EKOLOGICKÝ PRÁVNÍ SERVIS

Environmental Law Service (ELS) - protection of the environment and human rights

Annual Report 2010

We are a non-profit, non-governmental, and apolitical organisation of lawyers. We offer free legal counselling and deal with selected cases of extensive social impact. Our objective is to contribute to more efficient enforcement of citizens' rights, observation of environmental regulations, more transparent public administration, and greater accountability of multinational corporations.

Editorial

Dear friends,

This latest annual report is in your hands to inform you about the progress of our team of lawyers in the past year. For several reasons, the year 2010 was truly a turning point for us. In fact, this is the first year of implementation of our five-year strategic plan (2010-2015), and the experience has proved to be more than just interesting. We have learned how important it is to see beyond the horizon of one single year and to consider our further moves accordingly. We have also realized that not everything can be foreseen and thus planned, mainly in situations in which a number of variables in our plan depend on circumstances that simply cannot be influenced and often even predicted. In any case, the beginning of implementation of our strategic plan was a great upsurge for the whole organization, and all of us felt that things had started moving. And the results of 2010 prove this.

First of all, I would like to emphasize the success probably unsurpassed by any other organization coming from the Czech Republic. At the end of 2010, the European Union announced that it was changing its paradigm in relation to responsibilities of large multinational corporations. For practically ten years, the European Commission had assumed the official attitude that companies in general are over-regulated, and therefore any increase in corporate responsibilities is possible only when companies decide to do so voluntarily. After more than six years of efforts, we have managed to change this attitude, and the European Commission admitted that legal tools need to be created to help improve law enforcement in relation to multinational corporations.

We hope that the increase in law enforcement will finally result in gradual empowering of human rights protection worldwide, and that this tool will stop the current process of "race to the bottom", in which there is increased pressure on developed countries to give up on their high standards of human rights protection in the name of global competitiveness.
Last year we also started our activities in Poland, where we have our lawyer who successfully takes a large number of legal steps under our guidance. The Polish experience has confirmed our assumption that in Poland they are not used to active legal procedures aimed at protecting public values and civil rights. What really surprised us was to find that Polish authorities are far less biased in their decision-making than are their Czech counterparts; moreover, the courts make their decisions in real time, within a few weeks. This is something we can only dream about in the Czech Republic.

We also succeeded in Slovenia, where we helped the local people stop a new coal power station building project. This is something extremely different from our experience in the Czech Republic.

In conclusion, let me thank all of you who support us. Without you, our work would not be possible. Yet we can honestly declare that we are doing our best for your investments by improving this world to increase their value.

Pavel Franc
Program Manager

Hello and thank you for your kind response. I am fully informed about the restrictions you are bound while providing assistance. Even so, your work is unique in the Czech Republic.

Service for citizens client

RESPONSIBLE ENERGY

Producing electricity and heat from coal is a source of many problems, such as removal of landscape and human settlements because of coal mining or health risks to people as a result of harmful emissions when burning coal. However, in European countries, coal power stations continue to be built or reconstructed, with some of them not even fulfilling the currently approved technological standards. One example is the planned reconstruction of the largest Czech lignite power station in Prunéřov, which is run by ČEZ (CEZ Group). The gradual decline in coal energy production and its replacement with more intense use of renewable sources and implementation of energy-saving potential is hindered by a number of both large and small legislation and administrative obstacles. The transformation of the energy "paradigm" from large centralized and above all "dirty" sources of energy towards decentralized production from renewable sources and more efficient ways of consumption offers a great economic opportunity.

We think that European countries should lead the way in the new wave of economies benefitting from transition to clean energy production, and they should not leave this opportunity without response. Through our work, we want to contribute to the elimination of massive development of coal energy production both in the Czech Republic and in other European countries, and we want to stop the building of power stations that do not fulfil the legally required standards. In cooperation with a network of foreign partners, we also strive for gradual creation of such legal environment in the EU countries that will lead to systematic reduction in greenhouse gas emissions and development of renewable sources implementation. Great Britain can serve as a model for this initiative, as it passed the law in 2008 the sets the target of reducing the greenhouse gases emissions by 80 per cent by the year 2050.

Positive EIA for Prunéřov

ČEZ is trying hard to modernize its largest lignite power station in the Czech Republic, which will lead to an extension of brown coal burning for decades. We have been warning against these efforts since 2008.

Ministry of Environment, led by a former spokeswoman for CEZ Group, issued in late April 2010 a positive EIA assessment for the option proposed by ČEZ, with supplementary conditions including reduction in emission limits of some substances and compensations for extra released greenhouse gases. For several reasons, this result cannot be regarded as a "reasonable" compromise between the interests of ČEZ and health protection of inhabitants and environment, even though it was presented as such to the public.

The supplementary conditions of the Ministry find no support in law and cannot be legally enforced.

The assessment with supplementary conditions is not based on any reliable data.

The frequently stated arguments for releasing the positive assessment were "economic and technical" conditions, which call for not using higher-quality technology in Prunéřov. The question of "technical conditions" regarding realization of a power station with higher efficiency was (marginally) dealt with by two expert studies supplied by ČEZ – by the Norwegian company DNV and by Euromatic. Both studies imply that there are no technical conditions that would prevent using more modern technology in Prunéřov.

These two studies are the only expert evidence available to both the Ministry and the public. In regards to the economic disadvantage of the more modern option, ČEZ has never submitted any such comparison, although it was asked to do so. Contradictory announcements by ČEZ representatives about the level of supplementary costs show that this comparison has probably never been carried out.

ELS had an economic comparison of the current so-called undercritical version and overcritical alternative made with Cityplan consulting company. Economists from Cityplan calculated that the costs for producing one megawatt-hour will be CZK 81 higher (using obsolete technology) than if ČEZ built the same overcritical block in Prunéřov that is being built in Ledvice. 25 years of operating the power station would save as many as 10 billion crowns!

The supplementary conditions for issuing the positive assessment ignore the essential problems.
The conditions, as they have been dictated to ČEZ by the Ministry, concern the emission of harmful substances and greenhouse gases. One additional essential problem of the power station with lower efficiency is the hundreds of thousands of tonnes of

Thank you for your comprehensive answer. If the state authorities (and officials) acted in such comprehensive and understandable way of explication of problems as your Service, I think you probably had nothing to deal with.

Service for citizens client

coal that is burnt uselessly every year. In its decision, the Ministry did not take into consideration wasting strategic and non-renewable raw material.

What is also important is the fact that the Ministry allowed ČEZ to ridicule the law. ČEZ had applied for permission, and it was asked to include in its application the comparison with more efficient power stations. However, it did not do so, and yet obtained the permission.

It has even been assisted by the government several times. This happened during tripartite organizations negotiations. We can hardly find a parallel in the past to the situation in which the government, employers, and labour unions would so unambiguously push for realizing the plans of one particular entrepreneur. There is also a well-known case of the prime minister putting pressure on the then minister Dusík, which resulted in Dusík's resignation from the post. The new minister, Mrs Bízková, put the crown to it when she eliminated the climate protection section (whose representatives openly criticized ČEZ plans) just a few days before the positive assessment on Prunéřov had been released.

In connection with the release of the positive assessment, several commentators started their celebrations of "common sense" having beaten "green ideology" in Prunéřov. The truth is that ELS did not start its dispute with ČEZ just to keep the conversation flowing. The truth is (and will be in the future) that our motivations in the suit have an ideological background. The ideals we have been pursuing in the dispute over Prunéřov are cleaner air in North Bohemia, lower carbon dioxide emissions, saving coal, and responsible decision-making on the part of the state.

The adored "common sense", in fact consists of the incorrect beliefs that ČEZ is fulfilling the proposed severe limits and compensating carbon dioxide emissions, that we have plenty of coal to give away, and that legal regulations can be distorted depending on one's interests. Is this sensible, realistic, or more advantageous from either an economic or an environmental perspective? Fortunately, the momentary victory of the "common sense" is not the final verdict. Further, ČEZ will need zoning decisions and IPPC permission, and ELS will follow ČEZ's further steps. For more information, please go to www.prunerov.cz.

ELS in Poland

In spring 2011, we were asked by the EkoUnia organization to help strengthen the legal know-how of the citizens of Gubin, Poland. Ten villages are to be pulled down because of lignite strip-mining, and this will not only have extensive impact on health and environment of the citizens but will also affirm Poland's dependence on dirty coal energy production for another 40 years. There is no such organization as ELS in Poland, which would legally protect its citizens and their right to health and a favourable environment. Therefore, we found a lawyer in Poland through whom we are now able to communicate our experience to the local citizens.

We have achieved partial victories in several disputes over information, we have contributed to dismissal of intended changes of a territorial plan in favour of the mine, and for the locals and NGOs we have prepared a detailed plan as to how to proceed when defending their cause. We continue to cooperate with them on these cases.

We participate on preparation of new laws

The all-European Great Challenge is directed towards setting innovations in energy production and energy conservation in motion. In the Czech Republic proper, the challenge had over 15,000 followers at the end of 2010. It will result in a proposal for a law on gradual reduction of greenhouse gases emissions, which we are helping to bring about not only in the Czech Republic, but through our partners also in Austria, Hungary, Slovenia, and Denmark. The objective of our legal aid is to make the proposals functional.

We have prepared a detailed analysis on how a British model can be adapted to the Czech legal environment. We have also consulted on proposals of similar regulations for Denmark and Slovenia.

RESPONSIBLE COMPANIES

Multinational corporations in the Czech Republic and in the developing countries are still frequently connected with serious instances of corruption, with violation of human rights and the environment, and with clandestinely influencing state policies.

Based on its experience with concrete cases, the program called Responsible Companies identifies dysfunctionalities in legal frameworks that allow for irresponsible behaviour on the part of large companies, and it proposes and asserts system solutions. In 2010, we focused on European law reform that would secure the responsibility of companies for violations of the international legal framework of human rights and the environment. We are pursuing the reform together with the coalition of European NGOs called ECCJ. In October, we published a study, "Principles and pathways: Legal opportunities to improve Europe's corporate accountability framework", with the prologue by Richard Howitt, correspondent of the European Parliament on the question of corporation responsibility.

Apart from that, we also took part in several partial activities on the Czech scene in 2010. We enquired on the proposal of the law of corporate criminal liability, we created amended proposals on the proposal regarding the regulation of lobbing, and we represented NGOs in the management board of the Hyundai Endowment Fund, which serves to develop civil society in North Moravia. We monitored observance of the covenants of the state, Moravian-Silesian region, and Hyundai company based on the Declaration of Understanding, and we provided complex legal counselling to communities threatened by industrial activities, mainly in the case of ArcelorMittal Ostrava.

In a similar way, on an international level we helped grassroots organizations create legal strategy, for example in case of plans for using cyanide technology for intended gold extraction by Dundee Precious Metal Corporation near Chelopeh, Bulgaria. We also worked on the case of violation of articles on preventing corruption according to the OECD directives for multinational corporations in regards to opening iron ore mines in Liberia by ArcelorMittal Corporation.

We change European laws

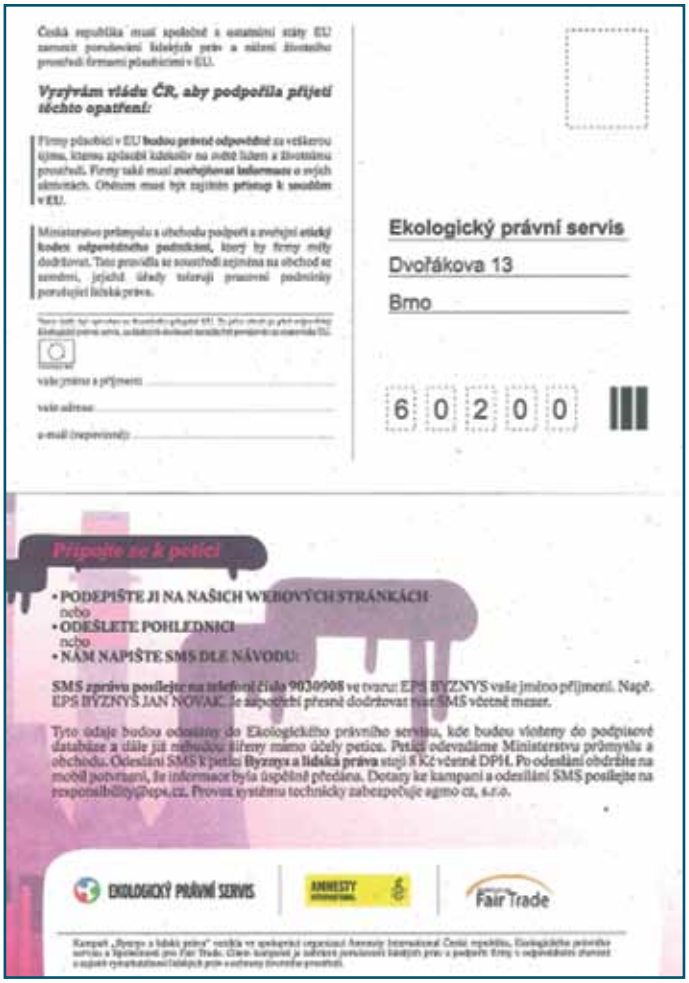
In 2000, we kept citizen legal watch during demonstrations against the World Bank and the International Monetary Fund in Prague, whose target was to independently monitor the protests with regard to potential human rights violation and excessive police brutality. In the late 1990s, millions of people worldwide demonstrated against these institutions, as they allow multinational companies to violate human rights and devastate the environment in the Third World. The anti-globalization movement fell silent after September 11th, but the problems remain unresolved.

The multinational companies' activities are directed by legal principles that originated in the 1850s and that have not changed essentially since. They create an artificial legal structure – legal entity – whose sole duty is to create profit for its shareholders, who only have a limited legal responsibility to the company. Moreover, the legal entity itself can be a shareholder or owner of another legal entity, for which it is not responsible at all. In the new conditions of the globalized economy, this enables the corporations to shift their productions into states with lower levels of human rights and environment protection and not to hold any responsibility for the violation. Perhaps the most common cases include companies in textiles and electronic industries using child and forced labour, and mining/logging companies destroying the environment, violating the laws of the communities and supporting dictators in exchange for mining licences.

Apart from the obvious moral problem, when the EU on the one hand declares its targets of sustainable development economy and of protection of human rights and environment , and on the other hand allows "its" companies to behave in the Third World countries without any restrictions, this principle also causes economic problems.

Companies wanting to enterprise honestly get into trouble as they face unfair competition, the unemployment is rising, and the markets become flooded with bad-quality and sometimes even harmful products.

This is why we joined other NGOs in 2006 and created the European Coalition for Corporate Justice (ECCJ) to bring the topic back to the EU political debate. In 2008, we introduced our proposals in the European Parliament – to amend the existing legal framework – which led to intense negotiations about the changes in the standing EU policies. Apart from the fact that the EP supports our viewpoints, we also manage to advance in the development in the European Commission – the only institution of the EU capable of making new proposals.



Based on our proposal, the European Commission created the study of the current legal framework, which directs functioning and responsibility of corporations. The study conducted for the Commission by The University of Edinburgh confirms drawbacks in laws that we point to, and opens the way for empowering corporate legal responsibility. We participated in the whole process of its creation and provided the Edinburgh academics with results of our research. The study was published in November 2010, and it may be the first step toward legislation changes.

As a following step, the Commission announced that in 2011 it will publish the proposal for a new policy regarding corporate responsibility and it will introduce concrete suggestions on how to strengthen corporate responsibility. In November 2010, the Commission already announced public consultations on the first reform we had asked for. This concerns the duty of corporations to identify and publish information on the impact of their enterprise on human rights and the environment. Such a duty would enable consumers to determine whether the company in question bears responsibility for violation of the rights and the affected people would get access to information upon which their ability to stand up for their rights depends. True and precise information would also enable the public to fulfil its monitoring role. The obligatory publication of information would serve as a preventive tool, as corporations currently make the most of the fact that they do not practically identify themselves with their contractors and affiliates.

With the results of the Edinburgh study in consideration, we also prepared a detailed description of further reforms for the EC, which would be easy to implement and which would at the same time to a remarkable extent hold parent companies responsible for impacts of their affiliates on human rights and the environment, while also allowing the victims access to independent courts of justice.

The final shape of the EU policy will undergo complicated negotiations that we will try to influence as much as possible in favour of public interest. One thing is certain: the EC will need authorization from its member countries to be able to start negotiations about new laws. That is why we tried to persuade the Czech government as to the need for reforms and why we collected signatures for an all-European call to politicians, which was supported in 2010 by more than 7,000 people in the Czech Republic proper.

RESPONSIBLE STATE

We want to achieve a situation where the responsibility of civil servants and politicians for deciding on large schemes funded with public money increases, along with the quality and transparency of their decision-making. In 2010, we therefore focused on three areas: administration of the Ministry of Transport; administration and control mechanisms of the biggest state-owned company, ČEZ; and responsibility of civil servants for damage caused by their unlawful decisions.

The summary of our experience and proposals for the Ministry of Transport resulted in analysis called "Where billions get lost – the summary of problems with funding and planning of transport projects". We passed the recommendations stemming from our analysis on to the new management of the department and applied them in consultations of planned conceptions for both the Czech Republic and the EU.

Another phenomenon we are dealing with is the administration of ČEZ on the part of responsible politicians and officials. ELS tried to determine what is behind the enormous political pressure to push forward the project, which is in conflict with European regulations and which due to its obsolete technology harms the environment more than it had to, and which should thus not be permitted in its standing form. We found that ČEZ builds overpriced power stations – the study by the Cityplan experts has shown that with more efficient technologies (common elsewhere in the world) used to build the Prunéřov power station, the project would save around 10 billion crowns. We wanted to get an explanation from the ČEZ management as to why such a risky and expensive project is being prepared and so we bought two shares of stock in the company and took part in the general meeting. However, we did not get any explanation. We informed the government of the problem that the state-owned company builds overpriced projects and that the state as an owner ignores its role as a supervisor.

The result is available in the article called How to save 40 billion on http://eps.cz/cz2266543tz/tiskove-zpravy/

We are also active in finding solutions allowing the state administration to work more transparently. In April, we issued an analysis on officials' responsibility called "Clientelism or rule of law? Causes of insufficient responsibility for unlawful decisionmaking of civil servants", where we illustrated via thirty cases the problem of insufficient responsibility and its ramifications, and we introduced a number of proposals that would hinder corruption and clientelism through empowerment of officials' independence. Before the elections, we sent and introduced the analysis to political leaders. The anti-corruption strategy introduced by the new government in January 2011 contained recommendations from ELS.

How to get the Ministry of Transport in shape in four steps

In the analysis we recently submitted to the new minister of transport and about which we are currently dealing, we suggest four main recommendations for the Ministry of Transport to undertake in order to stop wasting public money and to spend it more responsibly:

1. Designation of strategy and priorities

Firstly, the seemingly trivial recommendation for the Ministry to identify WHAT, WHY, and in WHAT SEQUENCE we need to build because, believe or not, twenty years after the revolution, the Czech Republic has not found answers to these questions. The quality concept of transport is the first obstacle for the lobbyists and "godfathers" in the transport department.

2. Creation of strategic funding plan

Only with a good strategy should the Ministry plan how much it needs to draw from the public budget. At the same time, it should improve creating appraisals of transport projects, which are now overpriced by hundreds of per cent. We should not omit the section of budget called simply "global items", which is used for stashing away money for preparation and asserting of unauthorized projects. In 2008, "global items" represented 16 per cent of the total budget (7 billion crowns).

3. Empowering of transparency and efficiency of funding

According to the Transparency International analysis, almost one-third of costs can be saved when real competition is allowed in public procurements. In Germany, for example, they divide large public procurements into smaller ones, and these can be accessed by local companies. This helps development of regions as well as local small companies, employment rises, and money is saved. In Czechia, public procurements are expensive and can be only achieved by a small group of always the same players.

4. Designation of control mechanisms

During their construction, motorways also increase in cost

because there is no reliable control of funding and building of transport projects. The Board of Trustees of the State Fund for Transport Infrastructure is not interested in effective spending of public funds, and the Supreme Audit Office is openly ignored by officials and politicians.

How to save 48 billion

That is what we wanted to ask Prime Minister Nečas recently. But he sent his consultant, Mr Říman, in his place and he could not speak for Nečas. But he could not speak for himself, either, as the Chairperson of Supervisory Board of ČEZ, for the meeting had been appointed through the Government Office where Říman acts as a mute consultant to the premier. Why all that willingness? Well, we wondered how it is possible that current ČEZ management builds the most expensive coal power stations in the world.

International Energy Agency (IEA) and a study by Cityplan show independently of one another that there is something wrong with ČEZ, with the studies stated that:

The ČEZ management would save 10 billion crowns on running the power station, if they used cleaner technology for modernization of Prunéřov. The Cityplan study implies here that although the initial investments into the construction of more efficient block would have to be by about 2 billion crowns higher, the total cost of production of electricity would be much lower when including efficiency and lifetime of the station, costs of coal, water, etc. Despite the initially higher investment, 81 crowns would be saved on each megawatt-hour, which represents 10 billion crowns of savings for 25-year cycle of fully utilized power station.

According to IEA, we are the only country in the world where construction of a so-called undercritical block of power station is being prepared. The ČEZ management that this is because of lower expenses. But according to IEA figures and the Cityplan study, the construction will cost more than for example Slovak overcritical blocks with high efficiency.

Responsible officials?

It is believed that one of the best-known bosses of organized crime in the U.S., Al Capone, was responsible for dozens of murders, yet he was proven guilty of none. He was sentenced only thanks to tax law, which imposed taxation on illegal income. Al Capone was sentenced to 11 years in prison for tax evasion – an accompanying feature of organized crime. Even if such a course of action of American justice may appear to be only a partial achievement, we think that it could be inspiring for suppressing corruption in the Czech Republic.

One of the manifestations of corruption and clientelism is the unlawful decisions of officials. We found that in the Czech Republic nobody is held responsible for bad decisions and no sanctions are imposed.

The direct damage caused to the state by judicial fees for cancelled decisions amounted to 120 million crowns over the last three years. The data is incomplete, as some institutions we asked, such as Ministries of Agriculture, Health Care, Foreign Affairs, and Interior, do not keep records on their employees' mistakes. In any case, this amount is only the tip of the iceberg compared to indirect damage caused by bad decisions, which then take the form of overpriced public procurements, disadvantageous investments, or damage to human health or the environment – in cases we have encountered by the dozens over the fifteen years of our existence.

Where there is no responsibility for the mistakes of the officials, space is created for corruption and clientelistic practices. Insisting that the officials observe the law appears to be an easier task than directly proving corrupt behaviour.

Although all political parties designate fighting corruption as a high priority, the problem of insufficient responsibility of officials is not mentioned in their programs. Therefore, we decided to submit concrete suggestions in that regard.

According to the results of our legal analysis, it is possible to solve part of the problem with current legal regulations. Mechanisms that now enable a specific official to be held responsible should be made more specific so their application would become a common practice.

We regard as absolutely indispensable a new tool requiring authorities to register and publish the number of their decisions cancelled by administrative courts, and connected expenses for public budgets.

We further recommend extending the force of prosecution in the public interest. We might get inspired by Slovakia, where each citizen can defend himself or herself by suing against illegal transfer of public property. We also suggest empowerment of possible protection against unlawful official inactivity and increasing transparency of decision-making, mainly regarding public procurements.

The essential system solution would be of course strict division of state administration operations and autonomous administration of municipalities and regions, which would hinder political pressures on official decisions.

We submitted our proposals to representatives of parliamentary political parties and also to TOP09 and VV even before the general elections. We believe that without enforcement, the problem of officials' corruption and clientelism cannot be solved sufficiently.

SERVICE FOR CITIZENS

The year 2010 was the fifteenth year in which we helped people become familiar with their rights and defend them. Again, almost a thousand people turned to us for free advice; for 86 citizens we prepared a more detailed legal training session. It was also the first year in which we systematically dealt with connecting engaged citizens and associations.

We issued several publications, such as "Právní rádce občana obtěžovaného hlukem", or manuals to territorial planning, and we held a number of training sessions on topics such as territorial planning, free access to information, shortened proceedings according to the building law, etc. We also dedicated more energy to small public associations (grassroots) dealing with some local cases. We are developing an ELS club involving associations and individuals active in local cases. Part of the process was also creating an e-bulletin that aids in the mutual sharing of information between single associations and between grassroots organisations and ELS.

Apart from consultancy for citizens, ELS also takes part in teaching at universities – at Faculties of Law in Brno and Olomouc and at Faculty of Social Studies in Brno. In classes, we use techniques of experience learning and examples from practice.

We also provide law students with volunteer practice stay. In 2010, we had 28 young people to stay. Students work under supervision of experienced lawyers on real cases and thus get practical experience in the area of law concerned with human rights and environmental protection. Last but not least, we have a new colleague who has been helping us with all matters in Servis since April, including answering citizens' enquiries, which reached 920 in 2010.

Case map

We have provided legal consultancy for fifteen years now and help citizens all over the Czech Republic. We have always tried to provide citizens with sufficient information to be able to solve their cases themselves.

With this objective in mind, we extended consultancy and offer still wider services ranging from special training courses and manuals to personal meetings and sharing experience.

There is a map on the ELS website where citizens can share their experiences, and where active citizens and organizations gradually appear. Each case description includes a contact on public associations or individuals who have dealt with the case. For easier orientation, we divided the map into nine topic areas. People solving problems in their neighbourhoods may consult the map and see whether there is already someone else having a similar problem and contact them. Now, we can see that citizens with active interest in their local area and its problems can be found all over the country.

Wind of change in Ostrava?

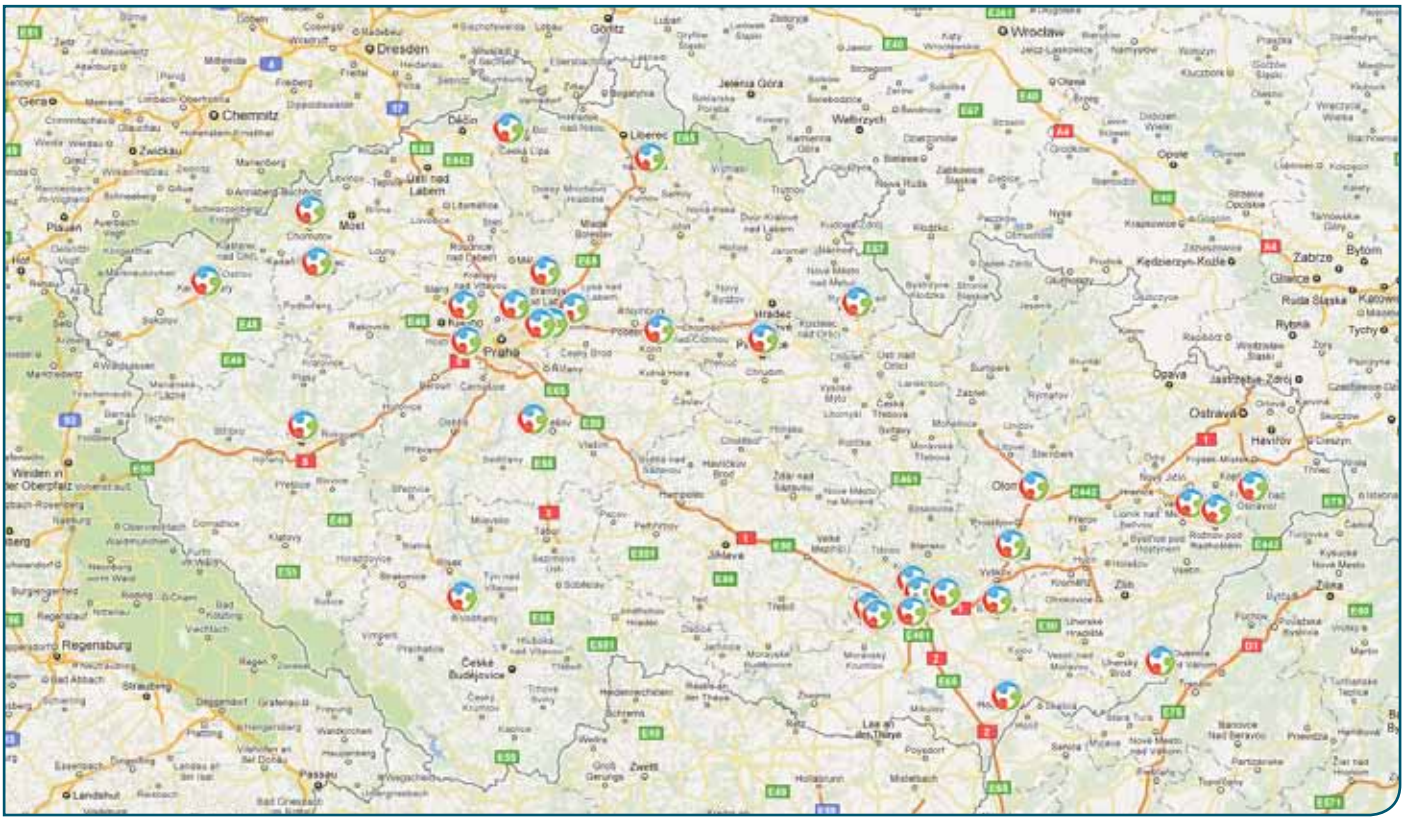
The Ostrava region now ranks among the places with the most polluted air in Europe. We helped the local association "VZDUCH" ("AIR") prepare legal arguments that were applied in the process of EIA and that where then dismissed by the Ministry of Environment. We have claimed already since 2007 that ArcelorMittal cannot make money to the detriment of people's health.

Campaigning against increasing noise limits

In an open letter, ELS asked politicians not to support a proposal that increased noise limits. The attachment of the letter contained objections to the proposed amendment, supported by findings of the World Health Organization and the State Health Institute in relation to the negative effects of noise on human health.

We send the letter to politicians via email; however, citizens could do the same through participative text message or email. We plan to present the objections in early 2011 at the Health Committee of the Chamber of Deputies of Parliament of the Czech Republic and thus inform the MPs of the ramifications of the proposed amendment on people's health and of the number of people who have supported the call.

The ELS lawyer spoke at the demonstration in front of the Ministry of Health Care about the legal aspects of fighting noise. The



demonstration was organized by a group of public associations fighting excessive noise. The point of the demonstration was to show – through rattling and whistling of the participants – how annoying the noise is. The cooperation of several associations helped increase media coverage of the demonstration and broadened awareness of its presence although it took place at Christmastime.

Citizens affected by noise can find a new version of a concise manual called “Kompas občana obtěžovaného hlukem”, which is available on www.hluk.eps.cz.

Support of citizen participation in creating territorial plan for Brno City

Since May 2010, we have tried to support the public in getting involved in the process of creating a territorial plan for Brno City.

Apart from consultancy, we took to the streets and lectured during Protestfest; we took part in several debates, where we presented the possibility of participation through so-called public representatives, we clarified the differences between objection and protest; and we answered questions and gave away manuals. We informed on individual public representatives on our website, and citizens were able to support them with their signatures.

The target of this pro-active process was the highest possible participation of Brno citizens when creating the new territorial plan. This is an important document whose form will influence the future appearance of the town.

People in ELS in 2010

Jaroslava Al-Khatib
Administration

Mgr. Eliška Bartošová
PR

Jana Benešová
Administration

Mgr. Petr Bouda
Lawyer

Mgr. Jiří Boudal
Coordinator

Mgr. Pavel Černý
Lawyer

Mgr. Pavel Doucha
Lawyer

Mgr. Martin Fadrný
Lawyer,
Head of the Responsible State Programme

Mgr. Pavel Franc
Lawyer
Program Manager

Mgr. Filip Gregor
Lawyer,
Head of the Responsible Companies Programme

Mgr. Libor Jarmič
Lawyer

Mgr. Josef Karlický
Lawyer

Mgr. Karolina Klanicová
Lawyer

Mgr. Jana Koukalová
Lawyer,
now on maternity leave

Eva Kozinská
Economist

Mgr. Jana Kravčíková
Lawyer

Mgr. Barbora Kubátová
Lawyer,
now on maternity leave

Ing. Stanislav Kuťáček, Ph.D.
Financial manager

Mgr. Šárka Nekudová
Organisational Manager,
now on maternity leave

Mgr. Jiří Nezhyba
Lawyer

Mgr. Eva Pavlorková
Lawyer

Mgr. Kristína Šabová
Lawyer

Mgr. Jan Šrytr
Lawyer,
Head of the Responsible Energy Programme

Mgr. Jana Tomášková
Office Manager

Mgr. Markéta Višinková
Lawyer,
Head of the Service for Citizens Programme

Mgr. Vendula Záhumenská
Lawyer,
now on maternity leave

Students who helped us in 2010

Elena Barbiriková
Eva Bažantová
Andrea Beková
Lucie Boledovičová
Pavla Bradáčová
Barbora Bučková
Martin Eliášek
Tomasz Heczko
Veronika Hejnová
Kateřina Hýblová
Linda Janků
Lenka Jaskowiecová
Jan Jebáček
Miroslav Knob
Jan Králík
Alena Kristková
Tomáš Křivský
Alena Kubišová
Andrej Lobotka
Alexandra Mateásková
Magdaléna Navrátilová
Marie Novotná
Eva Pavlorková
Jan Plšek
Ivana Pšeničková
Radka Singovská
Hana Sotoniaková
Jolana Taberyová
Michaela Tejnorová

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We thank our donors

Batory Foundation
- (Un)sustainable Transport Policy (via Dopravní federace)

Brno City Municipality
- Free legal counselling in environmental protection in Brno
- Maintenance and improvement of technical and professional background for interns – students of law

CEE Trust
- Planning and Financing Highway Projects in the CR: A Call for Action (via Dopravní Federace)
- ProBono centrum (via Public Interest Lawyers Association)

EC - Europe Aid
- Enhancing EU Business

EEA and Norway Grants (NROS)
- Zapojte se SMSkou! (Text your opinion!)
- Legislative centre of environmental NGOs

European Climate Foundation
- Global Warming – Legal Strategy for the Czech Republic
- Litigation against the Prunerov II lignite-fired power plant, the nation´s biggest source of GHG emissions
- Climate Change Legal Hub

Isvara Foundation
- Legal Promotion of Corporate Accountability in CO_2 Issues

Joseph Rowntree Charitable Trust
- Public Interest Lawyers for Corporate Accountability Reform

U.S. Department of State
- Wind Energy

Open Society Institute
- Bringing the Unaccountable to the Roundtable
- Regulation of the Energy Sector and the Standards of Good Governance in the Czech Republic

Open Society Fund
- Law enforcement, strategic litigation, non-foundational fundraising
- Support of ELS activities in 2010

Partnerství Foundation
- Enhancing professional capacities of local activists, improving quality of counselling services

Ministry of Education, Youth and Sports
- Incubator of environmental business plans (via Masaryk University, FSS)
- Lifelong law education (via Palacký University)

Ministry of Labour and Social Affairs
- Education and development of professional knowledge and competencies of NGO staff
- Reconciling family and work life of NGO staff

Ministry of the Environment
- Free legal counselling in environmental protection– improving quality and availability

Ministry of the Interior
- Corruption prevention

State Environmental Fund
- Systemic legal counselling and education on national level
- Network of environmental counselling in South Moravian Region
- Counselling – methods, examples, certifications

We also extend our thanks to many others who have in some way contributed to ELS in 2010.

Financial Report

Expenditures	in CZK
office supplies (incl. copier operation)	360 171
literature and periodicals	37 519
working expenses (energy and repairs)	271 843
travel costs	276 945
communication costs (incl. postage)	256 732
printing, copying, promotion	460 013
rental	424 924
legal services and fees	56 519
expert opinions and reports	617 012
translations and interpreting	33 256
schools and seminars	290 619
software	77 540
wages	5 752 504
taxes, social and health insurance	1 782 760
donations	123 530
bank charges	13 432
other (exchange-rate loss, sanctions, representation)	70 660
EXPENDITURES TOTAL	**10 905 978**

Income	in CZK
own activities	253 071
grants from public budgets and EU budget	
– European Social Fund + Ministry of Labour and Social Affairs – HREOP	1 114 296
– European Social Fund + Ministry of Education, Youth and Sports – ECOP	126 211
– State Environmental Fund of the Czech Republic	867 425
– EEA and Norway Grants	1 158 159
– Ministry of the Environment of CR, Ministry of the Interior of the CR, Ministry of Education, Youth and Sports	716 225
– EC – Enhancing EU Business	992 334
grants from foundations and civic associations	
– European Climate Foundation	1 597 773
– Open Society Fund Praha	1 318 224
– Open Society Institute	1 005 445
– Partnerství foundation	51 725
– Isvara Foundation	248 037
– Trust for Civil Society in CEE	201 368
– Embassy of the United States in Prague	163 620
– The Joseph Rowntree Charitable Trust	782 038
– small grants and subsidies	321 520
donations from natural and legal persons	431 052
credit interest	35 437
other (exchange-rate profit, re-invoicing, funds)	99 769
INCOME TOTAL	**11 483 728**
ECONOMIC RESULT – PROFIT	**577 751**

Auditor´s Report

INDEPENDENT AUDITOR'S REPORT

addressed to the member meeting of the civic association Ekologický právní servis

Report on the Financial Statements

We have audited the accompanying financial statements of Ekologický právní servis, civic association, i.e. balance sheet as of December 31, 2010, the Profit and Loss Account and the Notes on Financial Statements, including a summary of significant accounting policies. Information about Ekologický právní servis is presented in the Notes to the Financial Statements.

Statutory Body's Responsibility for the Financial Statements

The statutory body of Ekologický právní servis is responsible for the preparation and fair presentation of accounting and financial situation in these financial statements in accordance with the Czech accounting regulations. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of accounting and financial situation in these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the financial statements preparation and fair presentation of accounting and financial situation in the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Ekologický právní servis, civic association, as of December 31, 2010, and of its expenditures, income and financial performance for 2010 in accordance with Czech accounting regulations.

BMV Audit s.r.o
Member of the international association of independent professional companies
MSI Global Alliance, Legal & Accounting Firms
Všebořická 82/2, 400 01 Ústí nad Labem
Certificate of KAČR no. 277
Ing. Miroslava Nebuželská
KAČR Certificate No. 2092

Prague, dated July 20, 2011

EKOLOGICKÝ PRÁVNÍ SERVIS

"We fight for the rights of those about whose protection the State forgets. We are a group of lawyers who believe that in a democratic society the needs and wishes of one entity cannot be at the cost of breaching the rights of others. Equality of citizens before law is a public interest we defend. People's health and favourable living conditions are a prerequisite for a healthy society for which we strive.

Many thanks to those who have supported us. We are a nongovernmental, non-profit organisation, and our activities depends on the support of the public. If you find our work useful, please consider supporting us. "

Ekologický právní servis / Environmental Law Service
Dvořákova 13, 602 00 Brno, Czech Republic
Tel: +420 545 575 229 / Fax: +420 542 213 373

Drtinova 10, 150 00 Praha

Příběnická 1908, 390 01 Tábor
Tel: 381 253 904 / Fax: 381 253 910
E-mail: tabor@eps.cz

IČO 65341490
Account number: 471298763/0300

Legal Counselling Contacts

EPS Brno
Dvořákova 13
602 00 Brno
tel.: +420 545 575 229
fax: +420 542 213 373
e-mail: **poradna@eps.cz**

The Legal Counselling in Brno is opened for public:
Mon: 13.00–18.00
Wed: 9.30–13.30
Fri: 9.00–12.00

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