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| **Component 2.9: PROMOTION OF BIODIVERSITY AND FIGHT AGAINST DROUGHT** | | | |
| **Investment/ reform CID reference** | | **Investment 1** | |
| **Investment/ reform name** | | **Protection against droughts and floods of the city of Brno** | |
| **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 resources]  ☐ [Article 21b – new 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  ☐ DNSH self-assessment | |
| **Investment 1: Protection against droughts and floods of the city of Brno**   * **Target 161, 162** | | | | |
| *Description and justification of the change* | | | | |
| **Modified elements** | **Current version** | | **Amended version** | |
| ***Component and / or measure description*** | *This investment shall aim at strengthening Brno city’s flood defences and at revitalising the River Svratka. The realisation of the project shall consist of nature-based solutions such as natural spill of the increased water-level of the basins in meadows, establishment of natural pools, meadows, floodplains, and creation of wetlands. Nature-based solutions shall be implemented on the Svratka river, mostly upstream of Brno city.* | | *This investment shall aim at strengthening Brno city’s flood defences and at revitalising the River Svratka. The realisation of the project shall consist of nature-based solutions such as natural spill of the increased water-level of the basins in meadows, establishment of natural pools, meadows, floodplains, and creation of wetlands. Nature-based solutions shall be implemented on the Svratka river.* | |
| ***Milestones and targets*** | *The implementation of the project shall lead to the creation of a set of close to nature flood protection measures in the section of the river Svratka.*  *The flood protection measures shall include:*  *• Improvement of the morphology of the water course bed*  *• Adjustment of land banks to milder and more variable slopes and their eventual stabilization.*  *• Planting of accompanying trees together with grassing of the banks and the surroundings of the watercourse.*  *• Opening of floodplains for floods and their modifications (eg construction of a wetland). The flood protection measure shall consist mostly of nature-based solutions concluded upstream of the city of Brno and shall be in line with the National Action Plan for Climate Change Adaptation and State Policy of the Environment in the Czech Republic 2030 with a view to 2050.*  *Accompanying measures, which cannot be avoided by any means, and which are strictly necessary for the implementation of the measures above.* | | *The implementation of the project shall lead to the creation of a set of close to nature flood protection measures in the section of the river Svratka.*  *The flood protection measures shall include:*  *• Improvement of the morphology of the water course bed*  *• Adjustment of land banks to milder and more variable slopes and their eventual stabilization.*  *• Planting of accompanying trees together with grassing of the banks and the surroundings of the watercourse.*  *• Opening of floodplains for floods and their modifications (e.g. construction of a wetland). The flood protection measure shall include nature-based solutions and shall be in line with the National Action Plan for Climate Change Adaptation and State Policy of the Environment in the Czech Republic 2030 with a view to 2050.*  *Accompanying measures, which cannot be avoided by any means, and which are strictly necessary for the implementation of the measures above.* | |
| ***Estimated cost*** | *No change* | | *No change* | |
| ***Green and digital tagging*** | *No change* | | *No change* | |
| ***DNSH self-assessment*** | *No change* | | *No change* | |

The proposed change in the description of the investment is requested as a clerical error, in order to align the text with the description of the milestone (161) and target (162) under this investment. Both the milestone and the target refer to flood protection of the city of Brno, in general, and flood protection measures in the sections of the river Svratka, more specifically. There is no specific destination and location of these measures to “mostly upstream of Brno city” in any of the underlying documentation, which was submitted with the initial plan, and location of measures mostly upstream was never anticipated.

The rest of the text describing the investment and both milestone and target are still valid. The aim is to create a set of close to nature measures in the river and along the stream. Some of these measures will be upstream of the RRF funded part of the “complex project”, but others will be downstream, based on the morphology and close to nature design of the “complex project”.

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| **Component 2.9: PROMOTION OF BIODIVERSITY AND FIGHT AGAINST DROUGHT** | |
| **Investment/ reform CID reference** | **Investment 2** |
| **Investment/ reform name** | **Rainwater management in urban agglomerations** |
| **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 2: Rainwater management in urban agglomerations**   * **Target 163** | | |
| *Description and justification of the change* | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** | *This investment shall aim at slowing-down run-offs and at retention and accumulation of water in urban agglomerations through surface twisting, absorption strips and reservoirs, rain gardens, underground traps, drainage, storage underground reservoirs and green roofs.* | *No change* |
| ***Milestones and targets*** | *Target 163*  *Increase of the volume of rainwater retained by rainwater management measures in urban areas, 40 000 m3 of rainwater retained*  *Q4 2025*  *Completion report submitted by an independent body. This measure shall include surface absorption and retention green measures, rain gardens, underground rainwater retention devices, surface, and underground retention storages.* | *Target 163*  *Increase of the volume of rainwater retained by rainwater management measures in urban areas,* ***20 000 m3*** *of rainwater retained*  *Q4 2025*  *Completion report submitted by an independent body. This measure shall include surface absorption and retention green measures, rain gardens, underground rainwater retention devices, surface, and underground retention storages.* |
| ***Estimated cost*** | *992 mil. CZK* | *No change* |
| ***Green and digital tagging*** | *No change* | *No change* |
| ***DNSH self-assessment*** | *No change* | *No change* |

***Objective facts why the milestones and targets could not be met:***

*The request to reduce the value of the target 163 is caused by the unexpected increase in the prices of energy, construction works and building materials and the associated high rate of inflation due to the war in Ukraine caused by Russian aggression and the related "energy" war waged by the Russian Federation against the European Union states.*

*As of September 2022, the annual growth of consumer prices in the Czech Republic was 18%, the annual growth of construction works was 12%, the annual growth of prices of construction materials was 17.6%.*

*Such rapid growth could not have been assumed when setting the targets. Annual growth of consumer goods in the Czech Republic was around 3% in the previous periods.*

*Please note that similar to component 2.2.3, to determine the original target, we used the available data on similar projects in OPE, with the price level being based on projects implemented in 2019 and 2020 - the original assumption of unit costs based on OPE was approx. 40,000 m3/1 billion CZK, i.e. the specific load per m3 of retained water was 24,800 CZK/1 m3. Already at the turn of 2021 and 2022, it was clear that the value was too optimistic, so we proposed its reduction, but the proposal was not accepted.*

*Currently, we are proposing an even more fundamental reduction of the original target, and we provide a detailed explanation below, since these are no longer estimates, but the data are based on actual projects received, current unit costs and expected effects.*

* *Primarily, it is necessary to say that projects for the rainwater retention in the inner city can vary by their nature, in terms of the material solution, this is also related to a very high-cost variability in relation to the fulfilment of the goal, however, the goal had to be set universally for all projects in that subcomponent.*
* *We already solved a similar problem, for example, in the OPE 2014-2020, when a universal goal was tied to "square meters", and the cost of the projects varied by a factor of one hundred (e.g., modification of rooting of forest stands vs investment actions such as fish crossings). A comparable situation now appears in the NRP, when the unit costs of submitted projects range from several hundred m3/1 billion CZK to several hundred thousand m3/1 billion CZK (specifically from 330 m3/1 billion CZK to 954,000 m3/1 billion CZK).*
* *For rainwater retention, the uncertainty and variability are compounded by the fact that it is a completely new area, the support of which was incorporated only during the 2014-2020 program period. This means that various innovative solutions are also appearing, which are supported in a completely new way. It is an effort to accommodate such proposals in order to spread awareness, experience among potential applicants and the method of "good example" to spread these measures in intravillan, as the supported measures can be beneficial from the point of view of adaptation to the ongoing climate changes.*
* *The cost variability of projects, which significantly affects the fulfilment of the goal, can very well be demonstrated on the example of green roofs, which are one of the supported measures both in OPE 2014-2020, and from which a sample of projects for determining the specific cost per m3 of retained water emerged, as well as in projects supported under the NRP.*

*The share of projects for the implementation of green roofs from the total number of projects has almost doubled in the NRP compared to the OPE 2014-2020, while green roof projects have highly above-average specific costs per m3 of retained water, which in many cases exceed CZK 1,000,000/m3. Even considering the high unit costs, the construction of green roofs must be considered one of the key measures that, in spatially limited conditions of the urban environment, will enable the adaptation of cities to the manifestations of climate change (e.g., the formation of heat islands). The double number of projects with highly above-average costs per m3 of retained water is logically reflected in the fulfilment of the goal, which was set on the basis of a sample with different input values.*

* *The need to reduce the set target is also caused by another change in the structure of projects, which consists in an increase in the number of projects aimed at the accumulation of rainwater and its subsequent use compared to projects aimed at seepage, absorption, or retention. Accumulation tanks are dimensioned depending on the available amount of rainwater and expected consumption, the emptying time in a certain time interval is also considered. In contrast, infiltration and absorption and retention devices are designed for maximum volumes capable of accommodating even extreme precipitation events. The volumes of storage tanks are then dimensioned to significantly lower values than in the case of retention and infiltration devices. The volumes of reservoirs, which are reported as volumes of retained rainwater, are then lower, but the effect is the same, as in both cases it contributes to a significant slowing down of the runoff of rainwater from the urban environment.*
* *To determine the adjusted goal, we based the data on accepted projects in the "Minister's Decision Issued" phase, but we do not yet have the necessary data on how many applicants will not implement the project and withdraw at the contract signing phase, considering the current economic situation.*
* *Of course, inflation (see above) also has a significant share in the decline in the expected effect from projects, compared to assumptions. Not only year-on-year, but also real for previous years, because the comparative level of the original projects from OPE is actually even older.*

*With regard to the above-mentioned factors, there is actually a significant decrease in the expected output of the monitored indicator, or goals. As with component 2.2.3, we draw attention to experience with the so-called OPE performance framework, i.e., experience with the fulfilment of milestones and goals in cohesion, as well as their rules regarding fulfilment.*

*Considering the currently valid rules for adjusting targets and the unpredictable economic situation in the Czech Republic and in the world, we propose a reduction of the target to 20,000 m3, which is based on current state of projects in the "Minister's Decision Issued" phase with a slight reserve for cases of withdrawals from the projects. This reserve should prevent a situation where due to the deepening of the economic crisis and the subsequent withdrawals from the projects, especially in 2025, it would be necessary to proceed with further adjustment of the goal.*

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| **Component 2.9: PROMOTION OF BIODIVERSITY AND FIGHT AGAINST DROUGHT** | |
| **Investment/ reform CID reference** | **Investment 3** |
| **Investment/ reform name** | **Protected areas including Natura 2000 sites and protected species of plants and animals** |
| **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 3: Protected areas including Natura 2000 sites and protected species of plants and animals – Target 164** | | |
| *Description and justification of the change* | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** | *This investment shall aim at enhancing the ecological stability of landscapes and biodiversity in Czechia. It shall consist of the elaboration and adoption of management plans for restoration and revitalisation of Natura sites 2000 (Special Protection Areas and Sites of Community Importance) as well as nationally protected sites. The investment shall achieve the favourable conservation status by implementing conservation measures set in the nature management plans* | *This investment shall aim at enhancing the ecological stability of landscapes and biodiversity in Czechia. It shall consist of the* ***realisation of practical measures defined in relevant management plans*** *for restoration and revitalisation of Natura sites 2000 (Special Protection Areas and Sites of Community Importance) as well as nationally protected sites,* ***care of specially protected species and elaboration of base materials to improve the state of nature and landscape****. The investment shall achieve the favourable conservation status by implementing conservation measures set in the nature management plans.* |
| ***Milestones and targets*** | *Completion report submitted by the Ministry of Environment.*  *The investment shall achieve the favourable conservation status by implementing conservation measures set in the nature management documents. It shall complete the designation of protected areas including Natura 2000 sites and elaboration of management documents containing conservation objectives and measures for protected areas including Natura 2000 sites.* | *Completion report submitted by the Ministry of Environment.*  *The investment shall achieve the favourable conservation status by implementing conservation measures set in the nature management documents. ~~It shall complete the designation of protected areas including Natura 2000 sites and elaboration of management documents containing conservation objectives and measures for protected areas including Natura 2000 sites.~~*  *It shall* ***consist of realization of practical measures defined in relevant management plans and of elaboration of base materials to improve the state of nature and landscape. Base plans/management documents for restoration or declaration of Natura sites 2000 as well as nationally protected sites can also be completed. The investment will be realized both in Natura 2000 sites and specially protected areas and outside the areas cited.*** |
| ***Estimated cost*** | *No change* | *No change* |
| ***Green and digital tagging*** | *No change* | *No change* |
| ***DNSH self-assessment*** | *No change* | *No change* |

*The definition of component and target in CID is imprecise. The problem lies in the emphasis on completion of the designation of protected areas including Natura 2000 and emphasis on elaboration and adoption of management plans for restoration and revitalisation of Natura sites 2000 and nationally protected sites. These measures are included in the component, it is possible to realize them, but they will create only a minor part of the investment. The main target is the realization of practical measures* *defined in relevant management plans. This is how the program has been prepared and envisioned since the beginning of the preparatory works, and how it is described in Czech approved documents defining Recovery and Resilience Plan. Therefore, change of the target or component is not required, the description however needs to be altered in order to fully reflect the aim and contents of the investment as described in Czech Recovery and Resilience Plan (National Recovery Plan). This has been pointed out since August 2021. Through this program, the designation of all protected areas on Czech Republic cannot be declared completed, as this process will continue and there will be changes every year (changes in borders, new localities, change of categorization of the protected area etc.). MoE also cannot declare* *completion of the designation* *Natura 2000 sites (updating the national list) through this program, it is more administrative process than the subject of the grant.* ***Completion of the designation of Natura 2000 sites in Czech Republic is mainly focused on the revision of existing sites (addition of subject of protection in case of 35 Special Protection Areas, elimination of another subject of protection) and actualization of relevant management plans – there is no deadline for updating of the documents, new document must be done within 6 years after the area is included in the European list. There will be also adjustment of the boundaries of some areas. It can be implemented after the Government Regulation takes effects, which will not be before the end of the year 2023. Financial need for activities related to the modification of the Natura 2000 system is low (estimation is around 170 000 EUR). The date of final completion by 2025 is probably unrealistic and component 2.9.3 was prepared with a different goal. This is the reason why the MoE would like to change the imprecise definition, because the implementation of measures connected with the declaration of Natura 2000, or other protected areas on national level, will form only a minority part, both from the financial point of view and the quantity of works.***

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| **COMPONENT 2.9: PROMOTION OF BIODIVERSITY AND FIGHT AGAINST DROUGHT** | |
| **Investment/ reform CID reference** | **Investment 4** |
| **Investment/ reform name** | **Adaptation of aquatic, non-forest and forest ecosystems to climate change** |
| **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 4: Adaptation of aquatic, non-forest and forest ecosystems to climate change – Target 165** | | |
| *Description and justification of the change* | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** | *This investment shall aim at enabling systemic water retention in the landscape (based on a water retention potential assessment). It shall consist of the implementation of actions such as improving the species and spatial composition of forests; at protecting non-forest habitats; at the creation or restoration of wetlands and ponds; at the revitalisation of watercourses, restoration of landscape elements (besides others to divide large plots of agricultural land), planting of trees outside forested areas and other related actions.*  *The realisation of the investment shall be completed by 31 December 2025.* | *This investment shall aim at enabling systemic water retention in the landscape (based on a water retention potential assessment). It shall consist of the implementation of actions such as improving the species and spatial composition of forests; at protecting non-forest habitats; at the creation or restoration of wetlands and ponds; at the revitalisation of watercourses, restoration of landscape elements (besides others to divide large plots of agricultural land), planting of trees outside forested areas and other related actions.*  *The realisation of the investment shall be completed by 31 December 2025.* |
| ***Milestones and targets*** | *Completion of projects aiming at adapting aquatic, non-forest and forest ecosystems to climate change Q4 2025*  *Submission of completion report by independent engineer certified by the Ministry of Environment. Projects shall contribute to improve the species and spatial composition of the forest on an area of 200 ha; shall provide care for valuable non-forest terrestrial habitats in a total area of 1250 ha; shall create and restore wetlands, ponds and small reservoirs in the total area of 48 ha; revitalize watercourses in the total area of 4 ha and shall implement the planting of 32 thousand pieces of woody plants outside the forest.* | *Completion of projects aiming at adapting aquatic, non-forest and forest ecosystems to climate change*  *Q4 2025*  *Submission of completion report by independent engineer certified by the Ministry of Environment. Projects shall contribute to improve the species and spatial composition of the forest on an area of 200 ha; shall provide care for valuable non-forest terrestrial habitats in a total area of 1250 ha; shall create and restore wetlands, ponds and small reservoirs in the total area of 48 ha; revitalize watercourses in the total area of* ***68 ha*** *and shall implement the planting of 32 thousand pieces of woody plants outside the forest.* |
| ***Estimated cost*** | *685 mil. CZK* | ***1 497 mil. CZK*** |
| ***Green and digital tagging*** | *No change* | *No change* |
| ***DNSH self-assessment*** | *No change* | *No change* |

Increase in financial allocation of measure 2.9.I4., target 165. CZK 812 mil. to be reallocated from measure 2.6.1.

Target 165 increase in value to 68 ha.

Costing justification for M165 value modification (reallocation of funds from 2.6.1 to 2.9.4) The proposed target value of the indicator within milestone 165 (revitalize watercourses in the total area of 68 ha) is based on the most frequently implemented measure in watercourse and floodplain revitalization projects, namely the revitalization of the bed of a small watercourse. This measure is priced at 12,000,000 CZK for an area of 1 ha according to the Costs of Usual Measures of the MoE (in 2021, during the preparation of the first costing of investment 2.9.4, the price was 11,000,000 CZK/ha). The calculation of the value of the indicator is therefore based on the financial resources and the area on which this measure can be implemented. However, the revitalization of the beds of small watercourses is not the only type of measure to be financed under this activity/component. Other measures (e.g. making watercourses navigable, restoration of natural hydrological conditions and other measures to increase retention potential) are very individual and it is not possible to determine how many and to what extent they will be implemented with the designated funds. Also, the preliminary list of projects that could be funded from this activity is not complete and does not cover the total amount to be reallocated. At the same time, the costing of activity/component 2.6.1 is yet to be finalized. Therefore, a margin of error of 5 % is accounted for. Proposed allocation: CZK: 812 400 000/12 000 000 = 67,7 ha. error margin 5 % = 64,3 ha (+ 4 ha original value) = 68,3 ha (68 ha rounded down). The amount of EUR 34.5 million, by which the allocation will be increased on 2.9.I4. will be used mainly for the revitalization and renaturation of watercourses within the framework of milestone 165 Adaptation of aquatic, non-forest and forest ecosystems to climate change. Currently, 49 suitable actions have already been selected in the amount of CZK 718 million.