

MINISTRY OF THE ENVIRONMENT

Prague, 13th August 2009
Ref. No.: 3299/M/09

MoE DIRECTIVE No. 9/2009

on the provision of financial resources from the State Environmental Fund of the Czech Republic under the Green Savings Programme

The Ministry of the Environment as the administrative body of the State Environmental Fund of the Czech Republic (hereinafter the "Fund"), pursuant to Section 1, Paragraph 3 of Act No. 388/1991 Coll. on the State Environmental Fund of the Czech Republic (hereinafter the "Act") hereby issues this Directive to regulate basic procedures of granting financial sources (hereinafter "Support") from the Fund under the Green Savings programme to support energy savings and use of renewable energy sources (hereinafter the "Programme").

Section 1

Subject and form of support

- 1.** The support is provided to applicants in accordance with Sections 3 and 4 of the Act with respects to requirements of parties purchasing the emission surplus of Assigned Amount Units under the Kyoto Protocol, and with respect to commitments of the Czech Republic arising from the membership in the European Union, international treaties and the State Environmental Policy.
- 2.** The sources raised from the sale of Assigned Amount Units (AAUs) are income of the Fund pursuant to Section 12a, Paragraph (3) of Act No. 695/2004 Coll. on terms of trading with and handling greenhouse gas emission allowances, in the wording of Act No. 315/2008 Coll. The sources raised in this way may only be used to support activities and measures leading to greenhouse gas emission reductions. The disposal of the sources is regulated in full by Act No. 388/1991 Coll. on the State Environmental Fund of the Czech Republic, as amended.
- 3.** The support is directed to the area of energy savings and use of renewable energy sources in residential buildings. The subject of support and specific conditions of the Programme are set out by annexes to the Ministry of the Environment Directive on the provision of financial sources from the State Environmental Fund of the CR under the Green Savings programme (hereinafter the "Annexes"), which are an integral part of the Directive for the duration of the Programme. The Directive and the Annexes set out conditions of the Programme as referenced in applications for a support from the Fund. The Fund may issue guidelines regulating details of procedures set out by the Directive and Annexes thereto.
- 4.** The support is provided as a lump sum in the form of a direct subsidy for documented investment costs of implementation of measures set out in the Annexes. The subsidy amount shall never exceed the amount of documented investment costs of implementation of the measures.
- 5.** The interest on deposits of sources raised from the sale of AAUs shall be used for project financing and administration under the Programme.

6. The Fund may use not more than 5% of funds raised from the sale of AAUs and interest on the deposit of the funds for Technical Assistance under the Programme.

Section 2 **Provision of support**

1. The Fund Board shall consider an application for support from the Fund (hereinafter the "Application") together with the Fund's opinion, and recommend support amounts for each specific measure to the Minister.

2. The Minister shall decide whether to grant the support, subject to the amount of sources available from the Programme when implementation conditions are met. The effective period of the support from the date of the Minister's signature is set out in the Annexes. The applicant does not have legal title to the support.

3. Based on the Minister's decision to provide the support and compliance with all Programme conditions, the Fund shall sign a subsidy agreement (hereinafter the "Agreement") with the applicant.

Section 3 **Application for support, documents**

1. Applications are submitted to the Fund or an entity authorised by the Fund on printed forms published on the Programme's websites. The application administration procedure and necessary documents to be submitted with the application are specified in the Annexes. Applications shall be submitted according to the subsidised areas set out in the Annexes. The Minister shall set the start and end date of accepting applications and subsidised areas under the Programme.

2. Applications shall be submitted before, during or after the supported measure implementation at dates set out in the Annexes.

3. Pursuant to Section 4, Paragraph 3 of the Act on the Fund, an expert opinion as specified in the Annexes shall be attached to the application.

4. The Fund or an entity authorised by the Fund shall consider the Application. If the Fund or the entity authorised by the Fund find any deficiencies in the submitted Application, they shall assess their relevance for further processing, or allow the Application to be adjusted with the applicant's assistance to ensure further administration. The application is processed when all required documents are submitted.

Section 4 **Consideration of the application for support**

1. The following conditions are essential for considering the submitted application:

1.1. Demonstrable compliance with the required criteria and conditions set out in the Annexes

1.2. The applicant's project preparedness to implement the measure, unless previously implemented

1.3. Timeframe for implementing the measure, unless previously implemented.

2. The Fund shall submit the Application for support to the Fund Board for discussion and to the Minister for a decision.

3. The applicant may request the documents to be returned within 30 days of the notice of application dismissal by the Minister.

Section 5

Support amount

1. The support amount to be awarded is specified in the Minister's collective decision to provide the support, and shall be set out based on conditions specified in the Annexes.
2. If an application is submitted before or during implementation, the decision is conditional upon proof that all of the remaining conditions set out for individual measures in the Annexes have been met within the specified time limit.
3. Based on the Fund Board's proposal, the Minister will decide on the provision of the support. The support amount and award criteria are set out in the Annexes.
4. Conditions for drawing the support are laid down in the Minister's decision to provide the support and in the Agreement. By signing the Subsidy Agreement, the applicant agrees to comply with the conditions for providing the support and return the support if the conditions are not met.

Section 6

Conditions for providing the support

1. When the applicant submits the Agreement and documents that the Agreement conditions have been met, the Fund or the entity authorised by the Fund shall credit the applicant's account specified in the Agreement with the support.
2. If the applicant for the support fails to meet the conditions for providing the support, the applicant shall notify the Fund or the entity authorised by the Fund and proceed as instructed.
3. If there is a risk that the decision to provide the support could become ineffective for objective reasons, the applicant may ask the Fund to extend the effective period as specified in the Subsidy Agreement no later than 14 days before termination of the Agreement. In such case, the Fund shall consider the grounds for the application, check the degree of completion of the measure and propose further steps.
4. The beneficiary shall forthwith inform the Fund or the entity authorised by the Fund about all changes of data and conditions under which the support was provided. If the beneficiary fails to meet the conditions for providing the support, the Fund may require that the support be returned in full or in part within the period set out by the Fund.
5. The beneficiary shall return the unreasonably used support after receipt of a notice from the Fund or other competent authorities to the specified bank account and within the specified time limit.

Section 7

Drawing the Fund sources

1. The Programme shall be implemented by releasing the funds from the Programme in stages. The amounts of each partial allocation and the timing of their release for the Programme shall be decided by the Fund in agreement with the Programme Steering Committee, whose members are appointed by the Minister. Provisions of generally binding legal regulations concerning the decisions on the use of sources from the Fund remain unchanged.
2. All legal regulations in the valid wording apply to drawing the support from the Fund sources.

Section 8

Assessing compliance with the decision conditions

Assessments of whether conditions set out in the Annexes and the Subsidy Agreement have been met are made by the Fund or an entity authorised by the Fund on the basis of a check of reached parameters of measures leading to the environment improvement through energy savings and use of renewable energy sources.

Section 9

Documents specifying conditions for providing support under the Green Savings Programme

1. Annexes I to Ministry of the Environment Directive No. 9/2009 on the provision of financial sources from the State Environmental Fund of the CR under the Green Savings Programme for measures leading to energy savings and the use of renewable energy sources in residential buildings.
2. Annexes II to Ministry of the Environment Directive No. 9/2009 on the provision of financial sources from the State Environmental Fund of the CR under the Green Savings Programme for the implementation of Technical Assistance measures.

Section 10

Temporary and final provisions

1. This Directive comes into force on the day of signing by the Minister of the Environment, and comes into effect on 17th August 2009.
2. MoE Directive No. 5/2009 on the provision of financial sources from the State Environmental Fund of the CR under the Green Savings Programme is cancelled with the Appendix thereto.
3. Applications accepted prior to the effective date of this Directive shall be considered, assessed and handled, including the issue of the Minister's decision and signing the subsidy agreement, in accordance with the provisions of MoE Directive No. 5/2009 on the provision of financial sources from the State Environmental Fund of the CR under the Green Savings Programme, or, if it is more favourable for the applicant, in accordance with the provisions of this MoE Directive No. 9/2009 on the provision of financial sources from the State Environmental Fund of the CR under the Green Savings Programme.

Guarantor: Department of Sustainable Energy Production and Transportation

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