



Annual Programme Report No.3 EEA Grants 2009-2014

Programme CZ04 – Children and Youth at Risk

Reporting period: 1.1.2015 – 31.12.2015

Programme Operator: Ministry of Finance

Programme Partner: Ministry of Labour and Social Affairs

Donor Programme Partner: N/A

Content:

- 1. Executive summary..... 2
- 2. Programme area specific developments 3
- 3. Reporting on outputs 8
- 4. Reporting on Programme outcome(s)..... 10
 - 4.1. Progress on horizontal concerns 12
- 5. Project selection 12
- 6. Progress of bilateral relations..... 13
 - 6.1. Complementary action..... 13
- 7. Monitoring..... 14
- 8. Need for adjustments..... 14
- 9. Risk management 15
- 10. Information and publicity..... 15
- 11. Cross - cutting issues 16
- 12. Attachments to the Annual Programme Report 16
- Annex 1: Risk assessment of the programme 16
- Annex 2: Monitoring plan 2016..... 16
- Annex 3: List of projects for communication purposes or as examples of best practices..... 16

1. Executive summary

Transformation activities pursuing goals of the National Strategy to Protect Children's Rights as well as of the Action Plan to Fulfil the Strategy continued in 2015. The Ministry of Labour and Social Affairs prepared *The Final Report on the Implementation of the Action Plan for Fulfilling the National Strategy for Protection of Children's Rights for the period 2012-2015* with the aim to assess the progress and success of the tasks implemented by individual ministries in the period 2012-2015. The stress was laid on the rehabilitation of families and preventing removal of children from their biological families in order to reduce institutional care and the extension of foster care as a preferable alternative care for those vulnerable children who are either temporarily or permanently unable to grow up in their original family. One of the fundamental aspects of social-legal protection is the best interest and welfare of the child. Furthermore, those social-legal protection measures that ensure proper upbringing and favourable development of the child in his family environment, and if this is not possible, the foster family environment, shall be priority. The most positive trend in this respect is the decline in the number of children placed in institutional care and the increase in the number of children placed in foster care.

All projects under the programme, i.e. pre-defined project, two open call projects and eleven small grant scheme sub-projects, were realized in the year 2015. However, the implementation of the pre-defined project slowed down in mid-year and the Project Promoter unfortunately withdrew from the project contract in January 2016 due to political reasons. Some progress towards programme outputs and outcomes was thus reported. Programme Operator expects that all set programme outputs and outcomes related to open call projects and small grant scheme sub-projects shall be reached and some indicators shall be even exceeded. On the contrary, indicators linked to the pre-defined project were just partially fulfilled and shall not be reached at all.

Just one modification of the programme occurred thanks to the possibility of projects' prolongation till April 2017. Both open call projects shall be prolonged till June 2016 and six sub-projects shall also use the opportunity to prolong the implementation period beyond April 2016. Owing to the non-implementation of the pre-defined project the adjustments of the programme and the programme agreement especially for programme outcomes and outputs shall be needed in 2016.

Implementation of all projects within the programme contributes to horizontal concerns and cross-cutting issues. Activities of SGS sub-projects are mostly aimed at target groups without dependence on ethnicity. Nevertheless, sub-projects support Roma involvement in the activities leading to the streamlining the system of care for vulnerable children. Transformation plans which are being developed in Pardubice and Zlín regions consider development of new services for children and youth at risk, especially field and ambulatory services. Number of minority groups placed in institutions should decline as a result.

The programme still belongs to the most risky programmes in the Czech Republic within EEA/Norway Grants. Programme absorption capacity and specific programme risk – political ill will for adoption of new law for protection of children – turned out as the major risk factors in 2015.

Programme Operator launched the first open call for submission of grant applications for initiatives financed from the Fund for Bilateral Relations at Programme Level – measure B on the 29 January 2015. In order to increase the attractiveness of the fund, the call was revised in December 2015. Programme Operator and Operator of SGS regularly monitor projects and sub-projects within the programme. Altogether two projects and all eleven sub-projects were controlled on-the-spot during the year. General information about the programme and updates are on the website of Programme Operator and of Operator of SGS as well as on facebook <https://www.facebook.com/EHPaNF>.

2. Programme area specific developments

In 2015 transformation activities pursuing goals of the National Strategy to Protect Children's Rights (Government Resolution of January 2012) as well as of the Action Plan to Fulfil the Strategy (February 2012) went on. Due to the fact that 2015 was the last year of the implementation of the Action Plan for the period 2012-2015, the Ministry of Labour and Social Affairs (MoLSA) prepared *The Final Report on the Implementation of the Action Plan for Fulfilling the National Strategy for Protection of Children's Rights for the period 2012-2015* (hereinafter the "Report"). Its aim was to assess the progress and success of the tasks implemented by individual ministries in the action period 2012 - 2015. The Report also serves as important basis for the creation of the follow-up of *The Action Plan for the Implementation of the National Strategy on the Protection of Children's Rights for the period 2016-2020*.

On the whole, The Action Plan for 2012 - 2015 focused on optimizing the system and development of a network of services for vulnerable children and their families, creation and pilot testing of innovative programs and application of tools of social work with the target group. Core activities were shifted towards the rehabilitation of families and preventing removal of children from their biological families in order to reduce institutional care and the extension of foster care as a preferable alternative care for those vulnerable children who are either temporarily or permanently unable to grow up in their original family.

One of the main outcomes of the Action Plan is the amended Act no. 359/1999 Coll., *On Social-Legal Child Protection (SLCP)*, which came into force on January 1, 2013 by the Act 401/2012 Coll. The amendment established that one of the fundamental aspects of social - legal protection (hereinafter "SLP") is the best interest and welfare of the child, protection of parenthood and family and a mutual right of parents and children to parental upbringing and care. The law further states that in performing the SLP measures, those that ensure proper upbringing and favorable development of the child in his family environment, and if this is not possible, the foster family environment, shall be priority.

Furthermore, the means of the amendment anchored and put into practice tools of social work such as assessing the situation of an endangered child and their family, creating an individual child protection plan (hereinafter referred to as "ICPP") and case conferences that facilitate networking and cooperation of all relevant institutions and experts who have a major influence on resolving the situation of the endangered child and their family. In order to achieve the unification of the OSPOD (*The Authority for Social and Legal Protection of Children*) in evaluating and making ICPP, their requirements were modified in the implementing decree for SLPC no. 473/2012 Coll. The individual project *The System Support Processes of Transforming the System of Care for Vulnerable Families and Children*, whose implementation MoLSA initiated in July 2012, helped a successful implementation of legislative changes. Methodological support and training in introducing legislative changes to those workers who work with vulnerable children and their families in the field was ensured through the project activities.

An important and successful task of the Action Plan was to standardize the performance of SLP (social and legal protection) ensured by OSPOD and persons authorized to carry out SLP tasks in order to achieve high-quality, transparent, effective and non-discriminatory system of care for vulnerable children. For this purpose, SLP quality standards and criteria for their fulfillment, which are included in Appendix No. 1 no. 2 and no. 3 of Decree no. 473/2012 Coll, were created, legally anchored, and piloted in two regions of the Czech Republic. The entities that are required to comply with the Act on SPL quality standards were offered methodological support and training for successful implementation in practice. Since the beginning of 2015 checks and inspections of quality of the SLP performance were initiated. They are carried out by regional authorities in relation to municipalities and by MoLSA. Regional branches of the Labor Office carry out inspections of authorized persons.

Other tasks of the Action Plan aimed at the expansion of foster care in the Czech Republic. The goal of the transition process was to provide every child with the opportunity to grow up in family environment. Legislative changes have contributed to the fact that in cases of children who are not able to temporarily or permanently grow up in their own family environment, foster care was prioritized to being placed in institutional care. System changes in foster care were initiated by the amendment to the *Act On Social and Legal Protection*, which in a detailed way modifies procedures of OSPOD for child custody of other person responsible for the child's upbringing, specifies the conditions for arranging adoption and foster care, sets criteria for training and further training of foster parents. Newly, it also includes foster care benefits, which was originally part of Act no. 117/1995 Coll., *On State Social Support*. Furthermore, it regulates rights and responsibilities of foster parents and other persons performing substitute family care, including their right to support and accompanying services and the area of performance monitoring and foster care evaluation.

The new legislation of various institutes of foster care (adoption, guardianship, foster care, child custody of another person) is also a part of the new Act no. 89/2012 Coll., *The Civil Code*, with effect from January 1st, 2014. The new substantive rules of the family law in the Civil Code were on January 1, 2014 followed by new procedural rules of judicial proceedings in matters of ownership and control and in matters of custody court for minors (including proceedings relating to guardianship and foster care) in Act no. 292/2013 Coll., on special court proceedings.

In addition to legislative changes in foster care, additional steps to improve and professionalize foster care were implemented under the Action Plan. Program PRIDE (Parent Resources for Information, Development and Education), which is a standardized framework for training and subsequent support for foster families, has been adopted from the United States and adapted to national conditions. Experienced foster parents and experts in the field of foster care are used for training. The program has been adopted as the system of preparing applicants for placing a child in foster care in most of the regions in the country.

A part of the action plan was also realization of a number of research studies whose outcome maps the current state of the care system for children at risk and formulates proposals of its optimization. The results of the research make very important basis for creation of follow-up measures of the action plan's objective to further develop and validate other pilot programs that are to support vulnerable families and children, and particularly systemically anchor the measures that are highly required in order to protect the rights of children or were proved successful during the pilot testing.

Practice has shown that the implementation of the Action Plan had many positive effects on the situation of vulnerable children and their families. The most positive trend in this respect is certainly the decline in the number of children placed in institutional care and increase in the number of children placed in foster care, including foster care for a temporary period. The table below shows a gradual decline in the number of children placed in facilities for institutional care established by the amended Act no. 109/2002 Coll., *On Institutional and Protective Education in Schools and on Preventive Educational Care in School facilities*, as well as in children's homes for children up to 3 years, established pursuant to Act no. 372/2011 Coll., *On Health Services* and homes for people with disabilities that work in the mode of social services according to Act no. 108/2006 Coll., *On Social Services*. The long-term trend of growth in the number of children placed in institutions ended in 2009 since when the number of placed children have been gradually decreasing.

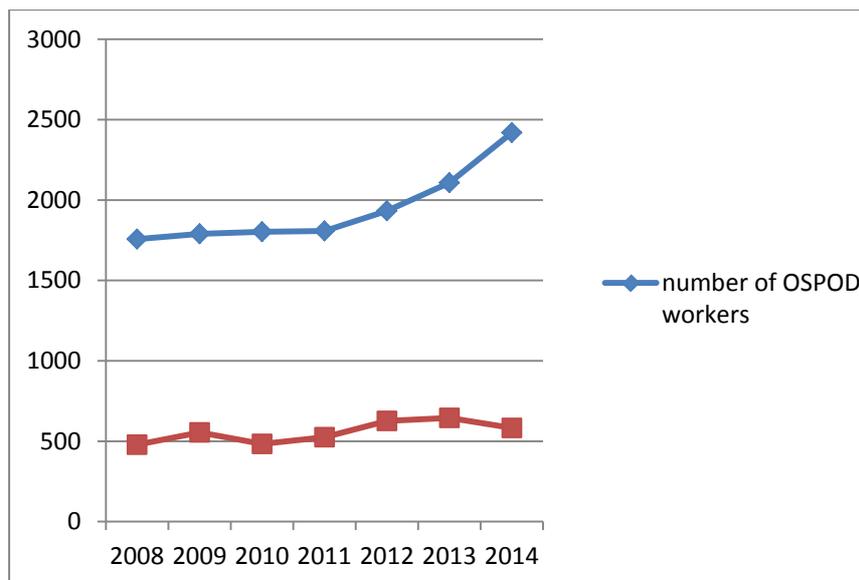
Year	Children in Children's Homes, Educational Institutions, Children's Homes with School and Diagnostic Institutes	Children in Children's Homes up to 3 years of age	Children in Homes for disabled people	Total number of children in institutional care
2006	7459	1407	-	8866
2008	7820	1418	-	9238
2009	7878	1391	1063	10332
2010	7397	1513	926	9836
2011	7150	1428	834	9412
2012	6941	1397	769	9107
2013	6549	1233	646	8428
2014	6495	1213	577	8285

"The Interdepartmental Coordination Group for Transformation of the System of Care for Vulnerable Children" (hereinafter "ICG"), which is an independent, initiating and advisory body of MoLSA in the area of ensuring the protection of children's rights, deals with the question of participatory rights at the national level under the coordination of tasks arising from the Strategy and Action Plan. This platform presents suggestions on tackling the transformation of the system of care for vulnerable children and consults with relevant bodies and organizations, helps educate, raises awareness and presents the transformation of the care system for vulnerable children, formulates opinions on draft measures relating to the issue of transformation of the system. The chairwoman of the platform is the Minister of Labour and Social Affairs and its members are representatives of the Ministry of Labour and Social Affairs, the Ministry of Education, the Ministry of Interior, the Department of Justice, the Ministry for Regional Development, the Ministry of Finance, the Probation and Mediation Service, the Supreme Public Prosecutor's Office, the Association of Regions, the Union OF Towns and Municipalities and NGOs. In both 2014 and 2015 the platform met once.

The area of authorities for social and legal protection of children

Major changes have been achieved in the area of personnel capacity in authorities for social and legal protection of children since 2008. One of the measures that MoLSA took, mainly the strengthening of financing, became evident on the total number of workers of authorities for social and legal protection. These authorities are now obliged to adhere to quality standards of social and legal protection while providing social and legal protection, inter alia, to the standard for personal securing of the performance of the social and legal protection of children. Latest data show that the total number of OSPOD workers (local authorities in charge of children) reached 2419.1 working contracts in 2014.

Year	Number of OSPOD workers	From this curators for youth
2008	1757	478
2009	1790	555
2010	1802.9	483.05
2011	1807.75	525.45
2012	1933.5	626.75
2013	2107	645.5
2014	2419.1	583.3



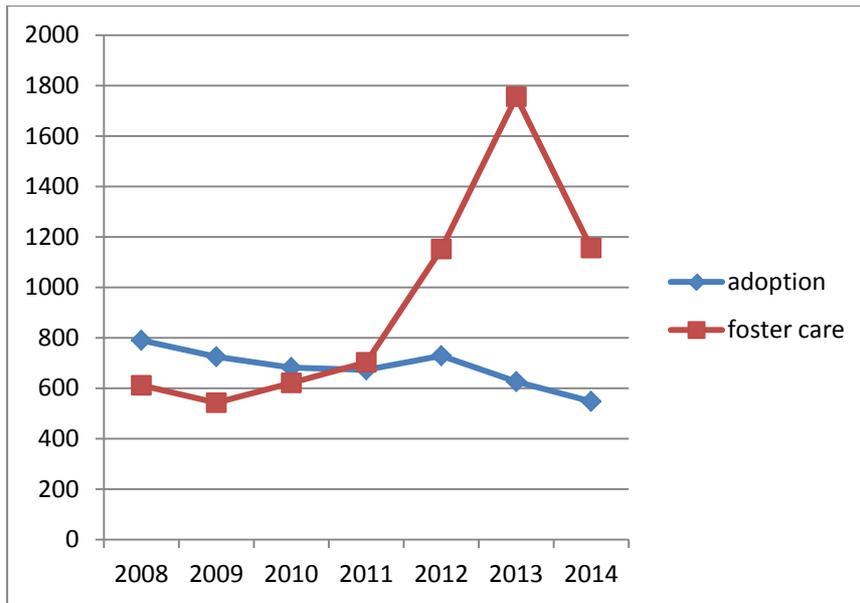
Foster care development - number of submitted applications for the foster care mediation

An activity within the pre-defined project “Codification of legislation supporting families, substitute family care and system of care for vulnerable children” has focused on this area. Analysis of foster care in the Czech Republic was realized with the aim to explore the fundamental areas of the current substitute family care system in the Czech Republic, especially foster care. The analysis focused on activities of the key government levels in the area of foster care – regions and regional offices. Special attention was paid to the preparation of individuals for the future role of surrogate parent, whether for adoption or foster care. The results of the analysis will serve as basis for further systemic changes in foster care promoted by the MoLSA.

Through an amendment to the Act on SLPC, statutory conditions of foster care were established, the institute of arrangements for foster care was introduced, changes in the mediation process were made and quality standards for persons authorized to carry out SLP providing training and accompaniment of foster parents and children in foster care, the implementation of which is since January 1, 2015 a subject to the quality inspection by the inspectors of the Labour Office regional branches, were set.

The majority of children in the foster care system cannot be placed for adoption and that is why new candidates for foster care are needed. Long term constant numbers of candidates that submitted an application for foster care mediation significantly increased when the amendment to the Act on Social and Legal Protection of Children was being prepared and then accepted. The table below shows the number of submitted applications, so we can see an increased interest in foster care and raised awareness of this institution despite the fact that the numbers in 2014 present the contrary. The candidates go through a long term and demanding process of assessment and preparation and it is not monitored how many of them are placed by regional offices into the records for foster care mediation.

Number of submitted applications for mediation							
year	2008	2009	2010	2011	2012	2013	2014
adoption	790	725	682	673	729	626	548
foster care	612	543	621	703	1152	1756	1156



The blue line in the graph shows the tendency of **adoption** and the red line shows the tendency of **foster care**.

Number of children in foster care

There is a long term trend of increasing the number of children in foster care.

Year	Number of children in foster care
2005	6 873
2006	7 149
2007	7 583
2008	8 159
2009	9 237
2010	9 662
2011	10 206
2012	10 534
2013	11 622
2014	13 878

According to the Government's legislative plan for 2015, approved by the Government Resolution from December 15, 2014 under no. 1056, MoLSA was supposed to submit a legislative intent (draft law) on family support, foster care and a system of protection of children's rights and the related amendment legislation within the pre-defined project. When drafting the outline of the new law, cooperation and constructive agreement among the Ministry of Labour and Social Affairs, the Ministry of Health, Ministry of Education, Youth and Sports and the Ministry of Justice and Ministry of Finance is crucial. Despite efforts and discussions with colleagues from other departments at MoLSA, the attempts to provide

assurance of cooperation among the relevant ministries and the unified direction of the Act, which consists mainly of unification of today fragmented system of care for vulnerable children and families have unfortunately failed so far. For these reasons, the MoLSA asked the Prime Minister to postpone the date of the submission of the legislative intent of family support, foster care and protection of children's rights and the amendment of related laws.

The Open Call, which is one of the components of the programme CZ 04 "Children and Youth at Risk", focuses on transformation of residential services. As its part, a creation of complex transformation plans of facilities in education and health areas, aimed at improving and de-institutionalizing the system of care for vulnerable children and youth is being supported. 8 residential facilities in Pardubice region and 3 residential facilities in Zlín region participate in the creation of transformation plans. Projects, inter alia, focus on creating a communication strategy that is aimed at professionals (OSPOD, employees of institutions etc.) in order to introduce the target group the process of de-institutionalization of selected facilities as reasons for making this change in the system of care for vulnerable children.

3. Reporting on outputs

Pre-defined project (PDP)

Outcome	Output	Output indicator	Indicator value		
			Baseline	Target	Actual
Laws, policies and measures in the field of children's and youth rights, as enshrined in relevant international instruments effectively implemented	Samples of good practices between the Main Project Partner and the Project Partner as well as the transfer of experience among the key national stakeholders exchanged.	Number of coordination meetings	0	6	2
		Number of expert opinions	0	30	30
		Number of national expert seminars	0	1	1
	Implementation of the new legislation as well as the implementing tools prepared.	Number of new legislation timely prepared and submitted for individual phases of the legislative process	0	1	0
		Number of methodologies and procedures for the new legislation	0	10	1
		Number of local authorities and experts in charge of implementation of the new legislation educated and trained	0	3000	0
		Number of information and media campaign of the new legislation implemented.	0	2	0

Realization of the pre-defined project called Codification of legislation supporting families, substitute family care and system of care for vulnerable children was just partially under way during the year 2015. Unfortunately, due to political ill will the Project Promoter - Ministry of Labour and Social Affairs expressed their negative attitude towards preparation of the new law for protection of children. On 28 July 2015 the Programme Operator carried out an on-the-spot control of the project. On the basis of the results of the control, the Project Promoter had to state if they are able to fulfil the main target of the project within the project time schedule. An operative meeting with the Promoter and relevant representative of the FMO on 3 December 2015 followed with the conclusion that the project should be substantially modified due to the political reasons. However, in January the Promoter sent a letter to the Programme Operator with the request for withdrawing from the project contract. Fulfilment of the relevant programme output indicators is depicted in the table above. It is nowadays clear, that the output indicators shall not be reached within the programme.

Small Grant Scheme (SGS)

All 11 sub-projects involved in the Small Grant Scheme – 8 sub-projects with the main objective “Integration of children into the decision-making processes” and 3 sub-projects with the main objective “Raise of awareness about the rights of the child via local or national activities” have been implemented since January 2015. 6 sub-projects out of 11 also asked the Ministry of Labour and Social Affairs (Operator of the SGS) for project prolongation beyond 30 April 2016.

It is envisaged that both output indicators will be achieved till April 2017 at the latest and the output indicator “Number of tools and procedures elaborated...” will be even exceeded. The table below shows the actual fulfilment of indicators relevant for the SGS. The actual value of the output indicator “Number of tools and procedures elaborated on the basis of supported projects for the effective determining of children’ opinion and its involvement in various types of decision-making processes including number of trainings for employees of relevant institutions in this area” is one thanks to the sub-project MGS/A11/2014 (The Voice of a Child in Foster Care and How to Listen to It) and production of a methodology called The voice of a child and how to listen to it. Sub-project MGS/B3/2014 (Children’s Voices – and what shall we do about it?) contributed to the output indicator “Number of activities, whether local or nation-wide, aimed at raising awareness about children’s rights” by production of eight short animated movies which will be distributed to schools and used as a teaching aid.

Outcome	Output	Output indicator	Indicator value		
			Baseline	Target	Actual
Quality of child welfare systems and protection measures effectively improved, relaying the views of relevant stakeholders and society at large through high quality and participatory debate	Systems and measures of protection of children and young people supported	Number of tools and procedures (methodologies) elaborated on the basis of supported projects for the effective determining of children’ opinion and its involvement in various types of decision-making processes including number of trainings for employees of relevant institutions in this area.	0	3	1
	Awareness regarding the rights of the child through local or nation-wide activities raised	Number of activities, whether local or nation-wide, aimed at raising awareness about children's rights	0	3	1

Open Call (OC)

Two projects are being implemented within the open call: 1) EHP-CZ04-OV-1-004-2014 (Children and Youth at Risk in the Zlin region) and 2) EHP-CZ04-OV-1-005-2014 (Transformation of care for vulnerable children and youth) in the Pardubice region. Both project promoters asked the Programme Operator for the projects' prolongation till June 2016.

As you can see in the table below, the output indicator "Number of methodologies for the creation and implementation of transformation plans for residential institutions" was achieved. The Ministry of Labour and Social Affairs issued a methodological instruction with minimum criteria to be met in the transformation process in the spring 2014 before the launch of the open call. Both applicants within the call proceeded in line with the methodology. Furthermore, it is expected that by realizing of both projects the target value of programme output indicator "Number of transformation plans of institutions" will be exceeded – within the project EHP-CZ04-OV-1-004-2014 three transformation plans will be created; within the project EHP-CZ04-OV-1-005-2014 altogether eight transformation plans for institutions shall be elaborated.

Outcome	Output	Output indicator	Indicator value		
			Baseline	Target	Actual
Effective and efficient measures addressing vulnerable groups of children and youth facing particular risks implemented	Conditions for coordination of transformation of residential facilities into an effective network of services providing care for children in need and families created.	Number of methodologies for the creation and implementation of transformation plans for residential institutions.	0	1	1
	Transformation plans focusing on needs of vulnerable groups of children, youth and families elaborated.	Number of transformation plans of institutions (substantive solution, schedule, budget, educational needs, monitoring and evaluation mechanisms).	0	10	0

4. Reporting on Programme outcome(s)

Pre-defined project (PDP)

Outcomes of the programme related to the pre-defined project depicted in the table below shall not be reached due to the fact that the Promoter officially withdrew from the project contract in January 2016.

Outcome	Indicator	Indicator value		
		Baseline	Target	Actual
Laws, policies and measures in the field of children's and youth rights, as enshrined in relevant international instruments effectively implemented	Number of newly developed and/or enforced child-centred legislation	0	5	0
	Number of laws, policies and practices developed/improved as a consequence of stakeholders' actions	0	1	0

Small Grant Scheme (SGS)

Implementation of all 11 sub-projects under the small grant scheme does contribute to the programme outcome "Quality of child welfare systems and protection measures effectively improved, relaying the views of relevant stakeholders and society at large through high quality and participatory debate". The following table shows progress of the implementation of sub-projects' activities within the Small Grant Scheme based on indicators set in their logical frames and regularly stated in sub-projects' monitoring reports since their beginning. The actual value of the indicator represents the methodology produced within the sub-project MGS/A11/2014 (The Voice of a Child in Foster Care and How to Listen to It).

Outcome	Indicator	Indicator value		
		Baseline	Target	Actual
Quality of child welfare systems and protection measures effectively improved, relaying the views of relevant stakeholders and society at large through high quality and participatory debate	Number of established and operational consultative mechanism involving children, youth and other stakeholders	0	3	1

Open Call (OC)

Both projects in Zlín and Pardubice regions contribute to the programme outcome "Effective and efficient measures addressing vulnerable groups of children and youth facing particular risks implemented". The Programme Operator anticipates that the programme outcome shall be achieved till June 2016 by the projects' completion. Moreover, the results within both projects shall be used in the post-completion period for the transformation process itself.

Outcome	Indicator	Indicator value		
		Baseline	Target	Actual
Effective and efficient measures addressing vulnerable groups of children and youth facing particular risks implemented	Number of measures addressing the needs of vulnerable groups of children, youth and families facing particular risks	0	1	0

4.1. Progress on horizontal concerns

Progress towards horizontal concerns

Respect of human rights, multicultural dialogue incl. integration of national minorities

Improvement of the situation of Roma children and youth is profoundly incorporated in the programme as a part of one of the major groups – i.e. children and youth at risk. One example can be found within the Small Grant Scheme, sub-project MGS/B6/2014 (The Voices of Threatened Children). The sub-project creates a documentary comics trilogy consisting of three authentic biographical stories of vulnerable children that have experience with foster care. One story is based on an authentic story of a Roma boy and is supposed to raise awareness of the general public about the possibilities and likely problems of Roma children seeking foster care.

Most of 11 sub-projects implemented within the Small Grant Scheme contribute to the horizontal concerns, mainly “Social inclusion for the Roma”. Project activities are mostly aimed at target groups without depending on ethnicity, but projects support Roma involvement in the project activities leading to the streamlining the system of care for vulnerable children. Since Roma children are part of one of the major group of vulnerable children, outcomes of the programme will benefit the Roma individually and in all types of the institutional care.

Transformation plans which are being produced in the Pardubice and Zlín regions by the projects within the open call consider development of new services in the care for children and youth at risk, especially field and ambulatory services. Main aim of the services is work with biological family, prevention from taking children away from their biological family and provision of care in a family-friendly environment. Number of minority groups placed in institutions should decline thanks to the above mentioned measures; they will be able to stay in their original family.

5. Project selection

All calls within the programme were closed in 2014 except for the permanent call for bilateral initiatives (for more information please see the chapter 6).

Small Grant Scheme (SGS)

The project selection under the SGS was finished at the end of year 2014. The implementation of 11 sub-projects has been running since then. Just one sub-project MGS/A3/2014 (Child in the Center of Interest) is being realized in partnership with Norwegian institution Oslo Krisesenter in a form of mostly online consultations. Altogether 6 sub-projects asked for prolongation of the implementation period beyond April 2016. All the sub-projects have been realized in compliance with the outputs and outcomes of the projects and their implementation has been running smoothly so far.

Open Call (OC)

The two projects under the open call were also selected in the end of 2014. Project contracts were issued after bank details had been confirmed by both project promoters in mid-January 2015. In conclusion, the selected projects are in line with the outcomes and outputs of the programme. Based on the created Methodology for preparation and implementation of transformation plans by the Ministry of Labour and Social Affairs two transformation plans are being prepared by the project promoters in Pardubický and Zlínský regions. Out of two approved projects none have Icelandic, Norwegian,

Liechtenstein or Czech partner. All phases of the selection process proved the administrative system was set accordingly. Unfortunately, the interest in the open call did not correspond with the expectations set in the programme in 2012 in different political setting.

6. Progress of bilateral relations

Bilateral Fund at Programme Level – Measure A (BFA)

Bilateral Fund at Programme Level – Measure A was closed in 2014 after the match making seminar for 27 people in June 2014 in Prague had been realized. Unused funds from BFA amounting to 48, 750 EUR (3, 173 EUR out of 51, 923 EUR spent) were transferred to the Bilateral Fund at Programme Level – Measure B (BFB).

Bilateral Fund at Programme Level – Measure B (BFB)

On the 29th January 2015, the Programme Operator announced the 1st Open Call for submission of grant applications for initiatives financed from the Fund for Bilateral Relations at Programme Level – measure “B” under the programme CZ04. The allocated amount under the 1st Open Call is **3 847 263 CZK**, that means **145 179 EUR**. One initiative “Norwegian - Czech Exchange of Experience on Foster Care and Care for Families in Need” consisting of one study trip in Norway in the autumn 2015 and workshop in Prague held in January 2016 was approved by the Programme Operator on 11 August 2015 with the total grant 384, 266 CZK (14, 501 EUR).

On 4 December 2015, the Programme Operator updated the open call in the light of making the bilateral call more attractive for the promoters. The update lied mainly in prolongation of period for submitting applications till 31 December 2016 and the possibility to submit the application even after the project financed from the programme CZ04 has been completed. The eligibility of expenditures was also broadened reflecting the update in Regulation of EEA and Norway Grants. The revision of the call was made by the Programme Operator in order to make the bilateral fund more attractive and to increase the interest of the project promoters (PDP, SGS sub-projects, and projects under open call).

Bilateral relations at project level

Bilateral cooperation at the project level continued in the pre-defined project as well as the sub-project MGS/A3/2014 in 2015. However, the planned activities with the project partner (BufDir) within the pre-defined project were suspended by the Ministry of Labour and Social Affairs in mid-year 2015 due to political reasons.

6.1. Complementary action

No complementary action has been realized so far and the Programme Operator does not envisage any upcoming action in the first quarter 2016.

7. Monitoring

Programme Operator as well as the Operator of the SGS (MoLSA) regularly monitor projects and sub-projects within the programme. Project Promoters send four-month monitoring reports together with requests for payments to the Operators for check in line with the Guidelines for Project Promoters. Moreover, the Operator of SGS also sends monthly monitoring reports for the SGS for the check to the Programme Operator.

In line with the internal manual, the Programme Operator performs interim on-the-spot controls of all the running projects and final/financial on-the-spot controls after the projects have been finished. There are three types of factual/interim controls carried out by the Programme Operator - ordinary, ad hoc and controls of corrective measures' fulfilment. As regards the SGS implementation, the Programme Operator plans to control the whole SGS administration together with a sample of sub-projects.

On 10 January 2015 the Programme Operator signed a contract for the technical assistance with on-the-spot controls with the company AQE advisors, a.s. (after the closure of the open tender). Two projects were controlled on-the-spot within the programme CZ04 during the year 2015 – 1) pre-defined project on 28 July 2015; 2) EHP-CZ04-OV-1-004-2014 (Children and Youth at Risk in the Zlin region) on 7 December 2015. One major finding and a risk at the same time was identified within the pre-defined project and no findings were identified within the project EHP-CZ04-OV-1-004-2014. The major finding and a risk was a slow and suspended implementation of the pre-defined project connected with the political ill will to submit a new draft of law for the protection of children to the government. There was a discussion about possible modification of the project also with the representative of the FMO in December 2015 at first. However, the MoLSA definitely expressed their attitude towards the project implementation and possible modification in January 2016 by withdrawing from the project contract from political reasons.

The Operator of SGS carried out on-site controls of all the sub-projects within the SGS from September to December 2015. No discrepancies were found and the controls only proved a smooth implementation of the projects.

The Monitoring Plan for 2016 of all the expected on-the-spot controls within the programme is enclosed to the report.

8. Need for adjustments

The National Focal Point (NFP) asked the Financial Mechanism Office (FMO) for prolongation of all the projects implementation period within the programme CZ04 in July and September 2015. Both requests were confirmed by the FMO. The Project Agreement was subsequently amended by the FMO (prolongation of the programme implementation period) and confirmed by the NFP in December 2015.

No further adjustments of the programme were made in 2015. However, due to non-implementation of the pre-defined project the adjustments of the programme and programme agreement (especially programme outcomes and outputs) shall be needed in 2016.

9. Risk management

Programme Operator updated the programme risk analysis in September 2015 under the guidance of the National Focal Point. According to the results of the analysis, the programme CZ04 represents the most risky programme in the Czech Republic within EEA/Norway Grants 2009-2014. In relation to this report the PO updated the risk analysis from September 2015 but the results are not very pleasing. Although there was a positive trend in results of the risk analysis made in 2014 in comparison with 2013, the results of the risk analysis made in September 2015 remained at the same level as in 2014 and those ensuing from the analysis in January 2016 are regrettably worse.

Programme absorption capacity and specific programme risk concerning political ill will for adoption of new law for protection of children turned out as the major risk factors in 2015. Absorption capacity of the programme CZ04 is nowadays threatened due to the fact that the pre-defined project with the total eligible costs amounting to approx. 34 mil CZK (1,2 mil. EUR) shall not be completed at all owing to political reasons. This risk is interconnected with the specific programme risk. The attempts by the MoLSA to provide assurance of cooperation among relevant ministries about unified direction of the law on protection of children, which consists mainly of unification of today fragmented system of care for vulnerable children and families, have unfortunately failed so far. Moreover, two political cases of children living in Norway (having one Czech parent) which were placed outside the biological family for no special reasons also contributed to the decision of the MoLSA that the realization of the pre-defined project shall not be completed. Programme Operator controlled the project on-the-spot on 28 July 2015 and took further measures with the aim to either save the project or give the possibility for substantial project modification. The NFP also called upon the MoLSA at the start of January 2016 to clearly state if they are able to realize the project till April 2017 in its original or modified version. The MoLSA still officially withdrew from the project contract in January 2016.

Bilateral relations risk arose as the risk of middle importance being influenced also by the non-completion of the pre-defined project which has negative impact on the donor partner involved in the project. Furthermore, just one initiative in cooperation with donor project partner from Bilateral Fund at Programme Level – measure B was supported within the programme. Programme Operator and Programme Partner strive for promoting permanent call for Bilateral Fund at Programme Level – measure B. In order to increase the interest of applicants within the permanent call, the call was revised at the start of December 2015 reflecting prolonged time period for submitting applications as well as extension of eligible costs.

10. Information and publicity

In line with the Communication Plan the seminar for project promoters within the Open call was organized by the PO in February 2015 and the seminar for SGS sub-projects was realized by the Operator of SGS (with presence of PO) in April 2015. All issues relevant to monitoring, publicity, financial matters and bilateral relations were presented and discussed at the seminars.

General information about the programme is available on the website of the Programme Operator www.eaagrants.cz and updates are presented on facebook <https://www.facebook.com/EHPaNF>. Both projects within the open call officially started in February 2015 with the launch conference. Due to the sensitive child protection case in Norway (<http://www.noramb.cz/Norsk/ambassaden/Pressemeldinger/Child-welfare-in-Norway-and-the-Michalak-boys/>), the publicity was mostly held at the project level.

Moreover, in line with the Communication Plan CZ04 activities of the Small Grant Scheme are also communicated through the national campaign “The Right to Childhood” (www.pravonadetstvi.cz) administered by the Ministry of Labour and Social Affairs. A new job position of Publicity Coordinator at the MoLSA was created in September 2015. The task of the Publicity Coordinator is mainly to communicate with sub-projects about their new activities and consequently inform about them on www.pravonadetstvi.cz and also help sub-projects with the publicity at local level and online.

The sub-projects within SGS regularly promote their activities at the local level, on their websites and in press releases. A final conference with presentation of results of the SGS sub-projects (organized by the MoLSA) is planned for 2016. Main aim of the conference is presentation of sub-projects’ outcomes, sharing of experience and ideas.

11. Cross - cutting issues

All cross cutting issues were taken into account by the external evaluators when evaluating all grants applications within the open call and small grant scheme and are taken into account by the Programme Operator and the Programme Partner in the projects implementation phase.

Good governance

During the implementation of the Programme, it is being monitored by the Programme Operator and the Operator of SGS that all projects and sub-projects are consistent with the principles of good governance, are economically feasible and their operations and methodologies are relevant.

Economic sustainability

The economic sustainability is being monitored by the Programme Operator and the Operator of SGS in monitoring reports submitted by projects and sub-projects and during the on-site controls.

Social sustainability

Interests of target groups are taken into consideration and their comments are continuously taken into account. In the case of the primary target group (children, the young, young adults) the principle of best interest of the child is reflected in all activities. The social sustainability is monitored by the PO and the Operator of SGS in monitoring reports and during the on-spot controls.

12. Attachments to the Annual Programme Report

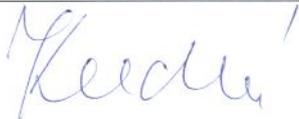
Annex 1: Risk assessment of the programme

Annex 2: Monitoring plan 2016

Annex 3: List of projects for communication purposes or as examples of best practices

SIGNATURE:**For Programme Operator**

I certify that I am duly authorised to sign this Annual programme report and that I have thoroughly reviewed the progress of the programme, reporting on outcomes and outputs, risk management provided in this report and the information are correct and accurate.

				Optional second signature		
Name	Zuzana Kudelová			Martina Bečvářová		
Position	Head of the Department of International Relations			Head of the Monitoring Unit		
Organisation	Ministry of Finance of the Czech Republic			Ministry of Finance of the Czech Republic		
Signature						
Date	Day	Month	Year	Day	Month	Year
	09	02	2016	09	02	2016

For the National Focal Point

The National Focal Point certifies that the status of reporting of the programme described above is accurate.

				Optional second signature		
Name	Lenka Jurošková					
Position	Deputy Minister of Finance					
Organisation	Ministry of Finance of the Czech Republic					
Signature						
Date	Day	Month	Year	Day	Month	Year
	12	02	2016			

Annex 1: Risk assessment of the programme

Type of objective ¹	Risk	Description of risk in the reporting period	Likelihood ²	Impact ³	Importance ⁴	Mitigation planned/done
Cohesion (Programme) outcomes:	Programme absorption capacity	Programme absorption capacity is threatened due to the fact that the pre-defined project with the total eligible costs amounting to approx. 34 mil CZK (1,2 mil. EUR) shall not be finished due to political reasons. Projects from the OC and sub-projects within the SGS are under implementation.	High	High	High	Interference of the National Focal Point, launch of the call for additional activities within SGS sub-projects/ OC projects
	Legislation changes	The result of non-implementation of the pre-defined project is that the new law for protection of children will not be submitted to the government in the near future. However, it does not have any effect on the OC projects and SGS sub-projects which are under realization.	High	Middle	Middle	Search for a political agreement in the case of the law for protection of children.
	Time risk - delay in commitment and disbursement of funds	Both OC projects shall ask the PO for project prolongation till June 2016. Realization of at least 6 SGS sub-projects shall be also prolonged beyond April 2016. Due to the possibility for prolongation	Middle	High	Middle	Possibility of prolongation of projects/sub-projects till April 2017.

¹ The risks should be categorised in one of 3 ways, depending on whether it poses a risk to the cohesion objective, the bilateral objective, or is more of an operational issue.

² Likelihood is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

³ Impact is described as Low, Middle or High according to its scoring gained in the risk analysis. (Low: 1-2, Middle:3-4, High:5)

⁴ Importance is counted as Likelihood multiplied by Impact and described as Low, Middle or High according to its scoring gained in the risk analysis (Low: 1-8, Middle: 9-15, High: 16-25).

Type of objective ¹	Risk	Description of risk in the reporting period	Likelihood ²	Impact ³	Importance ⁴	Mitigation planned/done
		of the projects till April 2017, the risk is perceived as middle.				
	Specific programme risk – political ill will for adoption of new law for protection of children	The risk was fulfilled in January 2016 – the Ministry of Labour and Social Affairs (Project Promoter of the PDP) withdrew from the project contract owing to political reasons (political ill will for adoption of the new law and cases of children taken away from their families in Norway).	High	High	High	Modification of PDP, interference of the National Focal Point – request for official statement about the project realization sent to the MoLSA
Bilateral outcome(s):	Bilateral relations	Two bilateral partnerships were established within the PRG – one within PDP and one within SGS sub-project. However, due to non-realization of the PDP, the partnership will also be finished. Within the permanent open call under the Bilateral Fund at Programme Level just one application was submitted and approved in cooperation with donor project partner.	High	Middle	Middle	Promotion of the permanent call for Bilateral Fund at Programme Level (BFB), prolongation of time period for submitting applications within BFB, extension of eligibility of costs within BFB
Operational issues:	Management and control structures, programme management	The Steering Committee of the Programme compound of representatives of Programme Operator and of Programme Partner met twice during the year 2015. Communication between the PO and PP runs smoothly.	Middle	High	Middle	Flexible and efficient communication between the PO and PP
	Programme	Manuals and guidelines for the	Middle	High	Middle	Observance of manuals and

Type of objective ¹	Risk	Description of risk in the reporting period	Likelihood ²	Impact ³	Importance ⁴	Mitigation planned/done
	implementation set up	Project Promoters are in use. PO updated guidelines for project promoters with regard to advanced stage of projects implementation period in September 2015. Guidelines for the use of Complementary Actions were also issued in 2015. SGS Operator issued guidelines for on-site controls.				guidelines, regular checks and updates of manuals and guidelines.
	Reports and irregularities within programme	Just minor irregularities were identified within management of SGS Operator and were reported to the FMO in August 2015. No irregularities were found within the on-the-spot controls of PDP, Zlín region project and SGS sub-projects in 2015.	Middle	Middle	Middle	Consistent verification of monitoring reports, performance of on-the-spot controls.
	Programme audits/controls	On-the-spot controls of PDP, Zlín Region project and all SGS sub-projects were carried out in 2015. Audit Authority performed an audit of PO management till July 2015.	Middle	Middle	Middle	Regular monitoring, on-the-spot controls.
	Information system	The IS CEDR used by the PO runs and is being updated/adjusted.	Middle	Middle	Middle	Intensive cooperation with contractor of the IS.
	Corruption risk	The PO and PP management control system is set.	Middle	Low	Low	Thorough verification of procedures, evaluation, etc.

Annex 2: Monitoring plan

Project no.	Name of the project	Planned date of on-site monitoring visit /review	Note
EHP-CZ04-OV-1-005-2014	Transformation of care for vulnerable children and youth	2.Q 2016	regular interim on-site visit, Pardubice
EHP-CZ04-OV-1-004-2014	Children and Youth at Risk in the Zlin region	4.Q 2016	final on-site visit, Zlín
EHP-CZ04-OV-1-005-2014	Transformation of care for vulnerable children and youth	4.Q 2016	final on-site visit, Pardubice
-----	Administration of SGS + sample of sub-projects	3.Q.2016	interim on-site visit

Annex 3: List of projects for communication purposes or as examples of best practices

Project no.	Name of the project	Note
SGS/A27/2014	"I have an ADHD and I know what I can do"	The project aims to create conditions to increase the participation of children with ADHD syndrome in decision-making processes that directly affect them and/or have significant impacts on their development. The project also tries changing the general image of children with ADHD in society and educates professionals involved in decision-making processes related to children with ADHD.
SGS/A22/2014	"Joining children of the South Bohemian Region in Decision-Making Processes of Family Issues"	The project primarily focuses on decision-making processes related to child custody in divorce proceedings, in which the child and his/her right to express himself/herself is a key element.
SGS/A4/2014	Family Circles in the Vysočina region	The project aims to introduce family circles into social work with children or with the child's family, both in the close family and broader family as well as in respect to the authority in charge of social and legal protection for children.
SGS/A5/2014	"Safety Network – transit care as a systematic tool for involving children into decision-making processes"	The objective of the project is to establish a continual follow-up of children within the system of social services.
EHP-CZ04-OV-1-004-2014	Transformation of care for vulnerable children and youth	The objective of the project is to prepare transformation plans for 8 facilities for vulnerable children, which will cover all the residential facilities established by the Pardubice Region.
EHP-CZ04-OV-1-004-2014	Children and Youth at Risk in the Zlín region	The main objective of this project is to draw up comprehensive plans to transform residential care, particularly for children up to the age of 3 in Zlín Region, in 3 facilities.