*  *Expected average project support: CZK 2million. Total expected costs: 50 \* 2 = CZK 100 million + CZK 10 million for education. Total allocation is CZK 110 million.* |
| ***Green and digital tagging*** | *No change* | *No change* |
| ***DNSH self-assessment*** | *No change* | *No change* |

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| **Component 1.4: DIGITAL ECONOMY AND SOCIETY, INNOVATIVE START-UPS AND NEW TECHNOLOGY** | |
| **Investment/ reform CID reference** | **Reform 2** |
| **Investment/ reform name** | **Joint Strategic Technologies Support and Certification Group with the Strategic Technologies Board** |
| **Type of change compared to CID** | [modified] |
| **Legal base of the change (select at least one)** | Article 14(2) – loan request  Article 18(2) – update of the maximum financial contribution  Article 21 – amendment due to objective circumstances  Article 21a – REPowerEU non-repayable financial support (ETS revenue)  Article 21b (2) – BAR transfers  ☐ None of the above, correction of clerical error |
| **Elements modified (only for modified measures)** | Component / Measure description  Milestones and targets  Estimated cost  Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure)  DNSH self-assessment |

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| **Reform 2: Joint Strategic Technologies Support and Certification Group with the Strategic Technologies Board – Target 49** | | |
| *Description and justification of the change* | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** | *TheThe reform aims at creating accredited quality management and product certification authorities and providing a network of accredited laboratories with sufficient testing and certification capacities, which shall improve the quality of products and facilitate the management of production processes and competitiveness of Czech companies. This shall increase the necessary capacity and lower the costs of authorising institutions, hence making certification more accessible, particularly in strategic sectors such as aerospace and medical devices industry. The reform shall support activities such as the retrofitting of laboratories, facilitating accreditation processes and purchasing equipment with a focus on: advanced materials and technologies (composites, additive manufacturing, laser applications); green technologies (hybrid/electric propulsion, decarbonisation, noise reduction, biofuel, sustainability of air transport); automation and digitisation; Unmanned Aerial Vehicle (UAV)/Unmanned Aircraft Systems (UAS); Urban Air Mobility (UAM); software applications; Industry 4.0 in Aerospace (AI, IoT, Big Data). The component shall also include consultancy and advisory services to firms in preparation for obtaining certification and in dissemination of manufacturing practices.* | *TheThe reform aims at development of accredited quality management and product certification authorities and providing a network of accredited laboratories with sufficient testing and certification capacities, as well as sharing the best practices particularly in strategic sectors such as aerospace and medical devices industry, which shall improve the quality of products competitivenessand competitiveness of Czech companies. ~~This shall increase the necessary capacity and lower the costs of authorising institutions, hence making certification more accessible, particularly in strategic sectors such as aerospace and medical devices industry.~~ The reform shall support activities such as: ~~the retrofitting of laboratories,~~ facilitating accreditation processes and purchasing equipment with a focus on: advanced materials and technologies (composites, additive manufacturing, laser applications); green technologies (hybrid/electric propulsion, decarbonisation, noise reduction, biofuel, sustainability of air transport); automation and digitisation; Unmanned Aerial Vehicle (UAV)/Unmanned Aircraft Systems (UAS); Urban Air Mobility (UAM); software applications; Industry 4.0 in Aerospace (AI, IoT, Big Data). The component shall also include consultancy and advisory services to firms in preparation for obtaining certification and in dissemination of manufacturing practices.*  *To maintain the long-term sustainability of such process, part of the component will be allocated to create educational development courses to level up the knowledge of Czech experts within certification process including but not limited to preparation of technical documentation, reviewing processes etc.* |
| ***Milestones and targets*** | *Name: Number of companies provided with certification*  *Qualitative indicator: Number of companies provided with certification*  *Description of each milestone and target: 50 companies to be provided with certification by the established network of accredited certification authorities* | *Name: Number of companies provided with certification*  *Qualitative indicator: Number of companies provided with certification*  *Description of each milestone and target:*  *50 companies to be provided with certification by ~~the established network of~~ accredited certification authorities. The reform shall also lead to the creation of educational courses available to stakeholders on certification process.* |
| ***Estimated cost*** | *Based on the increased need for certification, especially in the field of healthcare, unit costs were estimated. approx. CZK 0.5 to 5 million per company / project / certification, Expected number of supported projects: 40*  *Expected average project support: CZK 2.75 million*  *Total expected costs: 40 \* 2.75 = CZK 110 million.*  *Timeline for completion: Q2/2024* | *Based on the increased need for certification, especially in the field of healthcare, unit costs were estimated. approx. CZK 0.5 to 2.5 million per company / project / certification, Expected number of supported projects: 50*  *Expected average project support: CZK 2million.*  *Total expected costs: 50 \* 2 = CZK 100 million + CZK 10 million for education. Total allocation is CZK 110 million.*  *Timeline for completion: Q4/2024* |
| ***Green and digital tagging*** | *No change* | *No change* |
| ***DNSH self-assessment*** | *No change* | *No change* |

*The proposed amendment in the milestone is intended to respond to the current situation in the Czech Republic and the needs of small and medium-sized companies facing the certification process. The original wording of the CID envisaged the creation of a network of certification authorities. The first certification authority (Notified Body 1023 - Institute for Testing and Certification) for MDR and IVDR was established in the Q4 2022. Despite the existence of a new certification authority in the Czech Republic, the process remains very complicated for the companies seeking certification.*

*For small and medium-sized companies, we have noticed an urgent need to clarify available information sources regarding the certification and, in particular, involve experts with practical experience sharing best practices. In this regard, we have received feedback from stakeholders in the medical device manufacturing industry as well as the aerospace industry.*

*We, therefore, want to propose to the Commission that, as part of our milestone, we will create a 'one-stop' platform comprising all relevant stakeholders in the field of certification. This database will serve as a single point of contact for companies in the certification process, where they can find up-to-date information on education, quality and availability (quantitative and temporal) of accredited laboratories, notified persons, technical support, etc. In this regard, we propose to change the name and description of the milestone 48.*

*At the same time, as part of the target 49, we will allocate part of the resources to support the creation of publicly available educational courses for the certification process, not only for theoretical knowledge but also for sharing best practices. The classes will be organized at public schools. We are in contact with, among others, Charles University. As part of the fulfilment of our target, we will enable continuous quality education of future certification experts who can help small and medium-sized companies during the certification process.*

*Furthermore, the proposed change in the "Timeline of fulfilment" is intended to correct a recurring administrative error. It is not a postponement of the milestone´s and target´s completion. Our request is only formal. Despite our repeated previous notices, the timelines of fulfilment for milestone (number 48) and target (number 49) remain entwined between the CID and OA. OA indicates correct quarters but interchanged years, CID indicates correct years but interchanged quarters. The correct date for the milestone (number 48) is the Q2 2023. The correct date for the target (number 49) is the Q4 2024.*

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| **Component 1.4: DIGITAL ECONOMY AND SOCIETY, INNOVATIVE START-UPS AND NEW TECHNOLOGY** | |
| **Investment/ reform CID reference** | **Investment 1** |
| **Investment/ reform name** | **European Centre of Excellence in AI “for Citizens’ Safety and Security”** |
| **Type of change compared to CID** | removed |
| **Legal base of the change (select at least one)** | Article 14(2) – loan request  Article 18(2) – update of the maximum financial contribution  Article 21 – amendment due to objective circumstances  Article 21a – REPowerEU non-repayable financial support (ETS revenue)  Article 21b (2) – BAR transfers  ☐ None of the above, correction of clerical error |
| **Elements modified (only for modified measures)** | Component / Measure description  Milestones and targets  Estimated cost  Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure)  DNSH self-assessment |

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| **Investment 1: European Centre of Excellence in AI “for Citizens’ Safety and Security” – Milestone 50** | | |
| *Description and justification of the change* | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** | *The purpose of the investment is to create an additional Network of European Centres of Excellence in Artificial Intelligence, which is expected to obtain the Seal of Excellence under Horizon Europe. The centre aims to ensure sufficient research capacity to enable the introduction and application of AI technologies in the designated area.*  *It shall focus its operation on safety-enhancing applications of AI and contribute to the scientific research in the field, with a particular focus on the segments where comparative advantage can be achieved through national and regional specialisation. The centre’s activity shall be in line with the Coordinated Plan on Artificial Intelligence and the investment aims at following the recommendations of the High-Level Expert Group on AI of the European Commission.* | *~~The purpose of the investment is to create an additional Network of European Centres of Excellence in Artificial Intelligence, which is expected to obtain the Seal of Excellence under Horizon Europe. The centre aims to ensure sufficient research capacity to enable the introduction and application of AI technologies in the designated area.~~*  *~~It shall focus its operation on safety-enhancing applications of AI and contribute to the scientific research in the field, with a particular focus on the segments where comparative advantage can be achieved through national and regional specialisation. The centre’s activity shall be in line with the Coordinated Plan on Artificial Intelligence and the investment aims at following the recommendations of the High-Level Expert Group on AI of the European Commission.~~* |
| ***Milestones and targets*** | *European Centre of Excellence in Artificial Intelligence for Citizen Safety and Security is to support research, cooperation and introduction of new applications in the field of artificial intelligence.* | *~~European Centre of Excellence in Artificial Intelligence for Citizen Safety and Security is to support research, cooperation and introduction of new applications in the field of artificial intelligence.~~* |
| ***Estimated cost*** | *CZK 239 million* | *0* |
| ***Green and digital tagging*** | *N/A* | *N/A* |
| ***DNSH self-assessment*** | *N/A* | *N/A* |

*The proposed deletion of the whole investment is based on the significant changes of circumstances – this whole investment was based on Coordinated Plan for AI (2021 revision) by the European Commission. The selection of the so-called European Centres of Excellence in AI was given to the Horizon Europe call by the EC itself. Unfortunately, the call was delayed and the current outcome means that no application from the Czech subject was successful in leading and establishing such centre. This outcome was* ***announced to the applicants on Monday March 13th.*** *Due to the timeframe, there is only way to solve this by deletion of the whole investment.*

* *The so-called European Centres of Excellence in AI should be the pillars for a future European Lighthouse in AI according to the Coordinated plan on Ai from 2018 and its revision from 2021. The Commission decided to select such European centres under the Horizon programme in the standard Horizon call and evaluation process. First call was opened under Horizon 2020 in 2019 and no consortium led by the Czech university was successful (just participating in other networks). Second call was planned under the Horizon Europe.*
* *Czech Republic agreed with the EC to finance an additional Centre of Excellence from the national RRP/RRF. The selection process had to stay the same for the Centre to qualify under the Coordinated plan on AI. The conditions for a consortium led by the Czech subject were to focus on topic of safety and security outlined in the RRP and obtain at least a Seal of Excellence, a standard measure under the Horizon programmes.*
* *The Horizon Europe call in question (HORIZON-CL4-2022-HUMAN-02) was delayed due to the delay of the Horizon WPs in general. Completely without the possibility of the Czech Republic to speed it up. Due to solely this delay independent on the CZ, the milestone nr. 50 timeframe (end of Q4/2022) was not met.*
* *There was and is no other possibility to implement this measure, because the process for selection of the European Centres of Excellence in AI was given by the EC itself in the Coordinated plan. Member state clearly cannot itself substitute the Horizon Europe programme.*
* *Unfortunately, no consortium led by Czech university was successful in the aforementioned call and even not reached the minimum of points for the Seal of Excellence. Due to this fact and the delay of the Horizon Europe there is no other possibility than cancelling and deleting this whole investment, especially given the current timeframe. According to our information provided by the EC, there will not be any other call to select European Centres of Excellence under the Horizon Europe or any other program.*

*Therefore, the Czech government cannot select any consortium to establish the European Centre of Excellence in AI because no Czech consortium was awarded at least by the Seal of Excellence. This means no consortium or other entity can be awarded the status of the European Centre of Excellence as defined by the Coordinated plan on AI. The Czech government therefore cannot select such European Centre of Excellence in any national call unrelated to the Horizon Europe and Coordinated plan. Such consortium/entity selected on the solely national level would not be a part of the European network, could not constitute a pillar for the European Lighthouse and therefore would not fulfil the aim and ambition of this investment and component 1.4.*

*Due to the aforementioned reason and objective inability to select the European Centre of Excellence and despite all the effort on the national level, realisation of this investment became impossible.*

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| |  |  | | --- | --- | | **Component 1.4: DIGITAL ECONOMY AND SOCIETY, INNOVATIVE START-UPS AND NEW TECHNOLOGY** | | | **Investment/ reform CID reference** | **1.4 - Investment and 2** | | **Investment/ reform name** | **European Digital Media Observatory Hub)** | | **Type of change compared to CID** | ADDEDmodified | | **Legal base of the change (select at least one)** | Article 14(2) – loan request  Article 18(2) – update of the maximum financial contribution  Article 21 – amendment due to objective circumstances  Article 21a – REPowerEU non-repayable financial support (ETS revenue)  Article 21b (2) – BAR transfers  None of the above, correction of clerical error | | **Elements modified (only for modified measures)** | Component / Measure description  Milestones and targets  Estimated cost  Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure)  DNSH self-assessment |  |  |  |  | | --- | --- | --- | | **Investment 2 European Digital Media Observatory Hub – NEW Milestone** | | | | **Direct support for the digital transformation of enterprises** | | | | **Modified elements** | **Current version** | **Amended version** | | ***Component and / or measure description*** | *This investment shall establish the Central European Digital Media Observatory (CEDMO), a regional institution led by the Charles University in partnership with the Czech Technical University of Prague (ČVUT) and the fact-checking website demagog.cz. CEDMO shall be linked with the European Digital Media Observatory and follow the Action Plan against Disinformation issued by the European Commission and High Representative of the Union for Foreign Affairs and Security Policy. It shall provide AI tools and methodology to fight fake news in the digital space in an impartial manner in cooperation, and it shall provide methodology to detect, analyse and publicise disinformation campaigns at national, transnational and European level and analyse the impact of disinformation campaigns on society and democracy; support media literacy and monitor the rules of online platforms and the digital media ecosystem in cooperation with national authorities. The investment shall also include long-term research providing monthly outputs based on a statistically relevant panel of minimum 2000 people of the population in Czechia leading to reports on digital and media literacy, the resilience of the population to disinformation and misinformation in Czechia.* | *No change* | | ***Milestones and targets*** |  | New milestone – Launch of the extended CEDMO Hub co-financed under the Digital Europe Program (DEP)  The expanded Digital Media Hub as part of the EDMO network shall focus on analysing and combating the spread of misinformation based on advent of the generative AI and also on support for applied research and development of AI tools to support free and independent media as a tool to tackle information distortions.  by Q2/2024  New target added:  Number of analytical studies resulting from additional CEDMO Trends and/or algorithmic samples: 5  By Q4/2025 | | ***Estimated cost*** | *CZK 0* | *CZK218,4m – EUR 9,6m in total – of which CZK 175,4 – EUR 7,385m the new allocation – please see the costing table in a separate document* | | ***Green and digital tagging*** | *N/A* | *N/A* | | ***DNSH self-assessment*** | *N/A* | *N/A* |  * We want to extend Investment 2 in component 1.4. The CEDMO Hub, selected already by the CEF call, is now fully operational as a part of the EU-wide network. * *The expansion should be focused on following three pillars:*   **1) Application of AI in the digital media ecosystem - threats**  ***Expansion of the CEDMO Hub***   * 1. ***Extension of the CEDMO index***   *Longitudinal study so far conducted only in the Czech Republic (number of waves: 30), to the issue of research on the perception of artificial intelligence and its use in digital media by the Czech population, extension of the research to other Central and Eastern European countries (typically Slovakia, Poland, Austria) and in time to [2030].*   * 1. ***Generative AI in the digital ecosystem – text and images***   *Applied research with a special focus on texts, photos and images.*  **2) AI supporting recovery and transformation of the media - opportunities**  *Based on the policy outlined by the "Action Plan to support recovery and transformation of the media and audiovisual sectors."[[1]](#footnote-2) Proposal aims to support free and independent media that provides objective information as a natural counterweight and prevention of information disorders. These measures shall therefore support independence and financial stability of media necessary for maintaining their freedom in the new media landscape impacted by the generative AI.*  ***2.1) Research of journalistic genres and tools after the advent of automated and AI journalism***  *Research of the new digital media landscape (and related double-sided market) and the impact of generative AI on journalism, its main functions and information reception by users.*  ***2.2) Language and visual tools supporting profitability of independence media***  *Building of the independent applied research infrastructure and dataspaces for cooperation between academia and media on a new AI tools to provide objective information and journalism.*  ***2.3) Behavioral economics models for independent media monetization***  *Applied research with special focus on public reception of information and demand for a form of journalism and information channels preferences based on the behavioural economics.*  ***3) Regulation of AI journalism - risks***  *Research into the possibilities of (self) regulatory framework for generative AI applications in media, esp. impacts on information and media (measures to support competition and strategic autonomy). With a special focus on rules for generative AI to protect fundamental rights and EU values, implementation of the AI Act and potentially also the codes of practice.*  *The selection process for the EDMO hubs was given by the EC, the CEDMO consortium was selected in the CEF call and the following DEP call is already opened.*  *Action Plan to support recovery and transformation of the media and audiovisual sectors (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0784)*  *Member State itself cannot simply award the European Centre of Excellence in contradiction to the Coordinated Plan on AI. Therefore we would like to replace the unsuccessful bid with the expansion of already operating Central European Digital Media Observatory (CEDMO).*  **Name of the modified component** |

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| **Component 1.4: DIGITAL ECONOMY AND SOCIETY, INNOVATIVE START-UPS AND NEW TECHNOLOGY** | |
| **Investment/ reform CID reference** | **Investment 3** |
| **Investment/ reform name** | **Transfer of foreign best practices and know-how for digital transformation, monitoring and research on the socio-economic effects of the crisis (Samuel Neaman Institute)** |
| **Type of change compared to CID** | removed |
| **Legal base of the change (select at least one)** | Article 14(2) – loan request  Article 18(2) – update of the maximum financial contribution  Article 21 – amendment due to objective circumstances  Article 21a – REPowerEU non-repayable financial support (ETS revenue)  Article 21b (2) – BAR transfers  ☐ None of the above, correction of clerical error |
| **Elements modified (only for modified measures)** | Component / Measure description  Milestones and targets  Estimated cost  Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure)  DNSH self-assessment |

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| **Investment 3: Transfer of foreign best practices and know-how for digital transformation, monitoring and research on the socio-economic effects of the crisis (Samuel Neaman Institute) – Target 53** | | |
| *Description and justification of the change* | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** | *This investment shall lead to the creation and capacity-building of the Samuel Neaman Institute’s Strategic Think Tank in the Czech Republic, which shall be established as an independent organisation and shall be directly linked to the Digital Transformation Committee (established under Reform 1). Its objective is to bring together business federations, employers’ representatives, academia and other stakeholders, and the public administration, to patronage and coordinate the digital transformation of the Czech economy, while monitoring and evaluating its socio-economic impact. The Institute is expected to establish memorandums for international cooperation for the transfer of best practices in digital transformation with at least five global leading institutions.* | *~~This investment shall lead to the creation and capacity-building of the Samuel Neaman Institute’s Strategic Think Tank in the Czech Republic, which shall be established as an independent organisation and shall be directly linked to the Digital Transformation Committee (established under Reform 1). Its objective is to bring together business federations, employers’ representatives, academia and other stakeholders, and the public administration, to patronage and coordinate the digital transformation of the Czech economy, while monitoring and evaluating its socio-economic impact. The Institute is expected to establish memorandums for international cooperation for the transfer of best practices in digital transformation with at least five global leading institutions.~~* |
| ***Milestones and targets*** | *The Institute is to monitor recent developments and socio-economic impacts of digital transformation based on the memorandum with the Ministry of Industry and Trade. It is to conclude memorandums on cooperation and of transferring know-how to support digital transformation of the economy.* | *~~The Institute is to monitor recent developments and socio-economic impacts of digital transformation based on the memorandum with the Ministry of Industry and Trade. It is to conclude memorandums on cooperation and of transferring know-how to support digital transformation of the economy.~~* |
| ***Estimated cost*** | *CZK 170m* | *0* |
| ***Green and digital tagging*** | *N/A* | *N/A* |
| ***DNSH self-assessment*** | *N/A* | *N/A* |

*The proposed deletion of the whole investment is based on the significant changes of circumstances – original investment was based on the very exceptional situation during the Covid pandemics. Given the timeframe, internal personal capacity and digital tagging attached to this investment significant changes would be needed and there is no time and/or capacity to rebuild the whole investment and implement it.*

* *We are obliged to follow a strong internal recommendation given by the Delivery unit to delete investments that are uncertain and which implementation work has not yet started. The original purpose of this investment was to support digital transformation and digital resilience during the covid pandemics and immediate post-covid situation. As the situation changed rapidly in February 2022, a very significant changes would be needed to ensure this investment can be completed with the foreseen goals for the Czech digital economy. In fact, a completely new investment would have to be proposed. The level of uncertainty is therefore too high and we propose deletion and reallocation of the financial resources..*
* *The objective need for the deletion has arisen before the investment implementation. The investment originally focused on attracting foreign best practice and know-how to tackle pandemics and the negative socio-economic impacts of the imminent covid situation. Due to quite unexpected change of circumstances (abrupt end of the covid-related measures) and beginning the current crisis, the focus would have to be changed completely. The original period for implementation has also significantly shortened.*
* *The mere fact that the investment was focused on tackling the covid-related situation in 2021 constitutes objective barrier for implementation in the current circumstances. The need to change the aims and content of the investment would mean de facto proposal for the new investment.*

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| **Component 1.4: DIGITAL ECONOMY AND SOCIETY, INNOVATIVE START-UPS AND NEW TECHNOLOGY** | |
| **Investment/ reform CID reference** | **Investment 4** |
| **Investment/ reform name** | **SME Management Training Platform for post-COVID-19 Digital Transformation** |
| **Type of change compared to CID** | removed |
| **Legal base of the change (select at least one)** | Article 14(2) – loan request  Article 18(2) – update of the maximum financial contribution  Article 21 – amendment due to objective circumstances  Article 21a – REPowerEU non-repayable financial support (ETS revenue)  Article 21b (2) – BAR transfers  ☐ None of the above, correction of clerical error |
| **Elements modified (only for modified measures)** | Component / Measure description  Milestones and targets  Estimated cost  Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure)  DNSH self-assessment |

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| **Investment 4: SME Management Training Platform for post-COVID-19 Digital Transformation – Target 54** | | |
| *Description and justification of the change* | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** | *This measure aims at creating a Digital Transformation Platform, which shall serve as a one-stop-shop for companies that seek information on the application of new digital technologies such as AI, blockchain, cloud computing, robotisation and automation, cybersecurity and high performance computing and shall also support policymakers for data and evidence-based decisions in the area of the digital transformation of the economy. In a second phase, a training platform shall be created to provide e-learning-based solutions for new digital technologies in line with the principles of life-long learning. The implementation shall be accompanied by data collection and analyses in order to identify the hurdles and barriers hindering companies to implement new digital solutions. The implementation shall be coordinated by the Digital Transformation Committee and shall be complementary to the other investments in digital transition coordinated by the Committee.*  *.* | *~~This measure aims at creating a Digital Transformation Platform, which shall serve as a one-stop-shop for companies that seek information on the application of new digital technologies such as AI, blockchain, cloud computing, robotisation and automation, cybersecurity and high performance computing and shall also support policymakers for data and evidence-based decisions in the area of the digital transformation of the economy. In a second phase, a training platform shall be created to provide e-learning-based solutions for new digital technologies in line with the principles of life-long learning. The implementation shall be accompanied by data collection and analyses in order to identify the hurdles and barriers hindering companies to implement new digital solutions. The implementation shall be coordinated by the Digital Transformation Committee and shall be complementary to the other investments in digital transition coordinated by the Committee.~~* |
| ***Milestones and targets*** | *The platform is to serve as a basis for educating management of SMEs on the opportunities and risks posed by new digital technologies. It is to be a badge based education system. Its content is to be developed in cooperation with stakeholder* | *~~The platform is to serve as a basis for educating management of SMEs on the opportunities and risks posed by new digital technologies. It is to be a badge based education system. Its content is to be developed in cooperation with stakeholder~~* |
| ***Estimated cost*** | *CZK 110m* | *0* |
| ***Green and digital tagging*** | *N/A* | *N/A* |
| ***DNSH self-assessment*** | *N/A* | *N/A* |

*The proposed deletion of the whole investment is based on the significant changes of circumstances – original investment was based on the very exceptional situation during the Covid pandemics. Given the timeframe, internal personal capacity and digital tagging attached to this investment significant changes would be needed and there is no time and/or capacity to rebuild the whole investment and implement it.*

* *We are obliged to follow a strong internal recommendation given by the Delivery unit to delete investments that are uncertain and which implementation work has not yet started. The original purpose of this investment was to support digital transformation of the SMEs mainly via the online e-learning platform during the covid to tackle covid and post-covid economic crisis. As the situation changed rapidly since February 2022, new and different economic crisis has arisen, a very significant changes would be needed to ensure this investment can be completed with the foreseen goals for the Czech digital economy. In fact, a completely new investment would have to be proposed. The level of uncertainty is therefore too high and we propose deletion and reallocation of the financial resources.*
* *The objective need for the deletion has arisen before the investment implementation work started. The investment originally focused on supporting SMEs and their owners/managers to tackle financial needs related to the pandemics and its negative economic impact. Due to the unexpected change of circumstances (abrupt end of the covid-related measures) and beginning of the current crisis, the focus would have to be changed completely. Also the EDIH network and several private initiatives are starting to cover this area. The original period for the implementation has also significantly shortened.*
* *The mere fact that the investment was focused on tackling the covid-related situation in 2021 constitutes objective barrier for implementation in the current circumstances. The need to change the aims and content of the investment would mean de facto proposal for the new investment.*

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| **Component 1.4: DIGITAL ECONOMY AND SOCIETY, INNOVATIVE START-UPS AND NEW TECHNOLOGY** | |
| **Investment/ reform CID reference** | **Investment 5** |
| **Investment/ reform name** | **European Blockchain Services Infrastructure (EBSI) – DLT bonds for SME financing** |
| **Type of change compared to CID** | [~~Added/ remove~~d/ modified] |
| **Legal base of the change (select at least one)** | Article 14(2) – loan request  Article 18(2) – update of the maximum financial contribution  Article 21 – amendment due to objective circumstances  Article 21a – REPowerEU non-repayable financial support (ETS revenue)  Article 21b (2) – BAR transfers  ☐ None of the above, correction of clerical error |
| **Elements modified (only for modified measures)** | Component / Measure description  Milestones and targets  Estimated cost  Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure)  DNSH self-assessment |

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| **Investment 5: European Blockchain Services Infrastructure (EBSI) – DLT bonds for SME financing – Milestone 55, Target 56** | | |
| *Description and justification of the change* | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** | *The planned investment in the European Blockchain Services Infrastructure (EBSI) falls under the umbrella of the European Blockchain Partnership (EBP) and is expected to be co-financed by the Digital Europe Programme. The measure shall support the implementation of an EBSI/EBP use case focused on creation of pan-European (Distributed Ledger Technology) DLT bond platform for SME debt financing. The project shall contribute to enabling SMEs easier access to finance, to reducing costs and increasing transparency.* | *The planned investment in the European Blockchain Services Infrastructure (EBSI) falls under the umbrella of the European Blockchain Partnership (EBP) ~~and is expected to be co-financed by the Digital Europe Programme.~~ The measure shall support the implementation of an EBSI/EBP use case focused on creation of pan-European (Distributed Ledger Technology) DLT bond platform for SME debt financing. The project shall contribute to enabling SMEs easier access to finance, to reducing costs and increasing transparency.*  *Also the co-financing from the DEP should be deleted from the Costing table (row 23).* |
| ***Milestones and targets*** | ***Milestone 55*** *- Completion of the use-case EBSI technical implementation and launch of the SME pilot phase - Q4/22*  *Target 56 - Number of SMEs supported following a successful pilot phase through offer of digital bonds on EBSI Q4/23*  *Number: 250* | *Milestone 55 – Decision on the grant to start the technical implementation to prepare launch the SME pilot phase - Q4/23*  *Target 56 - Number of SMEs enabled to offer digital bonds on the basis of EBSI. The support shall be aimed at enabling SMEs to offer bonds based on Distributed Ledger Technology, without prejudice to the participating companies’ decision on bond issuance - Q2/24*  *Number: 190*  *(Please see explanation below)* |
| ***Estimated cost*** | *CZK 225 mil.* | *CZK 200 mil. (related to the lowering of target, please see explanation below)* |
| ***Green and digital tagging*** | *No change* | *No change* |
| ***DNSH self-assessment*** | *No change* | *No change* |

*The proposed change in the timeline is caused by the later deployment of the European Blockchain Services Infrastructure (EBSI) operated by the DG CNECT and DG DIGIT. The aim of this investment is to support the implementation of an EBSI/EBP use case focused on creation of pan-European DLT bond platform for more efficient SME debt financing and easier SME access to the capital for a green and digital transformation. As the deployment of any EBSI use cases has not yet started as of the end of 2022, we propose to change the milestones to ensure the project implementation accordingly without any delay.*

* *The investment is an integral part of the European Blockchain Partnership projects (one of the so called „use cases“) led by the European commission (DG CNECT and DG DIGIT) itself. It was proposed and is led by the Czech Republic and aims to support European SMEs in financing of their twin digital and green transformation. It will be built on the top of the European Blockchain Services Infrastructure (EBSI) built by DG DIGIT. Therefore, the progress of the EBSI is crucial for the implementation of this investment. The infrastructure is currently in the pre-production phase and entered the production phase in the beginning of the 2023 according to the information provided by DG CNECT and DG DIGIT at the EBP. The proposed changes therefore reflects this delay without lowering ambitions or changing goals for this investment.*
* *It is clear that there is no possibility to start implementation of the use-case and this investment before the infrastructure (EBSI) itself is operational. As this was delayed on the side of the EC itself, it constitutes an objective circumstance that caused delay of the investment implementation outside of the scope of CZ government.*
* *The legal framework consists of the Pilot Regime Regulation (PRR) adopted by the EP and the Council in 2022 with longer than expected legislative process. And the national laws for securities (bonds) that needs to be adjusted in accordance with the PRR. As the transposition period given by the PRR to the member states is not yet over, we expect the changes of the relevant laws to be adopted this year. The issuance of the bonds has to be in accordance with these changes. It will also be impacted by the market conditions given the current crisis that can be hardly predictable for the near future. Therefore we propose adjustment of the target definition, but not any postponement or lowering of the target.*
* *The investment is an integral part of the European Blockchain Partnership projects (one of the so called „use cases“) led by the European commission (DG CNECT and DG DIGIT) itself. It was proposed and is led by the Czech Republic and aims to support European SMEs in financing of their twin digital and green transformation. It will be built on the top of the European Blockchain Services Infrastructure (EBSI) built by DG DIGIT. Therefore, the progress of the EBSI is crucial for the implementation of this investment. The infrastructure is currently in the pre-production phase and entered the production phase in the beginning of the 2023 according to the information provided by DG CNECT and DG DIGIT at the EBP. The proposed changes therefore reflects this delay without lowering ambitions or changing goals for this investment.*
* *It is clear that there is no possibility to start implementation of the use-case and this investment before the infrastructure (EBSI) itself is operational. As this was delayed on the side of the EC itself, it constitutes an objective circumstance that caused delay of the investment implementation outside of the scope of CZ government.*
* *The legal framework consists of the Pilot Regime Regulation (PRR) adopted by the EP and the Council in 2022 with longer than expected legislative process. And the national laws for securities (bonds) that needs to be adjusted in accordance with the PRR. As the transposition period given by the PRR to the member states is not yet over, we expect the changes of the relevant laws to be adopted this year. The issuance of the bonds has to be in accordance with these changes. It will also be impacted by the market conditions given the current crisis that can be hardly predictable for the near future. Therefore we propose adjustment of the target definition, but not any postponement or lowering of the target.*
* *The proposed changes of the milestones and targets therefore consists of*

1. *Milestone completion by selecting the non-profit implementation consortium and starting of the technical implementation*
2. *Target completion by selection and preparation of the SMEs that will issue bonds in the pilot phase in line with the relevant legal framework*

* *The call for a consortium implementing this use-case is prepared to be opened independently on the Digital Europe Programme (DEP) and the project will be fully covered by the RRF without any need for the financial support from the EC-managed programs.*
* *The Milestone will be fulfilled by the start of the use-case implementation on the fully operational EBSI infrastructure. The EBSI has to be therefore fully operational to allow this use-case/investment to be implemented.*
* *Target will be fulfilled by selection and preparation of the SMEs for the pilot phase bond offering. Consortium and SMEs will be contractually obliged to fulfil the target. However, the bond issuance itself and its time frame will be dependent on the market conditions that can be hardly predictable due to the nature of the current crisis.*
* *The main reason for the delay and related proposed changes is the objective circumstance consisting of significant delay in the EBSI project itself. It has not yet (as of 07/23) started any production phase and is just entering the production phase. E.g. the node operators are currently signing the legal documents necessary for providing the application to the end user. The whole infrastructure is also moving to the newly established EDIC (announced and application submitted on June 17th 2023) which establishment is expected by the end of the year. As the whole project is managed by the DG CNECT and DG DIGIT, it is objectively outside of the CZ possibility to speed it up.*
* *Givent the current timeframe we propose to lower the target to 125 companies enabled to join the project. The exstimated costs were calculated based on two pillars – technical implementation (80%) and dissemination (20% of costs). As the technical implementation remains the main part, we propose to lower part of the allocation directly connected to the dissemination to companies to half. i..e. half of the 20% of the overall costs (EUR 1 mil.)*
* *We have also already proposed to also change the implementation dates for milestone and target. As the CID update process itself takes longer than expected, we propose to move the timeframe of this investment to the next payment slots. We need these changes to be approved first.*
* *There are no other changes in costing or scope of the investment proposed.*

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| **Component 1.4: DIGITAL ECONOMY AND SOCIETY, INNOVATIVE START-UPS AND NEW TECHNOLOGY** | |
| **Investment/ reform CID reference** | **Investment 6** |
| **Investment/ reform name** | **5G Demonstrative application projects for cities and industrial areas** |
| **Type of change compared to CID** | [Added/ removed/ modified] |
| **Legal base of the change (select at least one)** | Article 14(2) – loan request  Article 18(2) – update of the maximum financial contribution  Article 21 – amendment due to objective circumstances  Article 21a – REPowerEU non-repayable financial support (ETS revenue)  Article 21b (2) – BAR transfers  ☐ None of the above, correction of clerical error |
| **Elements modified (only for modified measures)** | Component / Measure description  Milestones and targets  Estimated cost  Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure)  DNSH self-assessment |

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| **Investment 6: 5G Demonstrative application projects for cities and industrial areas – Target 58** | | |
| *Description and justification of the change* | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** | *No change* | *No change* |
| ***Milestones and targets*** | ***Name:***  *Expansion of applications of uses cases for Smart Cities and for Industry 4.0*  ***Quantitative indicator:***  *45 for Smart Cities; 35 for Industry 4.0*  ***Description:***  *Expansion of selected demonstrative 5G use-case applications to other location including regions and local municipalities within the frames of Smart Cities and Industry 4.0 programmes* | ***Name:***  *Development of use cases for Smart Cities and for Industry 4.0*  ***Quantitative indicator:***  *27 for Smart Cities; 20 for Industry 4.0*  ***Description:***  *Development of demonstrative 5G use-case application to other location including regions and local municipalities within the frames of Smart Cities and Industry 4.0 programmes* |
| ***Estimated cost*** | *1100 mil. CZK* | *1075 mil. CZK* |
| ***Green and digital tagging*** | *No change* | *No change* |
| ***DNSH self-assessment*** | *No change* | *No change* |

*Amendment of the target of 45 demonstrative application projects for Smart Cities and 35 for Industry 4.0 to* ***27 for Smart Cities and 20 for Industry 4.0****, so that it corresponds to the minimum value set for investment 1.4.1.6 in the text of the National Recovery Plan of the Czech Republic. Amendment of the target description in order to better specify the measure. Proposal for the transfer of funds in the amount of CZK 25 million to thematically similar measures in the area of 5G R&D (CID number 46).*

*The investment is aimed at developing demonstrative applications of 5G technology in Smart Cities and Industry 4.0. The delivery of this type of applications requires the purchase of technical equipment from foreign suppliers, the implementation of a specific solution for the use of 5G technology on site, including the necessary construction and assembly works, and pilot operation, which is heavily affected by the higher energy costs. These investments have in effect become around 40% more expensive compared to 2021, when the target values were set, due to the above-mentioned rise of costs and supply chain crisis, and further increases of input costs can be expected given the current EIB, CNB and CZSO forecasts. According to the text of the National Recovery Plan of the Czech Republic, a minimum target value of 52 demonstration projects has been set for investment 1.4.1.6 and we therefore ask that this value is reflected in the CID modification. The higher target values in the CID for the number of demonstrative 5G use-case applications (45 for Smart Cities and 35 for Industry 4.0) can no longer be envisaged and the alignment of the values in the CID with the minimum value in the text of the National Recovery Plan is therefore requested (27 for Smart Cities and 20 for Industry 4.0 after change, note: 8 reference projects are being implemented).*

*Another reason for this proposal for change is the experience with a thematically similar measure (CID number 46). In this measure, a call for support of 5G R&D projects was made and the target of obtaining 20 projects was not met (13 project proposals were submitted and after the evaluation process, 10 proposals were supported). The call was then repeated after an intensive communication campaign to achieve the target. 23 project proposals were submitted to the second call and project proposals are now being evaluated. Based on this experience, we therefore propose to change above target values* *and we propose strengthening the costing of measure number 46 by transferring CZK 75 million from this measure (CID number 58).*

*The overall expected lower number of project proposals is also caused by the slow entry of some components of 5G networks into the market (mainly for vertical areas such as Smart Cities and Industry 4.0).*

*We propose a small change to the description of the target, which is a clarification of "Expansion of applications of use cases", because here we are thinking more precisely about "Development of use cases". Our intention is not to limit support to existing applications, but to support innovations in sectors which have not received extensive funding, in particular the vertical of Industry 4.0.*

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| **Component 1.4: DIGITAL ECONOMY AND SOCIETY, INNOVATIVE START-UPS AND NEW TECHNOLOGY** | |
| **Investment/ reform CID reference** | **Investment 7** |
| **Investment/ reform name** | **Czech Rise-Up programme** |
| **Type of change compared to CID** | [Added/ removed/ modified] |
| **Legal base of the change (select at least one)** | Article 14(2) – loan request  Article 18(2) – update of the maximum financial contribution  Article 21 – amendment due to objective circumstances  Article 21a – REPowerEU non-repayable financial support (ETS revenue)  Article 21b (2) – BAR transfers  ☐ None of the above, correction of clerical error |
| **Elements modified (only for modified measures)** | Component / Measure description  Milestones and targets  Estimated cost  Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure)  DNSH self-assessment |

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| **Investment 7: Czech Rise-Up programme – Target 59** | | |
| *Description and justification of the change* | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** | *The Czech ‘Rise-Up’ programme shall tackle the economic and social impact of the pandemic and it shall include two separate calls for projects: the first call shall be open to project proposals aiming at COVID-related medical research and development projects, which have reached the maturity of near-completion, certification or legal protection. The second call shall be open to research projects aiming at medical and non medical technological solutions to cope with the economic and social consequences of the COVID crisis, in particular in the fields of health, education, audio-visual sector, digital transformation of traditional businesses and sectors.* | *The Czech ‘Rise-Up’ programme shall tackle the economic and social impact of the pandemic and it shall include two separate calls for projects: the first call shall be open to project proposals aiming at COVID-related medical research and development projects, which have reached the maturity of near-completion, certification or legal protection. The second call shall be open to research projects aiming at medical and digital technological solutions to cope with the economic and social consequences of the COVID crisis, in particular in the fields of health, education, audio-visual sector, digital transformation of traditional businesses and sectors.* |
| ***Milestones and targets*** | *Name:*  *Support of projects aiming at innovation*  *in medical and nonmedical technological*  *solutions to cope the effects of COVID-19 and with its economic and social consequences*  *Description*  *Support of businesses in COVID related medical research and in developing projects, and research projects aiming at medical and non-medical technological solutions to cope with the economic and social consequences of the crisis in a form of de minimis grant support in a total value of minimum EUR 23 564 527,53.*  *Award of the contracts to the projects*  *selected under the competitive calls for proposals mentioned in this milestone shall be, in compliance with the ’Do no significant harm’ Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of*  *compliance with the relevant EU and*  *national environmental legislation.*  *goal: 300 supported projects* | *Name:*  *Support of projects aiming at innovation in medical and digital solutions to cope the effects of COVID-19 and with its*  *economic and social consequences*  *Description*  *Support of businesses in COVID related*  *medical research and in developing*  *projects, and* ***~~research~~*** *projects aiming at* ***~~medical and non-medical technological~~ digital*** *solutions to cope with the economic and social consequences of the crisis in a form of de minimis grant support* ***~~in a total value of minimum EUR 23 564 527,53~~****.*  *Award of the contracts to the projects*  *selected under the competitive calls for*  *proposals mentioned in this milestone*  *shall be, in compliance with the ’Do no*  *significant harm’ Technical Guidance*  *(2021/C58/01) through the use of an*  *exclusion list and the requirement of*  *compliance with the relevant EU and*  *national environmental legislation.*  *goal:* ***30 supported projects*** |
| ***Estimated cost*** | *CZK 600 mil.* | *CZK 60 mil.* |
| ***Green and digital tagging*** | *No change* | *No change* |
| ***DNSH self-assessment*** | *No change* | *No change* |

*The wording of the CID, timeframe and the subject of future calls for the component 1.4.2.1 (Czech Rise Up Programmes) were prepared in early part of 2021, at the time of the crucial spread of the COVID-19 pandemic. That situation was completely different from that the society and economy were facing in 2022.*

*The Component 1.4.2.1 was fully built up on the previous calls of programmes Czech Rise Up (Smart Measures against COVID-19) and Czech Rise Up 2.0 (Research against COVID-19), which were implemented at the beginning of COVID-19 pandemic in 2020 and funded from national resources. These programmes were positively evaluated and contributed to the successful fight against the COVID-19 pandemic.*

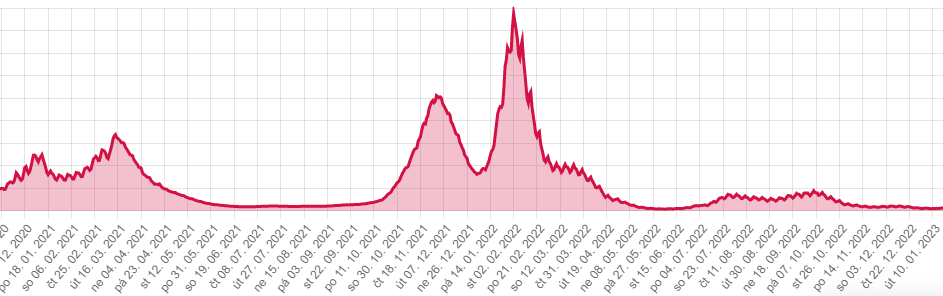
*When preparing the wording of the CID for the component 1.4.2.1, it was supposed to include successful projects from the programmes Czech Rise Up and Czech Rise Up 2.0. Over 60 projects were supported in those programmes (the original baseline). But no one of these projects complies with strict RRF conditions published in 2021.*

*That is why the new calls in the component 1.4.2.1 started to be prepared in the beginning of 2022 and were consulted with partners in the European Commission in June 2022 before their publication. The subject of calls was adjusted in terms of content according to the EC comments – it was stressed the purpose of covid consequences solutions and DNSH principle.*

*Within the Czech rise-up programme were announced two calls for submitting applications under the National Recovery Plan. The first call was focused on research in medical solutions and the second call was focused on technological (especially digital non-medical) solutions. The change in the name of the target was required with the purpose to emphasise the digital target of the calls. In the description, the change respects the division into two calls, because only the first call is focused on the medical research and the second call focused on technological solutions. For the better consistency, also the target description can be aligned in the way the it fits better to the scope of activity, target description can be changed to: “Support of businesses in COVID related medical research and in developing projects, and projects aiming at digital solutions.”*

*In the component 1.4.2.1 the first call for projects of covid-related medical research and development was announced on 6 September 2022, the second call for projects of digital consulting was announced on 11 October 2022. In September and October 2022 were published two press releases about announcing the calls. In January 2023 was published another one about reminding the open call for submitting applications.*

*As can be seen from the table below, it was the period when the covid crisis in the Czech Republic was over and it didn’t return as it had been expected. The last restrictive government‘s measure against the spread of COVID-19 was lifted in April 2022*

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*Currently (by the end of January 2023) only 26 applications have been submitted of which 6 already have been rejected because of non-complying with the RRF conditions. The number of applications was summed from both calls. The number shows that there is much smaller potential among applicants for achieving the original target of 300 projects to be completed by the end of 2023.*

*The second call published in October 2022 was closed at the end of February 20232023, becasuse the component will have to be completed by the end of 2023.*

*As emerges from the economic analysis and macroeconomic predictions, in 2022 the Czech society and business sector had to cope with other problems than the covid pandemic which had declined. The main problems of 2022 were the increase in inflation, the lack of input materials in production, the war in Ukraine and the energy crisis. The companies (and therefore potential beneficiaries) have been facing major challenges to their own survival and have been spending their money to solve problems especially with energy supply and rising prices. (see e.g.* [*https://www.mpo.cz/assets/cz/rozcestnik/analyticke-materialy-a-statistiky/analyticke-materialy/2023/1/Analyza\_vyvoje\_ekonomiky\_CR\_prosinec\_2023.pdf*](https://www.mpo.cz/assets/cz/rozcestnik/analyticke-materialy-a-statistiky/analyticke-materialy/2023/1/Analyza_vyvoje_ekonomiky_CR_prosinec_2023.pdf)*)*

*The aim of calls and component does not meet the current problems in the society and business. That is why the applicants do not want to join the calls of programme focused on solving COVID-19 consequences.*

*We propose to reduce the number of supported projects from 300 to 30, the new goal was set with regard to the number of applications submitted by the end of January 2023 (see above). Following this change, we propose to proportionally reduce the total requested amount of funds from CZK 600 million to CZK 60 million, which corresponds to the original assumption of average funds per each project in the amount of 2 million CZK.*

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| **Component 1.4: DIGITAL ECONOMY AND SOCIETY, INNOVATIVE START-UPS AND NEW TECHNOLOGY** | |
| **Investment/ reform CID reference** | **Investment 9** |
| **Investment/ reform name** | **Pilot co-investment funds for the development of pre/seed investments, strategic technologies and university spin-offs within the framework of European Centres of Excellence** |
| **Type of change compared to CID** | [~~Added/ removed~~/ modified] |
| **Legal base of the change (select at least one)** | Article 14(2) – loan request  Article 18(2) – update of the maximum financial contribution  Article 21 – amendment due to objective circumstances  Article 21a – REPowerEU non-repayable financial support (ETS revenue)  Article 21b (2) – BAR transfers  ☐ None of the above, correction of clerical error |
| **Elements modified (only for modified measures)** | Component / Measure description  Milestones and targets  Estimated cost  Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure)  DNSH self-assessment |

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| **Investment 9: Pilot investment funds for the development of pre/seed investments, strategic technologies and university spin-offs within the framework of European Centres of Excellence – Milestone 61, Target 62** | | |
| *Description and justification of the change* | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** | *No change* | *No change* |
| ***Milestones and targets*** | ***Milestone 61***  ***Name:*** *Launch of Funds of funds and the investment of the three designated funds (pre-seed, strategic technologies and spin-off funds)*  ***Target 62***  *Quantitative indicator - Investments in pre-seed and technology start-ups and spin-offs – 185 targets* | ***Milestone 61***  ***Name:*** Launch of the Fund of funds including the three designated funds (pre-seed co-investment, strategic digital technologies and spin-off funds)  *Agreement signed, intermediaries selected, investment policy adopted*  *Q4/2025*  ***Target 62***  Pilot funds for the development of pre-seed investments, strategic digital technologies and university spin-offs  Investments in technology start-ups and spin-offs  *Number* *19*  *Q2 2026* |
| ***Estimated cost*** | *CZK 1400m* | *No change* |
| ***Green and digital tagging*** | *No change* | *No change* |
| ***DNSH self-assessment*** | *No change* | *No change* |

*The proposed changes are based on the calculation made by the EIF on the basis of the proposed funds, specifics of the Czech VC market, current economic situation and their experience in implementing similar projects.*

* *The revision from 185 to 19 may look very significant, though has a strong basis discussed with the EIF during the implementation of the investment:*
* *The original calculation simply assumed the application of the EUR 200k de minimis limit across the board of all three funds – this would be insufficient for most expected investments, and we now assume the funds will follow the risk finance guidelines (with the participation of at least 30% private capital pari passu alongside RRF resources) whereby no state aid will take place, allowing also for larger investments*
* *The calculation needs to take into account not only initial investments into each start-up (as was done in the original estimate) but also follow-on investments, which are an inherent feature of venture capital investing and which may, in terms of aggregate volume, represent as much or more than the volume of initial investments.*
* *The original target assumed full deployment of all amounts by end-2025 as was not clear that the further deployment would be possible. However, the investment period of these funds is likely to run until c. 2028-2029 and most investments are likely to be made after 2025 – according to the attached calculation, the total would represent about 53-54 investments (i.e. a much smaller reduction than 19 and the more appropriate reference point for the change).*
* *The original calculation also did not account for typical fees and expenses associated with deploying such funds, which would account for c. 24% of the programme’s size (combined EIF/fund of funds level and the level of the individual funds).*
* *A similar target was implemented in the somewhat smaller and stage-wise comparable Czech ESIF Fund of Funds. That programme had a pre-seed/seed/early stage focus which this one shares to an extent through the mix of the three fund strategies. The aim was to support at least 35 companies with EUR 40m, which would correspond to 48 companies at EUR 55m.*
* *State Aid: in principle, the measure is expected to not entail any State aid and to comply with the market economy operator principle in line with section 4.2.3 (i) of the Commission Notice on the notion of State aid. Therefore, no notification to the EC is currently anticipated. In exceptional cases, particular supported funds may potentially follow articles 21 or 22 of the GBER or the measure would be otherwise notified as per applicable rules, if deemed necessary.*
* *The increase will allow for more optimal allocation to the planned three funds, enabling more viable fund sizes, with individual commitments to each fund likely in the range of EUR 20-25m (though could also be higher or lower, depending on the assessment of the individual investment proposals from fund managers). We do not foresee a change in the target of investments in start-ups by Q4 2025, as the increase in the allocation will not generally significantly influence the pace of investments, nor the number of funds that will be launched.*

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| **Component 1.4: DIGITAL ECONOMY AND SOCIETY, INNOVATIVE START-UPS AND NEW TECHNOLOGY** | |
| **Investment/ reform CID reference** | **Investment 9** |
| **Investment/ reform name** | **Pilot co-investment funds for the development of pre/seed investments, strategic technologies and university spin-offs within the framework of European Centres of Excellence** |
| **Type of change compared to CID** | Added |
| **Legal base of the change (select at least one)** | Article 14(2) – loan request  Article 18(2) – update of the maximum financial contribution  Article 21 – amendment due to objective circumstances  Article 21a – REPowerEU non-repayable financial support (ETS revenue)  Article 21b (2) – BAR transfers  ☐ None of the above, correction of clerical error |
| **Elements modified (only for modified measures)** | Component / Measure description  Milestones and targets  Estimated cost  Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure)  DNSH self-assessment |

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| **Investment 9: Pilot co-investment funds for the development of pre/seed investments, strategic technologies and university spin-offs within the framework of European Centres of Excellence – NEW Milestone** | | |
| ***Milestones and targets*** |  | ***Harmonized with the original milestone and target above***  ***Name:***  **NEW MILESTONE**  [new fund of funds**]**  Funds for the development of additional strategic technologies  *Signature of the new or amended financing agreement between Czechia and the European Investment Fund*  *Agreement signed*  *Q4/2024*  **NEW TARGET**  [new fund of funds]  Funds for the development of additional strategic technologies  *Finance or investment operations amounting to 100% of the total amount of finance or investment targeted approved by the Investment Committe*  *The Investment Committee shall approve 100% of the total amount of finance or investment targeted*  *Q2/2026* |
| ***Estimated cost*** | *No change* | *1 900 mil. CZK* |

*Based on the extensive discussion with both EIF and the EC, we propose to allocate EUR 20m from the loan top up to the current investment (funded from grants). This investment is already ongoing, call to select manager for the first co-investment fund was closed on June 14th with high demand. Also the preparations of the second and third pilot funds are already in later stages. Given the demand and changes on VC market, we believe that additional 20m can very much support success of these projects, meet market demand and contribute to goals of these funds - nurturing CZ digital and innovation ecosystem.*

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| **Component 1.4: DIGITAL ECONOMY AND SOCIETY, INNOVATIVE START-UPS AND NEW TECHNOLOGY** | |
| **Investment/ reform CID reference** | **Investment 11** |
| **Investment/ reform name** | **Regulatory sandboxes in line with EU priorities** |
| **Type of change compared to CID** | [~~Added/ removed~~/ modified] |
| **Legal base of the change (select at least one)** | Article 14(2) – loan request  Article 18(2) – update of the maximum financial contribution  Article 21 – amendment due to objective circumstances  Article 21a – REPowerEU non-repayable financial support (ETS revenue)  Article 21b (2) – BAR transfers  None of the above, correction of clerical error |
| **Elements modified (only for modified measures)** | Component / Measure description  Milestones and targets  Estimated cost  Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure)  DNSH self-assessment |

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| **Investment 11: Regulatory sandboxes in line with EU priorities – Milestone 64, Target 65** | | |
| *Description and justification of the change* | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** | ***Investment 11: Regulatory sandboxes in line with EU priorities***  *This measure shall consist of the launch and initial operation of two regulatory sandboxes, notably one in the field of artificial intelligence and one in fintech. The sandboxes shall be established in cooperation with the relevant authorities, regulators and partners of the respective sector and shall aim at providing an adequate technical and technological environment for testing new technologies. They shall be accessible for SMEs and start-ups as well as for other companies and shall include regular calls for testing programmes for innovative companies.*  *The investment shall be completed by 31 December 2023.* | ***Investment 11: Digital regulatory sandbox in line with EU priorities***  *This measure shall consist of the launch and initial operation of ~~two~~ the umbrella digital regulatory sandbox~~es~~, consisting of sector specific sandboxes notably one in the field of artificial intelligence and one in fintech. The sandboxes shall be established in cooperation with the relevant authorities, regulators and partners of the respective sector and shall aim at providing an adequate technical and technological environment for testing new technologies. They shall be accessible for SMEs and start-ups as well as for other companies and shall include regular calls for testing programmes for innovative companies.*  *The investment shall be completed by 31 December 2024.* |
| ***Milestones and targets*** | *Milestone 64*  *Name:*  *Launch of two regulatory sandboxes in fintech and Artificial Intelligence*  *Qualititavie indicator:*  *Set-up of the two sandboxes in the priority regulated areas, such as finance (based on Digital Finance Package) and AI (based on European legal framework for AI)*  *Description:*  *Sandboxes in the field of fintech and AI shall be considered to be active and operating when innovative companies are able to submit their applications for testing programmes. The primary focus shall be on projects already under preparation.*  *Target 65*  *Description:*  *Number of companies within regulated sectors whose project and product has been tested through the sandboxes in the field of fintech and AI. The primary focus shall be on projects already under preparation. Both sandboxes should support at least 10 projects in each programme launched.*  *Timeline for completion: Q4/2023* | *Milestone 64*  *Name:*  *Launch of the digital regulatory sandbox ~~in fintech and Artificial Intelligence~~ with pilot focus on fintech*  *Qualititavie indicator:*  *Set-up of the sandbox in the priority regulated areas, such as finance (based on Digital Finance Package) ~~and AI (based on European legal framework for AI)~~ and DLT*  *Description:*  *Digital regulatory sandbox with pilot focus in the field of fintech ~~and AI~~ shall be considered to be active and operating when innovative companies are able to submit their applications for testing programmes. The primary focus shall be on projects already under preparation.*  *Q2/2024*  *Target 65*  *Description:*  *Number of companies within regulated sectors whose project and product has been tested through the digital regulatory sandbox, especially in the field of fintech ~~and AI~~. The primary focus shall be on projects already under preparation. ~~Both sandboxes should support at least 10 projects in each programme launched.~~*  *Number of companies: 20*  *Timeline for completion: Q2/2025* |
| ***Estimated cost*** | *No change* | *No change* |
| ***Green and digital tagging*** | *No change* | *No change* |
| ***DNSH self-assessment*** | *No change* | *No change* |

*The proposed adjustment reflects the reality in negotiations of the AI Act by the Council ant Parliament that has not yet concluded and therefore there is no legal basis for the AI sandbox. Also the Czech Republic has decided to launch a general digital sandbox aimed at helping all digital start-ups and projects to cope with new EU regulations.*

* *The so called AI Act is to provide legal basis for establishment and launch of the AI regulatory sandbox. It is the first and only such legislation, therefore the AI sandbox cannot be launched without the final and binding text of this EU regulation. Unfortunately, the negotiations are longer than originally expected due to the complex and controversial nature of the regulation. Although the CZ PRES has reached the General approach in the Council it is not sure when the European Parliament will reach a compromise with the Council. Given the usual two years long legis vacancy period, the AI Act can easily reach full effect after the end of RRF.*
* *To solve this issue and primarily to provide digital innovators with help and guidance, the Czech Republic has decided to launch the digital regulatory sandbox as a main part of this investment. It shall provide single point of entry for all digital start-ups and provide them with initial guidance and support esp. to cope with new EU regulations (MiCA, DSA, DMA, etc.). This Digital regulatory sandbox will consist of the specialised sandboxes for specific regulated areas.*
* *First of this special sandboxes shall be focused on fintech and the DLT based on the new EU regulation and relevant projects of the common EU interest (such as EBSI). Building of this sandbox is also supported by the TSI (provided by OECD)*

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| **Component 1.4: DIGITAL ECONOMY AND SOCIETY, INNOVATIVE START-UPS AND NEW TECHNOLOGY** | |
| **Investment/ reform CID reference** | **Investment 13** |
| **Investment/ reform name** | **Support to R & I in aviation industry** |
| **Type of change compared to CID** | [modified] |
| **Legal base of the change (select at least one)** | Article 14(2) – loan request  Article 18(2) – update of the maximum financial contribution  Article 21 – amendment due to objective circumstances  Article 21a – REPowerEU non-repayable financial support (ETS revenue)  Article 21b (2) – BAR transfers  ☐ None of the above, correction of clerical error |
| **Elements modified (only for modified measures)** | Component / Measure description  Milestones and targets  Estimated cost  Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure)  DNSH self-assessment |

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| **Investment 13: Support to R & I in aviation industry - Mílestone 67** | | |
| Despite the fact the milestone was in fact fulfilled, we have to propose deletion of the whole investment. The project will therefore be completed, but CZ will not fund it from the RRF. | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** | *This investment consists of the creation of the necessary infrastructure for a fully digitalised testbed for the aviation industry. It shall include the use of quantum computing technology and shall aim at enabling the use of digital twin modelling and simulations, which shall lead to the development of high accuracy production methods, better data collection and know-how spillovers to other industries.*  *This investment shall include the completion of the engine core test bed enabling the acquisition of additional experimental aircraft engines equipped with a high number of sensors allowing for the development of new aerospace technologies and a testbed for an experimental aircraft to test the engines in flight. Such a facility shall be available for industry partners in the aeronautics sector including SMEs. The facility and the equipment acquired under this investment shall be used for research and innovation with a primary focus on the development of low-impact options and partly on efficiency increase. The biofuels used for testing shall be in compliance with RED II renewable energy directive*[***[1][1]***](https://euc-word-edit.officeapps.live.com/we/wordeditorframe.aspx?ui=cs-cz&rs=cs-cz&wopisrc=https%3A%2F%2Fmpocz.sharepoint.com%2Fsites%2FNrodnplnobnovy-MPO-DU%2F_vti_bin%2Fwopi.ashx%2Ffiles%2F9ea3b7e733984df7a756a157b3456128&wdenableroaming=1&mscc=1&hid=deb3c616-9959-4f0c-8c66-fb733e595abc.0&uih=teams&uiembed=1&wdlcid=cs-cz&jsapi=1&jsapiver=v2&corrid=60d36afc-3d64-496a-a4ad-88cade340660&usid=60d36afc-3d64-496a-a4ad-88cade340660&newsession=1&sftc=1&uihit=UnifiedUiHostTeams&muv=v1&accloop=1&sdr=6&scnd=1&sat=1&rat=1&sams=1&mtf=1&sfp=1&halh=1&hch=1&hmh=1&hwfh=1&hsth=1&sih=1&unh=1&onw=1&dchat=1&sc=%7B%22pmo%22%3A%22https%3A%2F%2Fwww.office.com%22%2C%22pmshare%22%3Atrue%7D&ctp=LeastProtected&rct=Normal&wdorigin=TEAMS-ELECTRON.teamsSdk.openFilePreview&wdhostclicktime=1684327014669&instantedit=1&wopicomplete=1&wdredirectionreason=Unified_SingleFlush#_ftn1)*.* | *~~This investment consists of the creation of the necessary infrastructure for a fully digitalised testbed for the aviation industry. It shall include the use of quantum computing technology and shall aim at enabling the use of digital twin modelling and simulations, which shall lead to the development of high accuracy production methods, better data collection and know-how spillovers to other industries.~~*  *~~This investment shall include the completion of the engine core test bed enabling the acquisition of additional experimental aircraft engines equipped with a high number of sensors allowing for the development of new aerospace technologies and a testbed for an experimental aircraft to test the engines in flight. Such a facility shall be available for industry partners in the aeronautics sector including SMEs. The facility and the equipment acquired under this investment shall be used for research and innovation with a primary focus on the development of low-impact options and partly on efficiency increase. The biofuels used for testing shall be in compliance with RED II renewable energy directive~~*[***~~[2][2]~~***](https://euc-word-edit.officeapps.live.com/we/wordeditorframe.aspx?ui=cs-cz&rs=cs-cz&wopisrc=https%3A%2F%2Fmpocz.sharepoint.com%2Fsites%2FNrodnplnobnovy-MPO-DU%2F_vti_bin%2Fwopi.ashx%2Ffiles%2F9ea3b7e733984df7a756a157b3456128&wdenableroaming=1&mscc=1&hid=deb3c616-9959-4f0c-8c66-fb733e595abc.0&uih=teams&uiembed=1&wdlcid=cs-cz&jsapi=1&jsapiver=v2&corrid=60d36afc-3d64-496a-a4ad-88cade340660&usid=60d36afc-3d64-496a-a4ad-88cade340660&newsession=1&sftc=1&uihit=UnifiedUiHostTeams&muv=v1&accloop=1&sdr=6&scnd=1&sat=1&rat=1&sams=1&mtf=1&sfp=1&halh=1&hch=1&hmh=1&hwfh=1&hsth=1&sih=1&unh=1&onw=1&dchat=1&sc=%7B%22pmo%22%3A%22https%3A%2F%2Fwww.office.com%22%2C%22pmshare%22%3Atrue%7D&ctp=LeastProtected&rct=Normal&wdorigin=TEAMS-ELECTRON.teamsSdk.openFilePreview&wdhostclicktime=1684327014669&instantedit=1&wopicomplete=1&wdredirectionreason=Unified_SingleFlush#_ftn2)*~~.~~* |
| ***Milestones and targets*** | *Milestone 67 - Investment 13: Support to R & I in aviation industry - Full operation of at least one testbed based on digital twin technology and digital transformation equipment in the aviation industry* | *~~Milestone 67 - Investment 13: Support to R & I in aviation industry - Full operation of at least one testbed based on digital twin technology and digital transformation equipment in the aviation industry~~* |
| ***Estimated cost*** | *CZK 1000m* | *CZK 0* |
| ***Green and digital tagging*** | *No change* | *N/A* |
| ***DNSH self-assessment*** | *No change* | *N/A* |

*~~The proposed adjustment of the costs reflects the reality of the investment that has been already finalized. Esp. the exclusion of the VAT and other non-eligible costs that cannot be covered by the RRF and are covered from the national sources.~~*

*This investment needs to be deleted because the investment could not be implemented within the timeframe of the RRF due to objective circumstances as described below. The investment is based on support for building digital infrastructure in the aviation industry of the strategic importance. Despite the fact the milestone was successfully fulfilled, CZ has to propose deletion of this investment and find another source to finance the project. Therefore, the project is going to be completed, but CZ has to finance it other way than RRF. The main and mostly technical reasons for exclusion from RRF are:*

* *The digital project is based on the infrastructure project (testbed) that was pre-financed by the quasi-loan instrument from the national budget. This pre-financing was made prior to the RRF/RRP drafting.*
* *The decision to build a new digital component on top of the already existing infrastructure was made during the covid crisis to support hardly hit aviation industry and its digitization. However, the exact RRF conditions were not known.*
* *CZ highly appreciates Commission’s effort to avoid any potential double-financing and other relevant issues. Therefore, CZ took a conservative approach and propose to lower the financial allocation to CZK 350m.*
* *The digital project based on the original infrastructure is going to be completed and CZ has to find a way to finance it from the relevant and applicable sources. However, there are going to be a several financial sources covering both the underlying infrastructure and the digital project – part deemed to be eligible from RRF and the rest.*
* *This complexity of financing creates many secondary issues and also potential issues of double financing from different sources.*
* *According to the* ***statement given by the CZ Ministry of Finance on May 16th 2023, the envisaged implementation of the investment is not possible and related risks are too high.***
* *The given complexity and mutual effort to avoid any potential problem with RRF successful fulfilment gives us the only option – to propose deletion of the whole investment.*

[**[1]**](https://euc-word-edit.officeapps.live.com/we/wordeditorframe.aspx?ui=cs-cz&rs=cs-cz&wopisrc=https%3A%2F%2Fmpocz.sharepoint.com%2Fsites%2FNrodnplnobnovy-MPO-DU%2F_vti_bin%2Fwopi.ashx%2Ffiles%2F9ea3b7e733984df7a756a157b3456128&wdenableroaming=1&mscc=1&hid=deb3c616-9959-4f0c-8c66-fb733e595abc.0&uih=teams&uiembed=1&wdlcid=cs-cz&jsapi=1&jsapiver=v2&corrid=60d36afc-3d64-496a-a4ad-88cade340660&usid=60d36afc-3d64-496a-a4ad-88cade340660&newsession=1&sftc=1&uihit=UnifiedUiHostTeams&muv=v1&accloop=1&sdr=6&scnd=1&sat=1&rat=1&sams=1&mtf=1&sfp=1&halh=1&hch=1&hmh=1&hwfh=1&hsth=1&sih=1&unh=1&onw=1&dchat=1&sc=%7B%22pmo%22%3A%22https%3A%2F%2Fwww.office.com%22%2C%22pmshare%22%3Atrue%7D&ctp=LeastProtected&rct=Normal&wdorigin=TEAMS-ELECTRON.teamsSdk.openFilePreview&wdhostclicktime=1684327014669&instantedit=1&wopicomplete=1&wdredirectionreason=Unified_SingleFlush#_ftnref1) Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources[**[1]**](https://euc-word-edit.officeapps.live.com/we/wordeditorframe.aspx?ui=cs-cz&rs=cs-cz&wopisrc=https%3A%2F%2Fmpocz.sharepoint.com%2Fsites%2FNrodnplnobnovy-MPO-DU%2F_vti_bin%2Fwopi.ashx%2Ffiles%2F9ea3b7e733984df7a756a157b3456128&wdenableroaming=1&mscc=1&hid=deb3c616-9959-4f0c-8c66-fb733e595abc.0&uih=teams&uiembed=1&wdlcid=cs-cz&jsapi=1&jsapiver=v2&corrid=60d36afc-3d64-496a-a4ad-88cade340660&usid=60d36afc-3d64-496a-a4ad-88cade340660&newsession=1&sftc=1&uihit=UnifiedUiHostTeams&muv=v1&accloop=1&sdr=6&scnd=1&sat=1&rat=1&sams=1&mtf=1&sfp=1&halh=1&hch=1&hmh=1&hwfh=1&hsth=1&sih=1&unh=1&onw=1&dchat=1&sc=%7B%22pmo%22%3A%22https%3A%2F%2Fwww.office.com%22%2C%22pmshare%22%3Atrue%7D&ctp=LeastProtected&rct=Normal&wdorigin=TEAMS-ELECTRON.teamsSdk.openFilePreview&wdhostclicktime=1684327014669&instantedit=1&wopicomplete=1&wdredirectionreason=Unified_SingleFlush#_ftnref1) Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources

[**[2]**](https://euc-word-edit.officeapps.live.com/we/wordeditorframe.aspx?ui=cs-cz&rs=cs-cz&wopisrc=https%3A%2F%2Fmpocz.sharepoint.com%2Fsites%2FNrodnplnobnovy-MPO-DU%2F_vti_bin%2Fwopi.ashx%2Ffiles%2F9ea3b7e733984df7a756a157b3456128&wdenableroaming=1&mscc=1&hid=deb3c616-9959-4f0c-8c66-fb733e595abc.0&uih=teams&uiembed=1&wdlcid=cs-cz&jsapi=1&jsapiver=v2&corrid=60d36afc-3d64-496a-a4ad-88cade340660&usid=60d36afc-3d64-496a-a4ad-88cade340660&newsession=1&sftc=1&uihit=UnifiedUiHostTeams&muv=v1&accloop=1&sdr=6&scnd=1&sat=1&rat=1&sams=1&mtf=1&sfp=1&halh=1&hch=1&hmh=1&hwfh=1&hsth=1&sih=1&unh=1&onw=1&dchat=1&sc=%7B%22pmo%22%3A%22https%3A%2F%2Fwww.office.com%22%2C%22pmshare%22%3Atrue%7D&ctp=LeastProtected&rct=Normal&wdorigin=TEAMS-ELECTRON.teamsSdk.openFilePreview&wdhostclicktime=1684327014669&instantedit=1&wopicomplete=1&wdredirectionreason=Unified_SingleFlush#_ftnref2) Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources[**[2]**](https://euc-word-edit.officeapps.live.com/we/wordeditorframe.aspx?ui=cs-cz&rs=cs-cz&wopisrc=https%3A%2F%2Fmpocz.sharepoint.com%2Fsites%2FNrodnplnobnovy-MPO-DU%2F_vti_bin%2Fwopi.ashx%2Ffiles%2F9ea3b7e733984df7a756a157b3456128&wdenableroaming=1&mscc=1&hid=deb3c616-9959-4f0c-8c66-fb733e595abc.0&uih=teams&uiembed=1&wdlcid=cs-cz&jsapi=1&jsapiver=v2&corrid=60d36afc-3d64-496a-a4ad-88cade340660&usid=60d36afc-3d64-496a-a4ad-88cade340660&newsession=1&sftc=1&uihit=UnifiedUiHostTeams&muv=v1&accloop=1&sdr=6&scnd=1&sat=1&rat=1&sams=1&mtf=1&sfp=1&halh=1&hch=1&hmh=1&hwfh=1&hsth=1&sih=1&unh=1&onw=1&dchat=1&sc=%7B%22pmo%22%3A%22https%3A%2F%2Fwww.office.com%22%2C%22pmshare%22%3Atrue%7D&ctp=LeastProtected&rct=Normal&wdorigin=TEAMS-ELECTRON.teamsSdk.openFilePreview&wdhostclicktime=1684327014669&instantedit=1&wopicomplete=1&wdredirectionreason=Unified_SingleFlush#_ftnref2) Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources

1. https://ec.europa.eu/commission/presscorner/detail/en/ip\_20\_2239 [↑](#footnote-ref-2)