

**06/17****Property of the State and Funds Allocated for Activities of the National Parks and Other Protected Areas**

This auditing operation was included in the annual audit plan of the Supreme Audit Office (SAO) for 2006 under number 06/17. Ing. Zdeněk Brandt, a member of the Board of SAO, directed the auditing operation and prepared the audit report.

The objective of the audit was to review management of the State property and the funds allocated to the National Parks (NP) and other protected areas.

The audit was carried out in the period from June 2006 to November 2006 by SAO audit groups constituted of the Environmental and Agricultural Department and the Regional Departments from Southern Moravia, Eastern Bohemia, Southern Bohemia and Northern Bohemia.

The audited period was from 2000 to 2005 and, for factual connections, also the previous and related periods.

Audited bodies: Ministry of the Environment (ME), Agency for Nature Conservation and Landscape Protection of the Czech Republic (APNL), Podyjí National Park Administration, National Park and Protected Landscape Area (PLA) Sumava Administration, Bohemian Switzerland NP Administration and Giant Mountains NP Administration.

Objections submitted against the audit protocol by the Ministry of the Environment were addressed by the heads of the audit groups. Appeal has not been lodged against the decisions on objections.

At their meeting held on December 14, 2006, the SAO s e n a t e (composed of Ing. Zdeněk Brandt – chairman, JUDr. Jan Holeček, Mgr. Jiří Kalivoda, Mgr. Zdeňka Profeldová – members)

a p p r o v e d by Resolution No. 06/17/29  
the a u d i t r e p o r t in the following wording:

**I. Introduction**

Pursuant to Section 14 (2) of Act No. 114/1992 Coll., on nature conservation and landscape protection, the national, protected landscape areas, national nature reserves, nature reserves, national nature monuments and nature monuments constitute the system of specially protected areas in the territory of the Czech Republic.

Administrations of the National Parks have been created to ensure public administration and organization of professional and practical management of natural and landscape environment in the territory of the NPs. The Administration of Protected Landscape Areas of the Czech Republic was established in the Czech Republic in 1995; in 2004, it was renamed the Nature Conservation Administration (NCA). This body was dissolved as of December 31, 2005. From January 1, 2006, the exercise of the rights and obligations following from employment relations, the rights and obligations of the State and all competence performed by the NCA as of the date of its dissolution was transferred to the

Agency for Nature Conservation and Landscape Protection of the Czech Republic as an organizational body of the State. All the above-listed organizations were founded by the Ministry of the Environment.

The obligations of the founder follow particularly from the applicable provisions of Act No. 218/2000 Coll., on budgetary rules and on amendment to some related laws (the budgetary rules), Act No. 320/2001 Coll., on financial audit in the public administration (the Financial Audit Act), Act No. 219/2000 Coll., on the property of the Czech Republic and acts of the State in legal relations, Act No. 563/1991 Coll., on accounting, Act No. 114/1992 Coll., and other generally binding regulations.

The duties of a contributory organization and organizational body of the State follow particularly from the founding documents and generally binding regulations.

Based on the agreement on a parallel audit concluded within the INTOSAI, the audit was aimed, apart from management of the NPs, also at fulfillment of the tasks imposed on the Member States of the European Union by Directive 79/409/EEC on the conservation of wild birds, as amended, and Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora, as amended, i.e. the creation of the Natura 2000 network. Non-compliance with these EU Directives could unfavorably affect the expenditures from the State budget.

Note: All the legal regulations cited in this audit report are applicable in the wording effective for the audited period.

## II. Facts Ascertained by the Audit

### 1. Financing of the National Park Administrations

In the audited period, the individual NP Administrations managed funds set forth in Table No. 1. Approx. 50 to 70 % of the funds utilized by contributory organizations were covered from the chapter of the State budget for the “Ministry of the Environment” (ME Chapter). For organizational bodies of the State, this share equaled 95 %. The most important items paid from the contribution to activities and from program financing (the funds for current and capital expenditures in Bohemian Switzerland) provided by the founder include the costs of management and renewal of assets, the costs of management of State-owned forests in the national parks, salary costs, mandatory levies from salaries and depreciation of fixed assets.

Table No. 1 – Sources of funds managed by the individual NP Administrations in the 2000-2005 period

| NP Administrations   | ME Chapter       |          | SEF <sup>*)</sup> | EU            | VÚSC <sup>**)</sup> | Other sources | Own sources       | Total            | Average yearly sources |
|----------------------|------------------|----------|-------------------|---------------|---------------------|---------------|-------------------|------------------|------------------------|
|                      | (thous. Kč)      | %        | (thous. Kč)       | (thous. Kč)   | (thous. Kč)         | (thous. Kč)   | (thous. Kč)       | (thous. Kč)      | (thous. Kč)            |
| Bohemian Switzerland | 337 391          | 95       | 16 520            | 1 416         | 0                   | 446           | 0 <sup>***)</sup> | 355 773          | 59 296                 |
| Giant Mountains      | 1 072 735        | 57       | 73 364            | 1 718         | 125                 | 32 588        | 693 005           | 1 873 535        | 312 256                |
| Podyjí NP            | 203 307          | 68       | 3 439             | 0             | 0                   | 1 364         | 90 610            | 298 720          | 49 787                 |
| NP and PLA Šumava    | 1 071 486        | 48       | 84 120            | 21 723        | 1 010               | 2 295         | 1 071 506         | 2 252 140        | 375 357                |
| <b>Sources total</b> | <b>2 684 919</b> | <b>–</b> | <b>177 443</b>    | <b>24 857</b> | <b>1 135</b>        | <b>36 693</b> | <b>1 826 043</b>  | <b>4 751 090</b> | <b>–</b>               |

This table was produced from information of individual administrations of NP.

<sup>\*)</sup> SFŽP ČR – State Environmental Fund

<sup>\*\*)</sup> VÚSC – regions

<sup>\*\*\*)</sup> Bohemian Switzerland NP Administration is a state budgetary organization, other NP administrations are contributory organizations.

**Most NP Administrations have stated that the contribution to operational activities and other available funds are not fully adequate and that, in the performance of duties following from the laws, they must seek for certain savings. The audit ascertained that some necessary measures have been postponed and that the costs of their future implementation could be several times higher (such as felling – disposal of unfavorable types of wood species).**

## **2. Management of funds from the State budget and the State property**

**In certain cases, the NP Administrations failed to manage funds from the State budget and property of the State economically, efficiently and effectively and did not comply with the provisions of the generally binding regulations.**

Examples:

- The Podyjí NP Administration violated Section 53 (4) of Act No. 218/2000 Coll. in that it failed to demonstrate effective and economic utilization of funds in the amount of CZK 268.6 thous. expended for operation of vehicles and, simultaneously, failed to ensure demonstrability of these expenditures. These funds were expended in the years 2004 and 2005, during which no requests for transport were issued and no records of trips were kept.
- The purpose of individual trips was not specified in certain transport requests; the demonstrability of effectiveness and economy of expenditures for operation of vehicles was thus not ensured. Furthermore, the Podyjí NP Administration failed to ensure that the employees fulfill their obligations pursuant to Section 21 (3) of Act No. 119/1992 Coll., on travel allowances.<sup>1</sup>
- Since 2003, the Giant Mountains NP Administration has failed to proceed in accordance with Act No. 199/1994 Coll., on public procurement, when purchasing off-road vehicles, as, in 2003, it concluded a purchase contract for an indefinite term providing for repeated supplies of off-road vehicles without announcing a public tender procedure. The contract did not stipulate the amount of the total consideration, which was significant for selecting the manner of procurement. Based on this purchase contract, in the 2003-2005 period, the Giant Mountains NP Administration indeed purchased 12 vehicles from the seller in the total value of CZK 9,891,000.
- The Giant Mountains NP Administration and the NP and PLA Sumava Administration violated Section 7 (1), (2) and (3), Section 24 (1) and Section 29 (1) of Act No. 563/1991 Coll. in that, from 2001 to June 2006, they recorded properties in their accounts with a zero value. The Šumava NP and PLA Administration thus recorded properties whose value was subsequently determined at CZK 1,841,398 thous. and the Giant Mountains NP Administration thus recorded properties whose value was subsequently determined at CZK 1,311,137 thous..

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<sup>1</sup> Violation of the aforementioned regulations was ascertained in the Podyjí NP Administration based on documents from 1998 within auditing operation of the SAO No. 98/20 – Management of the State Property and Funds from the State Budget in the Chapter of the Ministry of the Environment. It is clear that neither the Ministry of the Environment nor the Podyjí NP Administration have taken sufficient measures to remedy the ascertained irregularities.

**In management of funds specifically intended for implementation of the Natura 2000 network, the APNL acted at variance with the budgetary rules, as it expended funds equal to CZK 850 thous. without demonstrating the economy of their use.** E.g., they concluded formal contracts with mappers (certain contracts were concluded on or after the date of performance thereof); several contracts were concluded with the same subject of performance without specification of the work; unrealistic contracts were concluded with certain mappers, based on which the mappers would be forced to map up to 64 ha every day for a period of five months in order to perform the work within the agreed deadline.

### **3. Properties in the territory of National Parks**

The competence to manage the property of the State, i.e. certain properties requiring special protection and certain properties where nature monuments are located has not been transferred to the NP Administrations to date. This state of affairs, which is at variance with Section 2 (4) and (5) of Act No. 569/1991 Coll., on the Land Fund of the Czech Republic, has existed since 2001 and has not been resolved by the time of the audit. Properties with the strictest conservation regime have also been sold to other owners (e.g., 5 properties in the territory of the Giant Mountains NP have been transferred into the hands of various private entities).

In 2003, the Ministry of the Environment negotiated several times with the Ministry of Agriculture and the Land Fund of the Czech Republic on remedying this state of affairs. Given that remedy has not been ensured, in 2005, the Ministry of the Environment again requested that the Land Fund of the Czech Republic resolve the persisting state of affairs in specially protected areas. Simultaneously, it noted that, in relation to incorporation of the compensations for restricted agricultural or forest management in the amendment to Act No. 114/1992 Coll., **the consequences of sale of properties and their transfer to entities other than nature conservation bodies will constitute a substantial burden for the State budget.**

### **4. Management plans for National Parks and their protective zones**

**The Ministry of the Environment has failed to consistently fulfill its duties imposed by Section 38 of Act No. 114/1992 Coll. in that it failed to ensure timely preparation of management plans for all National Parks.**

E.g., the Giant Mountains NP Administration and the Podyjí NP Administration did not have a valid management plan in the period from 1992 to 1994. Bohemian Switzerland NP has not had an approved management plan since its promulgation as of January 1, 2000.

The approved management plans for two NPs have been valid for a period exceeding 10 years and the management plan for the Giant Mountains NP will have been valid for 15 years in 2007. The preparation of new management plans for the Giant Mountains NP and the Podyjí NP has been recently prepared. The Bohemian Switzerland NP Administration has been revising the National Park management plan based on the new methodology issued in 2006. As the process of approving new management plans usually lasts several years, **at least in two cases, the valid management plans will expire without any replacement** (within the meaning of Section 38 (4) of Act No. 114/1992 Coll.: *“The nature conservation body shall approve the management plan usually for a period of 10 to 15 years”*).

### **5. Provision for performance and functionality of financial control**

Section 8 (1) of Act No. 320/2001 Coll. imposes on the administrators of the chapters of the State budget the duty to create a financial control system.

**Comparison of activities within the control systems of the NP Administrations indicates various levels of their independence, functionality and effectiveness, as well as the relevant human resources** (manifested, e.g., in the adoption and implementation of effective remedial measures).

- The financial control and internal audit department of the NP and PLA Sumava Administration was created with effect as of July 1, 2002; this department has proposed 223 measures in the framework of the performed controls and internal audits.
- The office of an expert worker (internal auditor) was established within the Director's Department of the Giant Mountains NP Administration as of January 1, 2002, and an internal guideline entitled "Internal Control System – Circulation of Accounting Documents" was published on the same date. An employee of the internal audit has carried out on average 13 audits each year.
- Internal financial control in the Podyjí NP Administration was ensured by the competent senior officers of the Administration.
- In the Czech Switzerland NP Administration, the internal control system was ensured both by the relevant responsible senior employees and by the "State administration and control officer" who carried out audit activities based on the requirements of the Director and senior employees. 32 auditing operations were carried out in 2004 and 16 in 2005.

## **6. Service uniforms in the sector of the environment**

**The issue of providing the employees of bodies falling within the competence of the Ministry of the Environment with service uniforms has not been systematically and comprehensively resolved to date. The individual organizational departments (also within a single organization) prefer different designs of the service uniform.**

It appears to be necessary to adopt a legal regulation in the area of sectoral uniforms, also given the amount of expended funds; these equal **more than CZK 4,000 thous. p.a.**

## **III. Implementation of the Natura 2000 Network and the Risks Related to Infringement of EU Directives**

### **Transformation into a single European nature conservation system**

Natura 2000 is a network of protected areas that are established by all EU countries in their territory based on uniform principles. The objective of the network is to provide for protection of those species of fauna and flora and those types of natural habitats that are most valuable, most endangered, rare or limited by their occurrence in a certain area from the European viewpoint.

Establishment of the Natura 2000 network is imposed on the Member State by Directive 79/409/EEC on the conservation of wild birds, as amended (the Birds Directive), and Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora, as amended (the Habitats Directive). The Natura 2000 network is a basic instrument for fulfillment of one of the main objectives of the EU policy in the area of the environment, i.e. ending the reduction of biodiversity in the EU by 2010.

### **a) Transposition of EU Directives into Czech legislation**

The obligation to transpose the Birds Directive and the Habitats Directive follows from the Treaty of Accession and from the Treaty establishing the European Communities.<sup>2</sup>

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<sup>2</sup> Article 249 of the Treaty establishing EC: "A directive shall be binding, as to the result to be achieved, upon each Member State to which it is addressed, but shall leave to the national authorities the choice of form and methods."

The Czech Republic was obliged to transpose both Directives into the legislation of the Czech Republic by the date of its accession to the EU, i.e. by May 1, 2004.

The “European amendment” to Act No. 114/1992 Coll. came into force 3 days prior to accession of the Czech Republic to the EU. However, in practice, several provisions of this amendment came into effect only after delimitation of the territories to which they are applicable. Further regulations, whereby the Czech Republic transposed the two Directives, came into effect only after accession of the Czech Republic to the EU (e.g. 38 Government Regulations delimiting bird areas and Decree No. 175/2006 Coll., amending Decree No. 395/1992 Coll., implementing certain provisions of Act of the Czech National Council No. 114/1992 Coll., on nature conservation and landscape protection).

Although, in the opinion of the ME, both Directives have been “fully transposed”, **certain articles of the Directives were not transposed correctly and fully.** Examples:

- forest management plans and forest management schemes are not subject to review of their potential impact or consequences for the areas of the Natura 2000 network, which is not in conformity with Art. 6 (3) of the Habitats Directive;
- Section 90 (2) and (13) of Act No. 114/1992 Coll. contains exemptions that are not permitted by the Habitats Directive (variance with Article 13 of the Habitats Directive).

### **b) Implementation of the Natura 2000 network in the Czech Republic**

“Bird areas” are promulgated pursuant to the Birds Directive and “sites of European importance” are promulgated pursuant to the Habitats Directive. A survey of the extent of the promulgated bird areas and of the proposed sites of European importance is given in Table No. 2.

**Table No. 2 – Number and extent of sites of European importance and bird areas and their ratio to the territory of the Czech Republic (April 2005)**

|                             | Area (ha) | Number pSCI | Area of all pSCI (ha) | pSCI (%) | Number of SPA | Area SPA (ha) | SPA (v %) | Natura 2000 (pSCI and SPA) (ha) | Natura 2000 (%) |
|-----------------------------|-----------|-------------|-----------------------|----------|---------------|---------------|-----------|---------------------------------|-----------------|
| <b>CELKEM ČR</b>            | 7 886 739 | 863         | 724 412               | 9,2      | 38            | 693 622       | 8,8       | 1 046 312                       | 13,3            |
| <b>Kontinentální oblast</b> | 7 546 285 | 768         | 693 226               | 9,2      | 31            | 657 768       | 8,7       | 994 734                         | 13,2            |
| <b>Panonská oblast</b>      | 340 454   | 108         | 31 186                | 9,2      | 8             | 35 854        | 10,5      | 51 578                          | 15,2            |

Based on information from ANPL

1) Sloupec Natura 2000 (pSCI + SPA) is not a sum of pSCI and SPA because these areas partially kverlál.

2) Some pSCI (13) and 1 SPA part of the area is located in pannonic biogeographic region and part in continental biogeographic region, that is why the sum of pSCI numbers (and SPA) in continental and pannonic area is higher than the total number of pSCI (SPA) for the whole CR.

### Bird areas

The expert proposal for bird areas (41 bird areas with an extent of 702 194 ha) was completed in October 2002. The draft promulgating documents, conservation conditions and maps were prepared during 2003. However, discussions with the stakeholders could be commenced only after adoption of the amendment to Act No. 114/1992 Coll., i.e. in May 2004. A total of 38 of the 41 originally proposed bird areas had been gradually approved and promulgated by January 2005.

The Government postponed the discussions concerning bird areas “Dehtář” and “Českokobudějovické rybníky” at the end of 2004 due to numerous disputes between the Ministries of Agriculture and of the Environment. The Government did not approve the site “Heřmanský stav – Odra – Poolší” at its meeting in October 2004, particularly given the disputes between the Ministry of the Environment and the Ministry of Industry and Trade and the Moravian-Silesian Region.

In relation to this fact, the Czech Republic was notified by the European Commission of infringement of the Birds Directive. In case of the site “Heřmanský stav – Odra – Poolší”, the Czech Republic thus faces possible infringement proceedings. **If remedy is not ensured, EU could impose a high fine or repeated penalties on the Czech Republic.**

#### Sites of European importance

From 2000 to 2004, the APNL coordinated mapping, based on which an expert proposal for sites of European importance was created for both biogeographical areas (continental and pannonic) that are located in the territory of the Czech Republic. After prior negotiations with the affected entities, by Regulation No. 132/2005 Coll., which came into effect on April 15, 2005, the Government approved the “national list of sites of European importance”, which included 863 sites. Comprehensive data on these sites of European importance and also on 38 approved bird areas have been provided by the Ministry of the Environment to the Commission.

The national list of sites of European importance is currently being approved by the European Union. Within six years of approval of the national list of sites of European importance by the European Union, the Member States are obliged either to provide for contractual protection of the individual sites or to promulgate these sites as specially protected areas.

Based on comments of experts provided at the biogeographical workshop for the Pannonian biogeographical area that took place in September 2005, the APNL completed the proposal for sites of European importance for the Pannonian area. The national list for the Pannonian area was thus supplemented by 20 new sites and the object of protection was extended for 12 current sites. The modified national list for the Pannonian area will be submitted to the Commission following approval by the Government of the Czech Republic.

A number of experts raised their comments on the current delimitation of the sites of European importance in the continental area at the biogeographical workshop for the continental biogeographical area, which took place in April 2006.

#### **c) Financing of implementation of the Natura 2000 network**

The funds set forth in Table No. 3 have been specifically allocated from the State budget for **implementation of the Natura 2000 network**, i.e. for mapping and monitoring. The APNL was the main beneficiary of the on-purpose subsidies for implementation of the Natura 2000 network. In 2000-2004, a majority of the funds were used for activities related to mapping and, since, 2005, for activities related to monitoring.

Table No. 3 – **Survey of use of funds specifically allocated for APNL and NPs for implementation of the Natura 2000 network (thous. of CZK)**

|   |                                      | 2000   | 2001   | 2002   | 2003   | 2004   | 2005   |
|---|--------------------------------------|--------|--------|--------|--------|--------|--------|
| <b>Purposefully earmarked financial means from ME Chapter</b> | <b>Drawing</b>                       | 19 332 | 24 262 | 68 969 | 49 165 | 37 667 | 17 451 |
|   | <b>Out of that APNL<sup>*)</sup></b> | 19 332 | 22 094 | 67 721 | 35 971 | 36 472 | 17 450 |
| <b>Research and Development<sup>**)</sup></b>                 |                                      |        |        |        |        | 13 700 | 6 000  |

Expenditure for the years 2000 - 2003 are based on the state final accounts for the ME Chapter; years 2004 – 2005 are based on the actual audit findings (audit reports for ME and APNL).  
In the years 2000 - 2002 human resources costs are included as well (5 520 thous. CZK, 11 013 thous. CZK, 35 681 thous. CZK).

\*) these expenditures include expenditures of NCA as well.

\*\*) Research and development – projects dealing with the implementation of Natura 2000.

Other funds from the State budget (from the ME Chapter and the chapter for the “Ministry of Agriculture”) were also used for **management of sites of European importance and bird areas**, i.e. for implementation of activities closely linked with Natura 2000; these funds are not separately reported given the fact that the activities contributing to the establishment and protection of the relevant areas are performed, to a great degree, within other activities (e.g. implementation of science & research projects, provision for conservation of the current specially protected areas (SPAs) that overlap with the Natura 2000 sites, agri-environmental measures in Natura 2000 sites, etc.). These funds cannot be accurately quantified and, therefore, their amount was set on the basis of qualified estimates of the individual NP Administrations and the APNL.

In the ME Chapter, these include particularly the funds allocated for landscaping programs, namely the “Landscape Management Program” (PPK), “River System Restoration Program” (PRRS) and subprogram 215 012 “Administration of inalienable possession of specially protected areas” (MaS) – under program 215 010 “Development and Renewal of Material and Technical Base of the System of Management of ME”. Part of the allocation for activities was also included for NPs.

Monitoring of the state of the nature from the viewpoint of its conservation does not include systematic monitoring of the impact of specific management actions. The APNL does not monitor changes in ecosystems following completion or final evaluation of actions and monitoring is not primarily aimed at sites with conservation management. No links to evaluation of projects implemented within the Landscape Management Program have been established to date. The APNL has drawn up “Draft Evaluation of Effectiveness of the Nature Conservation Program”, which has not been used in practice to date.

Table No. 4 – **Further funds from the State budget expended in relation to implementation of the Natura 2000 network (thous. CZK)**

|             | Natura 2000 –<br>Related financial<br>means | Out of that<br>APNL   | Out of that          |                      |                      |
|-------------|---|-----------------------|----------------------|----------------------|----------------------|
|             |   |                       | MaS                  | PRRS                 | PPK                  |
| <b>2004</b> | 187 316 <sup>**)</sup>                      | 100 502 <sup>*)</sup> | 13 044 <sup>*)</sup> | 37 786 <sup>*)</sup> | 49 672 <sup>*)</sup> |
| <b>2005</b> | 219 221 <sup>**)</sup>                      | 75 905 <sup>*)</sup>  | 12 097 <sup>*)</sup> | 12 232 <sup>*)</sup> | 51 576 <sup>*)</sup> |

Based on information from APNL and NP.

\*) Qualified estimate APNL

\*\*) Qualified estimate of NP administrations and APNL.

Funds from the EU sources and other countries have also been allocated to projects and activities related to the Natura 2000 network. E.g., approx. CZK 40,000 thous. have been provided from PHARE. 2 projects are currently being implemented with contribution of the LIFE fund of the EU (the budget equals approx. CZK 33,000 thous.). Subsidies in the amount of approx. CZK 65,000 thous. have been applied for to date within the agri-environmental programs “Bird Areas in Grasslands” paid from the EAGGF<sup>3</sup> and further projects are being prepared.

<sup>3</sup> The European Agricultural Guidance and Guarantee Fund.

## IV. Other Ascertained Facts

### 1. Central Nature Conservation List (filing)

The duty to keep the Central Nature Conservation List (CNCL) is stipulated by Act No. 114/1992 Coll. (Section 42). APNL was entrusted with **keeping the CNCL** by Decree of the Ministry of the Environment of the Czech Republic No. 395/1992 Coll. and a change in its foundation deed (in 1995).

Decree No. 395/1992 Coll. stipulates the duty of the nature conservation bodies to submit to the CNCL the necessary documents within 30 days of promulgation of conservation. **Nature conservation bodies** (Ministry of the Environment, regional authorities) **do not comply with the set deadline.**

Section 51 (3) of Act No. 499/2004 Coll., on archives and the filing service and on amendment to certain laws, stipulates:

*“A specialized archive may act as an archive if it has been granted accreditation.”*

**By the date of completion of the audit, APNL has not obtained accreditation for a specialized archive. This limits the ability of APNL to duly fulfill the duty to keep and operate the CNCL.**

### 2. Imposing of fines

Pursuant to Section 78 of Act No. 114/1992 Coll., nature conservation bodies, which also include NP Administrations, are authorized to impose penalties for misdemeanors committed in the area of nature conservation by natural persons (Section 87 of the Act) and for misdemeanors committed by natural or legal persons within the performance of business activities (Section 88 of the Act).

The aggregate amount of all fines imposed by the NP administrations in the 2000-2005 period equaled approx. CZK 3,292 thous., of which CZK 948 thous. were collected by the NP administrations; fines in the amount of CZK 1,530 thous. were forwarded for exacting to tax (or customs) authorities and fines equal to CZK 814 thous. were cancelled by the appellate body (the Ministry of the Environment).

The actual average amount of the imposed fines differs for individual NP Administrations. The average varies from approx. CZK 2,200 in the Podyjí NP Administration, to approx. CZK 500 in the NP and PLA Sumava Administration.

## V. Summary

**The NP and PLA Sumava Administration and the Giant Mountains NP Administration had recorded a majority of properties in their accounts with a zero value until June 2006. The NP and PLA Sumava Administration thus recorded properties whose aggregate value equaled CZK 1,841,398 thous. and the Giant Mountains NP Administration thus recorded properties with an aggregate value of CZK 1,311,137 thous.**

**The competence to manage certain properties requiring special protection and certain properties where natural monuments are located has not been transferred to the NP Administrations to date. Properties with the strictest conservation regime have even been sold to other owners (e.g., 5 properties in the territory of the Giant Mountains NP have been transferred into the hands of various private entities). Transfer of properties outside the scope of management of the nature conservation bodies will result in**

**considerable burden for the State budget given the duty of the State to compensate for losses caused by limitation of agricultural or forest management.**

**The “European amendment” to Act No. 114/1992 Coll. came into force 3 days prior to accession of the Czech Republic to the EU. However, in practice, several provisions of this amendment came into effect only after delimitation of the territory for which they are applicable. Certain articles of the Birds Directive and of the Habitats Directive have not been correctly and fully transposed to the Czech legislation.**

**A total of 38 of the 41 originally proposed bird areas had been gradually approved and promulgated by January 2005. The Government postponed the discussions concerning further bird areas at the end of 2004 due to numerous disputes between the Ministries of Agriculture, of Industry and Trade and of the Environment. In this respect, the CR is facing the danger of potential infringement proceedings initiated by the Commission and, if remedy is not ensured, a high lump-sum fine or repeated penalties.**