

# Two-round Call for proposals „Trondheim“

**on the implementation of pilot projects for the reduction of  
pharmaceutical pollution of watercourses**

**Number of the call: 3B**

The Programme „Environment, Ecosystems and Climate Change“  
financed from Norway Grants 2014 – 2021

The State Environmental Fund of the Czech Republic

## TABLE OF CONTENTS

<b>1.</b>	<b>Who is an eligible project promoter and who can be a project partner?.....</b>	<b>3</b>
<b>2.</b>	<b>What projects and activities are supported by the Call? .....</b>	<b>4</b>
2.1.	<i>Types of supported projects and activities.....</i>	4
2.2.	<i>Eligible project expenditures .....</i>	4
2.2.1.	<i>Direct costs .....</i>	5
2.2.2.	<i>Indirect costs .....</i>	7
2.2.3.	<i>Other information for eligible costs.....</i>	7
2.2.4.	<i>Non-eligible expenditures .....</i>	9
2.3.	<i>Reimbursement of project partner expenses.....</i>	10
<b>3.</b>	<b>What outcomes and outputs shall the project contribute to and what indicators shall be reported? 11</b>	
<b>4.</b>	<b>What is the amount of project grants? .....</b>	<b>13</b>
<b>5.</b>	<b>How is the administration of the project proposal and the subsequent application for support?.....</b>	<b>14</b>
5.1.	<i>The submission of the project proposal .....</i>	15
5.1.1.	<i>Detailed description of the project plan .....</i>	15
5.2.	<i>Evaluation of the project proposal .....</i>	15
5.3.	<i>Procedure of submission of the application .....</i>	17
5.4.	<i>Evaluation of the application .....</i>	17
5.5.	<i>Project selection and approval process.....</i>	20
5.6.	<i>Project contract .....</i>	21
5.7.	<i>Project amendment request.....</i>	21
<b>6.</b>	<b>What is the implementation period of approved projects? .....</b>	<b>22</b>
6.1.	<i>Procurement within the project .....</i>	22
6.2.	<i>Monitoring and implementation of the project.....</i>	22
6.3.	<i>Project financing scheme.....</i>	23
6.4.	<i>On-site control of the project implementation .....</i>	25
6.5.	<i>Irregularities in project implementation .....</i>	25
<b>7.</b>	<b>How to properly promote and inform about awarded project? .....</b>	<b>26</b>
<b>8.</b>	<b>Other elements or facts related to supported projects .....</b>	<b>27</b>
8.1.	<i>State aid within the project .....</i>	27
8.2.	<i>Conflict of interest .....</i>	28
8.3.	<i>Accounting for the financial support.....</i>	28
8.4.	<i>Document archiving .....</i>	29
8.5.	<i>Termination of the project contract.....</i>	30
8.6.	<i>Settlement of dispute in the administration of applications or project implementation .....</i>	30
<b>9.</b>	<b>Annexes.....</b>	<b>31</b>

In the framework of the Environment, Ecosystems and Climate Change Programme (hereinafter referred to as the "Programme") four areas of support were selected on the basis of stakeholder consultations and public discussions. Projects will be implemented in these areas and supported by the financial mechanism of the Norway Grants. A common feature of the Programme is the effort to support innovative solutions that can help to find innovative approaches, in response to the ongoing dynamic change in all segments of social, economic, but also environmental developments in the society.

The third area of support under the Programme focuses on the protection of water quality in the Czech Republic and the reduction of surface water pollution by micropollutants. Basic information on the focus of the 3rd area of support of the Programme can be found in the informative document [here](#).

**This Open call 3B**, named after the Norwegian city of "**Trondheim**", is focused on the implementation of specific measures leading to a real reduction of pharmaceutical pollution of surface waters. It therefore targets pilot and demonstration projects that result in a reduction in the content of drugs and hormones (including their metabolites) in wastewater before it is discharged into a recipient or sewer for public use.

- a) the aim of the first launched round of the call is to *assess suitable project proposal in terms of innovative approaches for the implementation of projects*, which will be submitted in the subsequently launched second round. *Project proposals, which will be recommended by the Expert Committee, can* be submitted as projects by applicant within the second round of the call in the form of standard application for a financial support. In some cases, a project may be recommended with reservations, after which the project may be submitted in the second round. Project proposals that will not be recommended by the Expert Committee can no longer be submitted in the second round of the call. In the first round of the call, the number of submitted project proposals is not limited, so the applicant may submit more than one project proposal, but these may not overlap in terms of content.
- b) complete applications are submitted to the second launched round of the call, including the assessed project proposal from the first round of the call, or completed according to the recommendation issued by the Expert Committee. The second round of the call, which is competitive, will be announced after the end of the procedure of assessing these project proposals and notification of applicants **with a total allocation of CZK 93 600 572 (EUR 3,600,022).**<sup>1</sup>

#### ***What are the essential legal documents and methodological guidelines?***

The main regulations and guidelines based on relevant Norwegian Financial Mechanism, and national legislative rules and other documents related to this Call include in particular:

- Regulation on the implementation of the Norwegian Financial Mechanism (FM) 2014-2021 (hereinafter referred to as the "Regulation")
- The Programme agreement including Annexes
- Methodology of financial flows, control and certification of programmes financed from the EEA and Norwegian FM 2014-2021
- Results Guideline – Rules and Guidance on How to Design, Monitor and Evaluate Programmes, Manage Risks, and Report on Results
- Guideline of the National Focal Point for eligible expenditures under the EEA/Norwegian FM 2014-2021 (hereinafter the „Guideline for Eligible Expenditure“)

These documents, including their current versions and other related methodological instructions, can be found on the website of the State Environmental Fund of the Czech Republic (hereinafter referred to as the "SEF"), [here](#).

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<sup>1</sup> The EUR / CZK exchange rate applied for this call is 1 EUR = 26 CZK

## 1. Who is an eligible project promoter and who can be a project partner?

Any entity, public or private, commercial or non-commercial and non-governmental organisations, established as a legal person on the territory of the Czech Republic are considered eligible project promoters under the Call “**Trondheim**” from the Programme. This project promoter shall not be in bankruptcy, liquidation, has no overdue liabilities to state and public budgets, tax arrears and it is not a business company in which a public official<sup>2</sup> or a person controlled by him owns a share representing at least 25 % of the shareholder’s participation in the business company. This also applies to their project partners, which shall be entities established as a legal person either in Norway, the Czech Republic or another beneficiary state or any international organisation or body or agency thereof, *actively involved in and effectively contributing to, the implementation of a project*. Partnership with foreign entities (mainly from Norway) **is not obligatory for the implementation of the project**, but with regard to the possibility of sharing experience and good practice, such partnerships are encouraged.

In the case of the existence of a partnership in the implementation of the project, the mandatory annex to the application is the **Partnership Agreement** (Partnership Agreement Template available [here](#)), its proposal or notification of the intention to cooperate (Letter of Intent). The final Partnership Agreement must be submitted to the SEF no later than in the phase before signing the contract with the SEF. The Partnership Agreement must specify at least the following particulars (acc. Article 7.7(2) of the Regulation):

- a) provisions on the roles and responsibilities of the parties;
- b) provisions on the financial arrangements between the parties, including, but not limited to, which expenditure the project partners can get reimbursed from the project budget;
- c) provisions on the method of calculating indirect costs and their maximum amount;
- d) currency exchange rules for such expenditure and its reimbursement;
- e) provisions on audits on the project partners;
- f) a detailed budget;
- g) provisions on dispute resolution;
- h) and other provisions relating to the implementation and administration of the project, including the condition of archiving accounting documents.

*Expenditure incurred under a valid partnership agreement is not considered a supply-customer relationship and can be claimed by a summary accounting document for a given period (e.g. in the form of an invoice or payment request) in accordance with the budget specified in the partnership agreement and according to the procedure described in ch. 2.3 of this call. The project promoter has the overall responsibility for the correct and efficient use of the awarded grant and has legal and financial responsibility to the Programme Operator based on the legal act (project contract).*

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<sup>2</sup> according to § 2 par. 1 let. c), Act No. 159/2006 Coll., on Conflicts of Interest

## 2. What projects and activities are supported by the Call?

This part of the Call describes in detail the types of projects supported by the Call. The chapter sets out what the eligible costs of the project are, and how they are determined, and the possible procedures for reimbursing the eligible costs to the project partner.

### 2.1. Types of supported projects and activities

Supported activities under the "Trondheim" call are the implementations of measures that demonstrably lead to a reduction in the concentrations of pharmaceuticals and their metabolites contained in wastewater and, subsequently, surface water.

The submitted project proposals and subsequent projects must consist in the implementation of real measures to improve the status of surface waters with regard to residual concentrations of pharmaceuticals and their metabolites. In particular, these should be:

- Pilot and demonstration projects based on the **installation of advanced wastewater treatment technologies** in order to reduce the increased concentrations of pharmaceuticals contained in them. Installations both at the source (eg medical facilities) and at municipal wastewater treatment plants will be supported.
- Implementation of projects that use **natural and nature-friendly processes to demonstrably reduce the content of pharmaceuticals in wastewater** (artificial wetlands / root treatment plants), or other proven innovative technologies with a similar effect.
- Additional activities such as **organizational and other preventive measures** at major wastewater producers with increased pharmaceutical concentrations consisting of the separation of so-called "yellow water" (eg urine bag collection and other separation methods) before entering a local wastewater treatment plant or public sewer. These measures **cannot be implemented separately, but only as additional** to technical measures within the complex projects mentioned above.

### 2.2. Eligible project expenditures

The Programme may support projects that comply with applicable legislation, the rules of the Norwegian Financial Mechanism 2014-2021, Guideline for Eligible Expenditure and the conditions of support set out in this Call.

**Expenditures** incurred within the project must be *proportionate* (corresponding to the usual prices in given time and place), *necessary* and in accordance with the *3E principles* (economy, efficiency and effectiveness), where appropriate, in accordance with the procurement rules (for basic information see [A Practical Guide to the Guidelines of the State Environmental Fund of the Czech Republic for Public Procurement](#) under the Programme. All costs must be clearly *identifiable, verifiable and documented* (i.e. by supplier invoices or other documents of equivalent probative value) and must be incurred and recorded in bank accounts or must be supported by cash receipts and properly kept in the accounts of the final beneficiary and its potential partners. It must be clear from the accounting documents (invoices, receipts, contracts, etc.) that they relate to the EEA/Norway Grants 2014-2021 (e.g. by providing information in the text of the accounting document or by stamping the text "Financed from EEA/Norway Grants 2014-2021" or by indicating the name of the accounting center or another clearly identifiable code of the EEA/Norway Grants on the accounting document, etc.).

For projects constituting state aid, it must be met that the eligible expenditure complies with the conditions of the relevant regulation, if such a condition is stipulated in the regulation.

In **general terms**, the eligible costs under this Call will be those that:

- a) comply with the legal framework and conditions of the Programme and this Call;
- b) are directly and exclusively linked to the implementation of the project and are included and approved within its budget;
- c) are proportionate (in accordance with 3E principles and/or procurement rules);
- d) incurred after the date of the grant award decision (acceptance of application for the Organizational Unit of State (hereinafter referred to as the "OUS");
- e) were incurred no later than the project completion date, but no later than 30 April 2024; (expenditure is eligible even if it has been paid no later than 30 days from the final date of eligibility of expenditure, if the invoice for the related cost was issued in the last month of eligibility of expenditure);
- f) were spent in the form of volunteer work (for project or project partners such as NGOs or social partners only), they fulfill the conditions of ch. 5.4 of the Guideline for Eligible Expenditure;
- g) were incurred for the project the purpose of which is to implement measures in the Czech Republic (including partnership projects);
- h) comply with the requirements of applicable tax and social legislation.

In addition, for expenditures meeting the general eligibility conditions defined above, **specific conditions** are set out within the different categories of expenditure described in more detail, while other expenditures are not considered eligible.

### **2.2.1. Direct costs**

*Direct costs are expenditures that directly and exclusively serve to achieve the objectives, purpose of the project and are in accordance with ch 3.1. points a) to g) of the Guideline for Eligible Expenditure. Expenditures must be used to finance and implement supported activities (according to the ch. 2.1 of this Call).*

#### **A) Purchase of supplies, services, fixed assets, construction work and consumables**

Direct costs refer to expenditure on services and supplies, construction work, fixed assets and consumables that **directly and exclusively serves to achieve the objectives and purpose of the project** (see above).

#### **B) Wage personnel costs**

Wages and salaries of personnel related to staffing of activities related to the implementation of the supported project, which are not provided through supplies or services by suppliers. These are eligible under the following conditions:

1. the activities are carried out in the **form of agreements on work** performed outside the employment relationship (contract for work activity/agreement to complete a job), where such agreements cannot be concluded with existing employees of the applicant or project partner who are simultaneously employed or have a similar contractual relationship. Such agreements shall also include the type and description of the action taken to implement the project, including its title. The amount of remuneration (income) must be the usual amount at the place and time, i.e. it should be derived

- **For Czech applicants/project partners:** in the case of Czech applicants and their Czech partners, wage (personnel) expenses amount to max. 1.5 times the average gross wage set by the Ministry of Labor and Social Affairs for 2020.<sup>3</sup>
  - **In the case of foreign project partners,** from the average national annual wage increased by max. 25 %, issued by Eurostat<sup>4</sup>, converted at the relevant exchange rate to CZK or NOK, according to the average annual exchange rate presented by the European Central Bank.<sup>5</sup>
2. the activities are **carried out by the existing staff of the applicant or project partner**, who are **simultaneously employed** or have a similar contractual relationship. For the calculation, the amount of nominal wages specified in the Guideline for Eligible Expenditure is considered, in proportion to the working time in which the employee participates in the implementation of the project according to the concluded employment contract or amendment to the existing contract with the employer. The individual workloads cannot overlap, they can only be complemented and can total up to 1.5 workloads and the basis for calculating the salary up to the permitted length of 1.5 is the amount of the employee's current nominal salary.

The applicant will be invited to submit an employment contract, concluded amendment or agreement on work performed outside the employment relationship. The reporting of overtime work by the beneficiary's staff as a project implementation work is not allowed and is therefore not considered as eligible expenditure. The wage expenditure of the final beneficiary during the project implementation is documented and verified by means of wage sheets on which the reported activities, their scope and a brief description are recorded. The wage expenditure of part-time or fixed-share employees specified in the contract or in the job description shall be verified in the course of the project in accordance with the Guideline for Eligible Expenditure.

Wage costs are eligible in the amount of nominal wages/salaries under the above conditions, including supplements and remunerations, statutory health insurance and social security contributions paid by the employer according to the Guideline for Eligible Expenditure.

#### C) Travel expenses

Travel expenses, under this call, are considered as objective, substantively correct expenditure of the Final Beneficiary or his partner(s) incurred in direct connection with the fulfillment of the subject and project and to fulfill its requirements. Expenditure may be in accordance with the applicable legislation of your country (foreign and foreign participants) and in accounting documents or for those that can only be used for foreign entities on foreign trips. This expenditure is eligible to the extent specified in ch. 3.1.2. Travel expenses, in the Guideline for Eligible Expenditures.

#### D) Promotion of the project

Eligible expenditure for the project promotion and public information that has to be included in the project application and its budget are eligible up to a maximum of 3 % of its own eligible expenditure.

The conditions and specifications for the creation and funding of publicity tools are set out in the separate *Publicity Manual for Applicants and Final Beneficiaries in the Environment, Ecosystems and Climate Change Programme*, which can be found [here](#). All promotional activities shall be stated in the **Project Communication Plan**.

<sup>3</sup> For 2020, the Ministry of Labor and Social Affairs of the Czech Republic has established an average gross wage of CZK 34,835.

<sup>4</sup> The average annual net wages published by Eurostat are available on the website [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=earn\\_nt\\_net](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=earn_nt_net).

<sup>5</sup> The average annual exchange rates can be obtained on the website of the European Central Bank <https://sdw.ecb.europa.eu/browse.do?node=1495>

### **2.2.2. Indirect costs**

*Indirect costs are all eligible costs that cannot be identified by the project promoter and/or the project partner as being directly attributed to the project but which can be identified and justified by its accounting system as being incurred in direct relationship with the eligible direct costs attributed to the project. **They may not include any eligible direct costs.***

*Indirect costs of the project shall represent a fair apportionment of the overall overheads of the project promoter or the project partner. Such costs may relate to running the beneficiary organization according to the Guidelines for Eligible Expenditure – ch. 3.2 letters b.), c.) or e.) such as renting an office, purchasing water, fuel, energy, cleaning, maintenance, insurance, office supplies, internet and telephone services provider's payment, postage, operating a company car and spending on cross-cutting activities such as human resources management, book keeping and administration, trainings, legal advice, etc.*

Project promoters and project partners may identify their indirect costs according to one of the following methods:

- **a flat rate of up to 25 % of total direct eligible costs** excluding direct eligible costs on subcontracting (on the basis of a contract/order) including costs on resources provided by third parties not used by the beneficiary on his premises. Third parties are those organizations or persons that are involved in the project but are not a party to the legal act on the allocation of funds. The use of this method is conditional on the calculation of a rate based on a reasonable and verifiable method of calculation or one of the methods that are applied to similar types of projects and beneficiaries under grant schemes fully funded by the Beneficiary State. The calculation method must be maintained throughout the project / (incl. Final accounts and any follow-up audit). The calculation methodology serves as a supporting accounting document and the beneficiary must be able to document it during and after the end of the project;
- **a flat rate of up to 15% of direct eligible staff costs** (determined according to chapter 2.2.1. letter B of the call), without there being a requirement for the Programme Operator to perform a calculation to determine the applicable rate;
- in the case project partners that are international organisations or bodies or agencies **thereof**, indirect costs may, in line with specific provisions in the programme agreement, be identified in accordance with the relevant rules established by such organisations.

### **2.2.3. Other information for eligible costs**

#### Value Added Tax (VAT)

*It is advisable to assess or consult with experts on a case-by-case basis with regard to the individual operating conditions of the project promoter.*

In general terms, the financial support for the implementation of a project does not in itself affect the amount of VAT applied by the project promoter of the taxable supplies subsequently received. The grant plays a role as a "source of funding" and only the purpose of its use (specific performance) is decisive for the amount of the VAT claim. As regards the support of activities falling within the provisions of Article 72 (2a) of Act No. 235/2004 Coll., on VAT, as amended, taxpayers arises full right to deduct VAT on the input, and in this case the deduction claim must be reduced according to Article 76 of the Act, i.e. not included in the required amount of the grant. In the case of grants for action, not being taxable transactions (e.g. non-commercial research and development) the taxpayer is not entitled to deduct VAT, thus VAT is included in the required amount of the grant.



### Voluntary work

In case of projects where the project promoter is an NGO or a social partner (employers' associations and trade unions), in-kind contribution in the form of voluntary work may constitute up to 50% of the co-financing required for the project. In that case, both the project promoter and its partner (if the partner is also an NGO or a social partner) can report this volunteer work also as a non-governmental non-profit organization or a social partner (see ch. 5.4. in the Guideline for Eligible Expenditure).

*Voluntary activity means a publicly beneficial activity organised pursuant to Act No. 198/2002 Coll., on voluntary service and amending some other acts (the Voluntary Service Act), as amended, and a publicly beneficial activity that is carried out by a volunteer who has reached at least 15 years of age, based on their free will, in their free time and without receiving any remuneration, reciprocal service or other advantage<sup>6</sup>.*

Appropriate unit prices for voluntary work which shall be in accordance with salary normally paid for such work in given time and place are based on gross monthly wage for the region.

For determining the unit price for volunteer work, the level of the tariffs shall be based on the amounts at the usual time and place where:

- *in the case of Czech applicants and their Czech partners*, when determining the unit price for volunteer work, we recommend based on the median gross monthly wage<sup>7</sup> in the wage sphere for the previous calendar year. To calculate the hourly price of a volunteer's work, this median is divided by the average number of hours worked in a calendar month and then rounded up to whole crowns.
- for foreign project partners, average national gross annual wage increased by max. 25 %, issued by Eurostat<sup>8</sup>, related to the year preceding the year of implementation, converted at the relevant exchange rate to CZK or NOK (or other currencies), according to the average annual exchange rate given by the European Central Bank.<sup>9</sup>

The records of voluntary work are not part of the accounting records under the project because they represent neither costs nor expenditures.

### Extra work up to the maximum of project grant

All eligible costs can only be increased assuming that all other conditions of this chapter 2.2 are fulfilled. The costs incurred must be objective, factually correct, serving to fulfill the objectives and purpose of the project, incurred by the beneficiary, and are not included in the original price of the contract (order, etc.) for the work concluded between the project promoter and the supplier. These additional costs are further eligible provided that, when included in the total eligible costs of the project, the **amount of financial support up to the maximum determined by the Decision to grant** a grant, respectively by the Grant Agreement (acceptance of an application with the OUS – Organization Unit of the State) will be respected. They must be approved by the Fund and their implementation must comply with other rules and regulations for their application (in particular in accordance with the SEF CR Guidelines for Public Procurement within FM Norway 2014-2021).

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<sup>6</sup> Does not apply to food and accommodation provided.

<sup>7</sup> According to the information system on the average monthly gross wage of the Ministry of Labor and Social Affairs of the Czech Republic.

<sup>8</sup> The average annual gross wages published by Eurostat are given on the website [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=earn\\_nt\\_net](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=earn_nt_net)

<sup>9</sup> Average annual exchange rates can be obtained on the website of the European Central Bank <https://sdw.ecb.europa.eu/browse.do?node=1495>

#### **2.2.4. Non-eligible expenditures**

The following costs, in accordance with the Guideline for Eligible Expenditure, shall not be considered eligible (acc. to Article 8.7 (2) of the Regulation):

- a) interest on debt, debt service charges and late payment charges;
- b) charges for financial transactions and other purely financial costs, except costs related to accounts required by the Norwegian Ministry of Foreign Affairs, the National Focal Point or the applicable law and costs of financial services imposed by the project contract;
- c) provisions for losses or potential future liabilities;
- d) exchange losses;
- e) recoverable VAT (ie VAT with the right to deduct input tax);
- f) costs that are covered by other sources;
- g) fines, penalties and costs of litigation, except where litigation is an integral and necessary component for achieving the outcomes of the project; and
- h) excessive or reckless expenditure.

The detailed description of the non-eligible expenditures may be found in the [Guideline for Eligible Expenditure](#).

In order to avoid double funding, the applicant may only use funds under this Call for implementation of eligible project expenditures. The applicant is not allowed to draw any other subsidy funds for specific items of eligible project costs stated in payment request (except of the use of resources for securing the Applicants' own resources). In this case, the applicant is obliged to ensure that these funds are consistently separated both in the relevant accounting documents and in the projects accounting and it can be demonstrated at any time that there is no concurrence of aid for a specific expenditure item.

### **2.3. Reimbursement of project partner expenses**

Only incurred, reported and documented expenditure of the project partner can be claimed as eligible expenditures of the project.

Based on the partnership agreement a project promoter may provide an advance payment to the project partner but such payment is not eligible expenditure.

In the partnership agreement, it is possible to agree on one of the following **methods of reimbursing the expenditures of a project partner**:

- a. The partner's expenditure is reported by submitting a copy of the accounting document, a document proving its non-cash payment or by submitting an audit report. After checking and verifying the eligibility of the partner's expenditure the project promoter includes it among eligible expenditures in the relevant list of documents/payment requests. As the payment request is issued in CZK, the conversion of foreign currency to CZK is carried out using the monthly rate of ECB valid for the month in which the expenditure was paid<sup>10</sup>. After the reimbursement by the SEF to the project promoter's bank account, the project promoter is obliged to transfer the amount for the relevant eligible expenditure to the partner (according to the conditions and methods laid down in the partnership agreement);
- b. Unlike point a), the project promoter directly reimburses the expenditure to the project partner after checking and verifying the eligibility of expenditure. The partner reports the incurred expenses by submitting a copy of the accounting document and the document proving the reimbursement of the expenses. The project promoter shall subsequently include this expenditure in the relevant list of documents/payment requests (as expenditure of project promoter, evidenced with a copy of the document proving the reimbursement of the expenditure to the partner);
- c. In justified cases (e.g. payment of invoices issued to the partner) the costs of project partner can be *directly paid by the project promoter*;
- d. If the Czech project partner is a contributory organisation financed only by the project promoter's organization who is its founder, the founder shall *increase the contribution for the project partner* that will be used for financing of the project's eligible expenditures and subsequently the founder will include such expenditures in the list of documents/payment requests.

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<sup>10</sup> [https://www.ecb.europa.eu/stats/policy\\_and\\_exchange\\_rates/euro\\_reference\\_exchange\\_rates/html/eurofxref-graph-czk.en.html](https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/eurofxref-graph-czk.en.html)

### 3. What outcomes and outputs shall the project contribute to and what indicators shall be reported?

The contribution of the projects specified in more detail in point 2.1. of this call, is first and foremost **a real reduction in the amount of pharmaceuticals** that enter watercourses (generally the aquatic environment) through wastewater. Specific measures must lead to a **real reduction in the amount of hazardous substances** in wastewater discharged into the public sewer or directly into the recipient. Given that many active substances of pharmaceuticals can have an adverse effect on non-target organisms in the aquatic environment and their increased content may have an impact on the quality of raw water for drinking water production, the overall indirect benefit of projects lies not only in reducing adverse human impacts on aquatic ecosystems, but has a significant impact on the human population as such.

**Mandatory indicators** help to identify and measure the achievement of the set outputs and outcomes of the project itself, and they are always part of the Application.

**Mandatory elective indicators** are part of the Application if they are relevant to the project.

**Optional indicators** are also listed in the Application if they are relevant for the given project, but their fulfillment is not binding

**Binding indicators** will be the subject of a contractual obligation, their fulfillment is documented by the final beneficiary within the Final Monitoring Report.

Indicators are obligatory set by the applicant within the preparation of applications directly in the electronic environment [Agenda Information System of the State Environmental Fund of the Czech Republic](#) (hereinafter referred to as „AIS SEF) in **the list of project indicators**. applicant must include the initial status (baseline value) and the intended status (target value) of the selected indicators. Their reporting is also an obligatory part of every interim or final monitoring report.

In the framework of this **Call-3B „Trondheim“** the **indicators are:**

The list of indicators	Description of the indicator
<p><b>Number of pilot projects implemented to reduce pharmaceutical pollution (mandatory, binding)</b></p>	<p><i>The indicator determines the number of actually implemented pilot and demonstration projects leading to a reduction in the amount of drugs discharged into wastewater or the aquatic environment.</i></p> <p><i>The initial status (baseline value) of the indicator is always 0.</i></p>
<p><b>Share of targeted emerging pollutants discharged by supported entities (mandatory, binding)</b></p>	<p><i>The indicator determines the percentage reduction rate of the target (monitored) discharges. The situation without implemented measures and after their implementation is compared. This is the total after-treatment efficiency determined as a weighted average for all target substances..</i></p> <p><i>The initial status (baseline value) of the indicator is always 0, the target value is at least 50%.</i></p>
<p><b>Number of people benefitting from the measures for improved water quality (mandatory, non-binding)</b></p>	<p><i>The indicator determines the total number of people who can be expected to benefit from the implemented measures to improve water quality.</i></p> <p><i>The initial status (baseline value) of the indicator is always 0.</i></p>

In case of involvement of Norwegian entities in the project, the following bilateral indicators are also reported:

### The list of bilateral indicators

### Description of the indicators

***Number of projects involving cooperation with a donor project partner (mandatory elective, binding)***

The indicator determines how many projects have been implemented in cooperation with a partner from Norway.

The initial status (baseline value) of the indicator is always 0.

The target value at the project level is usually 1.

***Number of international networks where partners from Beneficiary States and Donor States participate together (optional, non-binding)***

The indicator determines the number of international networks focused on environmental issues, in which partners from the Czech Republic and Norway jointly participate in the activities carried out within these networks.

The initial status (baseline value) of the indicator is always 0.

## 4. What is the amount of project grants?

Financial support for the projects specified in ch. 2.1 of this Call will be provided in the form of a grant. Maximum project grant rate may be **up to 90 % of eligible expenditure of the project**, whereas the amount of grant assistance applied for **shall not be less than 5,200,000 CZK (200,000 EUR) and not more than 26,000,000 CZK (1,000,000 EUR) according to the course settled for this call**. Any remaining costs of the project shall be provided or obtained by the project promoter<sup>11</sup>.

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<sup>11</sup> In case the project promoter is State Organizational Unit (SOU), the 15% Programme co-financing shall be secured directly in the budget chapter of such project promoter.

## 5. How is the administration of the project proposal and the subsequent application for support?

The **Trondheim call** is launched as a two-round call, whereby

### a) in the first round of the Call:

the submitted **project proposals** must contain the required information: (see The binding outline of the project proposal for projects submitted under the CZ-Environment Programme supported by the Norway grants, which forms Annex No. 1 to the Call) specifically:

1. basic information on the applicant and potential project partners (if relevant), including brief information on the degree of involvement of the partners in the project;
2. characteristics of the project intention, including a description of the proposed solutions and expected objectives;
3. expected project schedule, description of stages and milestones;
4. description of the organizational arrangements for the project and its management, including a description of the involvement of potential partners in the project;
5. a detailed description of the innovative solution, including a reference to the proposed solutions that are innovative in comparison with commonly used approaches, or a completed scientific research project or an example of good practice;
6. the conditions for the sustainability of the project, including an estimate of the potential use and development of the proposed solution or, if known, the applicant's further intention to disseminate or use the proposed and piloted solution;
7. description of project financing and general project budget;
8. and a description of the main risks of the proposed project, including the determination of their degree of severity for the implementation and subsequent operation of the project.

### b) in the second round of the Call:

the submitted **application** must contain further required information (according to the requirements of the application form), in particular:

- assessed project proposal from the first round of the call; in case that the Expert Committee has recommended the project proposal for completion to the stage of the project application with reservations, information on the incorporation of the reservations raised in the application;
- detailed project budget;
- other administrative requirements of the project, such as detailed information about the applicant / partner of the project, specification of the date of implementation, information on the rules of state aid, etc. (according to the application form)

## **5.1. The submission of the project proposal**

Project proposal may be submitted **from April 8, 2021 (12 a.m.) until June 11, 2021 (12:00 a.m.)** at the latest, solely electronically via the AIS SEF. which is available from the website:

<https://zadosti.sfzp.cz/>

*To register the applicant, it is necessary to have a data box or qualified certificate enabling the creation of qualified electronic signatures. Afterwards, the applicant provides information and submits a complete application, including the required annexes, electronically in the AIS SEF.*

The procedure for submitting a project plan in the AIS SEF is described in detail [here](#) - **How to successfully submit a project proposal (two-round calls)**

When filling in the information in each tab and especially when filling in the basic data, it is recommended to get the data from already created project proposal. The data provided in the system must be consistent and in accordance with the attached project plan. Then, in a separate annex to a project proposal applicant is not limited in its scope, the AIS SEF provides only a brief summary with regard to the limitation of the number of characters of individual fields.

### Mandatory attachments of the application:

1. project proposal prepared separately according to the binding outline (see Annex No. 1 to the call)
2. if relevant, the Partnership Agreement, its proposal or Letter of Intent in accordance with the ch. 1 of the Call.

### **5.1.1. Detailed description of the project plan**

The key document, which is a part of the submitted project proposal, is a detailed description of the project proposal **prepared according to the binding outline** specified in Annex No. 1 to the call. The description must clearly state which substances (drugs and hormones) the project is aimed at. Their specification must be based on a risk analysis based on laboratory analyzes of wastewater samples, consumption of substances in medical facilities for the last calendar year and the like. an indicative list of substances that occur in surface waters in concentrations above 0.1 µg / l is given in Annex No. 2 of this call. This list is based on surface water monitoring in the years 2015-2018 in various abstraction profiles within the Czech Republic. If the project also targets other substances not on the list, their choice must be sufficiently justified. When designing the overall concept of the project, it is recommended to start in relevant cases from ČSN 75 6406 Wastewater management from medical facilities (ZZ) discharged into the sewer network for public use.

## **5.2. Evaluation of the project proposal**

The submitted project proposal is first assessed in terms of formal requirements (administrative criteria) and justification (eligibility criteria) of the application. Within the control of **formal requirements of the project proposal** the application will be assessed according to the following list of criteria:

- The project proposal is submitted by an eligible applicant according to this call (eliminating criterion);
- there is only one project proposal per project (eliminating criterion);
- the project proposal has been processed via AIS SEF;
- potential project partner is eligible;
- the project proposal is complete and prepared according to the binding outline;
- the project proposal is processed in Czech and accompanied by a brief description in English;
- the Framework budget of the project is given in CZK;



If formal deficiencies are found, the applicant is invited to ensure their correction, or invited to supplement the plan with additional information or documents, within a specified period of usually 5 working days (unless otherwise agreed for objective reasons). In such a case, the project proposal is open to the applicant for editing directly in the AIS SEF.

In case that project proposal does not meet the requirements of formalities, the project proposal is not recommended to be completed to the stage of project application by the Expert Committee, the applicant is not allowed to submit an application for support in the second round of the call. The applicant will be informed in writing of the termination of the administration and the applicant has the opportunity to file an appeal against this decision within 5 working days from delivery. The applicant will be informed in writing form of the result of any appeal by the director of the Fund.

If the administrative and eligibility criteria are met the project proposals are **evaluated by an independent Expert Committee**, which will these proposals:

- a.) Recommend
- b.) Recommend with reservations
- c.) Not recommend

to be completed to the stage of the project application and the subsequent submission of the application in the second round of the call. In case that the project proposal is recommended with reservations, the applicant is obliged to complete the reservations of the Expert Committee on the project into the application for support. In case that the Expert Committee does not recommend completion to the stage of the project application, the applicant is not allowed to submit an application for support in the second round of the call.

The members of the Expert Committee evaluate the project proposal, prepared according to the binding outline, as a complex, in all points of the project proposal. However, special attention is paid to the following points, based on their evaluation, the member of the Expert Committee will express its recommended or non-recommended opinion. This is an evaluation of the project proposal, whether is:

1. in accordance with the focus of the call (according to the Chapter 2.1.) and the objectives of the Programme (area of support 1);
2. in case of realisation of the project in partnership coloboration there are clearly described the partnership tasks and their contribution within the project;
3. there is clearly defined the area of solution (identification of the problem) and there is clearly justified the need for the project implementation;
4. the expected objectives, outcomes and outputs of the project, the logical link between these and their expected results at each level are described;
5. the project clearly describes and specifies innovative elements in solving the given problem, including proposed technical solutions;
6. the project schedule is in accordance with the rules of the programme and realistically corresponds to the description of the project, resp. individual stages of implementation;
7. the described risks of the project are real and their existence does not fundamentally negatively affect the feasibility of the project, resp. its described sustainability;
8. the estimated assumption of financing seems realistic with regard to the complexity of the project implementation, its organizational provision and especially with regard to the expected outputs and benefits of the project;
9. Overall, the project represents a benefit for the state of aquatic ecosystems and the use of surface water by humans in general.

### **5.3. Procedure of submission of the application**

Based on the issued opinion of the Expert Committee on the project proposals, selected applicants for whom the project proposal **was recommended for support** or **recommended with reservations** will be invited to submit an application through the AIS SEF within the second round of the call.

Applications may be submitted within 2 months from the invitation of successful applicants to complete the application for the support, solely electronically via the AIS SEF. which is available from the website:

<https://zadosti.sfzp.cz/>

The procedure for application submission in the AIS SEF is described in detail [here](#).

The application must be processed in the Czech language accompanied by a brief description in English. The estimated budget must be stated in Czech crowns (CZK), while the total budget of the project will also contain an aliquot amount in Euro (according to the EUR/CZK exchange rate set out in this Call).

#### Mandatory attachments of the application:

1. proof of bank account maintenance;
2. the project's Communication Plan;
3. if relevant, the authorization of the statutory representative to submit the application;
4. if relevant, the Partnership Agreement, its proposal or Letter of Intent in accordance with the ch. 1 of the Call;
5. if relevant, the applicant shall also submit project or similar documentation which proves the technical solutions of the proposed measure or the planned project budget.

### **5.4. Evaluation of the application**

The submitted application is first assessed in terms of formal requirements (administrative criteria) and justification (eligibility criteria) of the application. Within the control of **formal requirements** the application will be assessed according to the following list of criteria

- the application has been processed via AIS SEF;
- the application is processed in Czech and accompanied by a brief description in English;
- the application is complete;

Within the control of **overall eligibility** the application will be assessed according to the following list of criteria:

- the application follows the project proposal with the opinion of the Expert Committee recommending or recommending with a reservation (*exclusion criterion*);
- the application is submitted by an eligible applicant according to this call (*eliminating criterion*);
- there is only one application per project (*eliminating criterion*);
- potential project partner is eligible;
- the application contains a list of any consultant involved in preparation of the application;
- the budget of the project is given in CZK;
- the application is in accordance with the Programme and chapter 2.1 of this call (*eliminating criterion*).

No modification of the application is allowed after the deadline for submission of applications. However, if there is a need to clarify certain aspects or for the correction of clerical mistakes, the PO may contact the applicant to ensure their correction or complete a request for additional information or documents within a specified period, usually 5 working days (unless for objective reasons otherwise agreed). The application is then made available to the applicant for editing directly in the AIS SEF. If the application does not meet the overall eligibility and formal requirements, it will be decided to terminate its administration.

Once the formal requirements and overall eligibility are met, the application is accepted and forwarded to the evaluation process. During this process the applicant may be required to provide additional technical, financial or factual clarification of the explanation of the accepted application including, where appropriate, reconciling the budget changes without affecting the essentials of the project regarding the eligibility of expenditure under the project in accordance with the eligibility principles of the Programme. **The additional specifications required during the evaluation of the application must not change the substance and purpose of the project!** Technical and financial evaluation of the application takes place in the form of a cross-evaluation by two independent evaluators (the so-called four-eye check)<sup>12</sup> according to the list of evaluation criteria below<sup>13</sup>. For each criterion fulfilled, the application gains the appropriate number of points according to the score in the table below. If the application does not meet a given criterion, the scoring is zero in that criterion.

For projects for which this is required, as part of the correct application of the state aid rules, a check will be made that the applicant is not a firm in difficulty under Commission Regulation (EU) No. 651/2014 (GBER) Article 2 point 18 (see also Chapter 8.1). In such a case, the applicant will be asked by the financial manager of the project to provide the economic statements needed for the evaluation. If an applicant for whom this condition is relevant is a definition of a firm in difficulty, his project will not be recommended for approval.

### Method of evaluating applications (evaluation criteria)

The evaluation of the project will be **based on the calculation of the cost-effectiveness of the project, according to the formula below**, and by assigning further evaluation criteria according to the nature and focus of the project:

#### **PROJECT COST EFFECTIVENESS (max. 10 points)**

$$\frac{C_{real}}{C_{mod}} * 10 = \text{number of points (rounded to an integer)}$$

where:

$C_{real}$  direct implementation costs of the project in thousands of CZK (rounded to 2 decimal places), when

$$C_{real} = C_{total} - OC - C_{pub} - IC$$

$C_{total}$  total eligible costs of the project in thousands of CZK (rounded to 2 decimal places),

$OC$  other direct costs of the project in thousands of CZK (rounded to 2 decimal places),

$C_{pub}$  costs for project promotion in thousands of CZK (rounded to 2 decimal places),

$IC$  indirect eligible costs in thousands of CZK (rounded to 2 decimal places),

$C_{mod}$  adjusted effective costs for setting points

$$C_{mod} = C_{real} + 3*(OC + C_{pub} + IC)$$

<sup>12</sup> If the difference between the scores given by the two evaluators is more than 30% the project application shall be scored by a third evaluator (the average score of the two closest scores shall be used for the ranking of the project application).

<sup>13</sup> The fulfillment of the evaluation criteria of the application will also be subject to the final evaluation of the project.

NAME OF THE EVALUATION CRITERION	THE DESCRIPTION OF THE EVALUATION CRITERION The projects will be evaluated:	SCORING CHART (max. 25 points)
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### STRATEGIC APPROACH (max. 10 points)

<b>The importance of the project and its contribution to the environment</b>	<p>The criterion takes into account the expected overall impact of the project on the environment with regard to the improvement of water quality in connection with the reduction of pharmaceutical pollution. It is assessed whether:</p> <ul style="list-style-type: none"> <li>the project has a direct impact on reducing the content of target (monitored) discharged substances in the aquatic environment, the implementation of the project will reduce the concentration of monitored substances by at least 90 %. The situation without implemented measures and after their implementation is compared. +10 pt.</li> <li>the project has a direct impact on reducing the content of target (monitored) discharged substances in the aquatic environment, the implementation of the project will reduce the concentration of monitored substances by at least 70 %.. The situation without implemented measures and after their implementation is compared. +6 pt.</li> <li>the project has a direct impact on reducing the content of target (monitored) discharged substances in the aquatic environment, the implementation of the project will reduce the concentration of monitored substances by at least 50 %.. The situation without implemented measures and after their implementation is compared. + 2 pt.</li> </ul>	
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### APPROACH TO COOPERATION (max. 11 points)

The following criteria take into account the active involvement of the partners in the project. If the project meets the given condition, it receives the appropriate score.

<b>Project partner from Norway</b>	Direct cooperation of the applicant with a project partner from Norway	+ 4 pt.
<b>International project partner</b>	A direct cooperation of the applicant with another international project partner (especially in the case of transfer of good practice examples or innovative projects)	+ 2 pt.
<b>National project Partner</b>	A direct cooperation of the applicant with another national project partner	+ 2 pt.
<b>Link between the application and other projects and bilateral initiatives supported by the EEA and Norway Grants</b>	<p>The projects follows its focus on other already supported/implemented projects or bilateral initiatives within the EEA or Norway Grants. The project follows on:</p> <ul style="list-style-type: none"> <li>supported / implemented bilateral initiative between the applicant and another foreign entity (entities) from EEA countries (outside the EU). + 1 pt.</li> <li>the partner entity (entities) from the supported / implemented bilateral initiative is (are) also the partners of the submitted application + 1 pt.</li> <li>supported project financed from EEA and Norway Grants (same and different applicant) in the current (2014-2021) and previous programming periods + 1 pt.</li> </ul>	

## SUSTAINABLE APPROACH (max 4 points)

<b>Project development and its sustainability</b>	• This is a project in full operation, ie after its implementation there is a presumption of full use	+ 4 pt.
	• This is a project in pilot plant, ie after its implementation, the project can be further modified or adapted to the specific conditions of full operation	+ 2 pt.

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The evaluated application proceeds further into the process of its assessment and final approval or rejection.

### 5.5. Project selection and approval process

The application is after the evaluation process subject to assessment by the **Selection Committee**. The Selection Committee shall review the list of projects recommended for the grant award from the Programme, based on ranking of these projects, and may request verification of the ranking in justified cases. The list of ranked project is submitted to the SEF Advisory Board and subsequently to the Minister of the Environment.

*The Selection Committee, based on information provided from previous evaluation of each application, statement of each member of the committee, respectively observer´s recommendations, votes on the ranking of submitted applications, with:*

- a) *The applications that meet **the minimum required score of 10 points** and at the same time don´t exceed the total allocation of the Call, are recommended by the Selection Committee for support. (In case of substantial justification, the Selection Committee has the possibility to adjust the order of applications), with the exception of projects in point d).*
- b) *The applications, that meet **the minimum required score of 10 points**, but their rank exceeds the available allocation, may be added to the reserve list, with the exception of projects in point d). The Selection Committee decides on the creation of a reserve list, which also defines the conditions under which the applications can be submitted to the approval process. In case of submitting the application from the pool, the formal requisites of the submitted application (deadlines, contact persons) will be updated, but at the same time the changes that would affect the substance of approved projects/applications are prohibited.*
- c) *The applications that do not reach the minimum required score will be proposed for rejection and will be issued a Decision of the Minister not to provide support from the Programme funds.*
- d) *The applications from applicants who meet the characteristics of state aid and at the same time do not meet all the conditions of any of the relevant regulations for VP or de minimis support cannot be applied for will be proposed for rejection and issued a Minister's decision not to provide support from the program.*
- e) *The applications from the applicants who meet the definition of a firm in difficulty will be proposed for rejection and will be issued a Decision of the Minister not to provide support from the Programme funds.*

After consideration of the recommended applications by the **SEF Advisory Board** and after verification of the evaluation process, the applications are submitted to the **Minister** for approval. The Minister shall issue a **Decision on the provision of financial support**, which is subsequently entered into the AIS SEF, always for the respective project, and the applicant will receive the original Decision with a cover letter „Information on approval of the application/rejection of the application“<sup>14</sup>. The PO shall publicise the results on the [webpage](#).

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<sup>14</sup> OUS applicants, whose projects are recommended by the Selection Committee for support and which were submitted to the SEF Advisory Board, are informed by a letter from the SEF.

In the case the application is proposed *to be rejected* by the Selection Committee, which is also confirmed by the Council of the SEF, the applicant is announced in writing - by sending the issued Decision on not the provision of financial support from the Programme.

### **5.6. Project contract**

The project contract for the grant from the Programme is concluded after verification of the evaluation process and after the issuance of Ministry's Decision (except SOU applicants<sup>15</sup>) between the SEF and the project promoter, usually within 2 months of issuing the Decision. The project contract contains the maximum amount of provided financial support, specifies the purpose and objective of the supported project, the rights and obligations of both contracting parties, including possible financial corrections.

The successful applicant is obliged, upon request of the relevant project manager of the Fund, to update the Documents for the agreements on the provision of subsidies from the Programme funds in the AIS SEF. The applicant will update the expected start and completion date of the project on profile, if relevant the applicant the submitted budget and sources of funding of the contract and documents other relevant annexes set out in the call. The financial payment calendar will be generated on the basis of the data specified in the sources of financing after the submission of the documents to the SEF via AIS SEF.

Before signing the contract the project promoter is obliged to provide *necessary documents and information*, in particular:

- proof of authorization to negotiate with the SEF (if the authorized person acts as the project promoter);
- if needed, necessary documents updating the situation compared to the documents submitted in the application;
- employment contracts, wage assessments, possible amendments to the original employment contract, agreements on work performed outside the employment relationship (Contract for work activity/Agreement to complete a job), concluded prior to the occurrence of the relevant personal expenses;
- signed partnership agreement on both sides (if relevant for the project).

### **5.7. Project amendment request**

The project amendment request may be submitted at the earliest after the Decision has been issued and no later than the date of submission of the Final monitoring report. The Project promoter is obliged to immediately notify the SEF of any changes (e.g. identification and contact data, project parameters, project implementation conditions, facts and conditions contained in the contract, etc.) to the relevant project manager through the AIS SEF.

The project manager assesses the project amendment request in particular in terms of its eligibility, other conditions of the call and the Decision or the project contract. The SEF shall issue a standpoint on the submitted request. If the standpoint contains the conditions for the change of a Decision or conclusion of an amendment to the project contract, the final beneficiary shall provide the relevant project manager with the required documentation and all cooperation for the implementation of the required change. If the SEF's standpoint is negative, no change to the project is possible and all the expenditures related to the project amendment are considered as ineligible.

Any changes, in particular the budget and the scope of the planned activities, which may affect the evaluation and ranking of applications or compliance with the conditions of state aid are not allowed.

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<sup>15</sup> In the case of OUS, the grant is awarded to the applicant on the basis of the Registration of the Action/Determination of expenditures for the financing of the OUS which are issued after receiving the letter of acceptance from the SEF.

## 6. What is the implementation period of approved projects?

There is no minimum duration of project implementation under this call, but projects **must be completed by April 30, 2024**, which is the deadline for eligibility of project expenditures in this call.

### 6.1. Procurement within the project

The procurement rules within the projects implemented within the supported project are in a separate document called *A Practical Guide to the Guidelines of the State Environmental Fund of the Czech Republic for Public Procurement under the Norwegian Financial Mechanism 2014 – 2021*, which is part of the Programme’s basic information documents and which you can find [here](#).

A comprehensive summary of these guidelines, including the English version, is included in the *Practical guideline of the State Environmental Fund of the Czech Republic for Public procurement under the Norwegian Financial Mechanism 2014 – 2021*, which is part of the Programme’s basic information documents and which you can find [here](#).

*The contract for the execution of some supplies, services or works included in the application may be initiated before its approval, but the subject matter of the contract and the related payment must be made after the initial date of eligibility of expenditures. The contract with the winning contractor may be signed earlier on condition that the subject-matter of the contract will be executed only if the support was approved.*

### 6.2. Monitoring and implementation of the project

Project implementation/realization and its progress is monitored by **interim monitoring reports**. The final status and all financial, factual and others issues related to project implementation, the project promoter shall show in **the final monitoring report**, submitted at the stage of project finalization/completion and overall the finance settlement.

The report may also include *the payment request*, which is the basis for payment of actually incurred expenditures on project implementation (see ch. 6.3). The project promoter submits the reports each six months from the time the contract becomes effective and a **final report** after the end of implementation of the project;

- for projects with an implementation **up to 6 months**, the project promoter **submits 1 final report** after the end of implementation of the project;
- for projects with an implementation period **longer than 6 months**, the project promoter submits **an interim report each six months and a final report** after completion of the project<sup>16</sup>.

The interim monitoring reports, respectively the final monitoring report, are submitted electronically (via AIS SEF) no later than 1 month after the end of the reference period.<sup>17</sup>

The submitted reports are checked for *factual, financial and formal correctness*, including eligible expenditures and overall compliance with the project contract and its annexes.

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<sup>16</sup> If the project is planned for a period longer than 6 months, the final beneficiary may submit a request to merge the monitoring periods, but the monitoring period of the final report may not exceed 8 months. In exceptional cases, if the final beneficiary does not carry out any activities or expenditures in the standard six-month monitoring period, the monitoring period may be extended to 12 months upon request of the final beneficiary and subsequent approval of the SEF. The minimum monitoring period is 3 months. The monitoring period begins on the date of signing the contract with the SEF CR.

<sup>17</sup>The project expenditures are eligible until 30 April 2024, and expenditure incurred up to this deadline must be reimbursed no later than 31 May 2024.

The checked documents are:

in the **text part** of the report:

- correctness of submitted monitoring report from the project schedule
- correctness and completeness of project implementation description in the reference period
- initiation of any changes of differences from the approved version of the application
- the outputs and outcomes quantification (the indicator fulfillment) and the description of the results achieved in the reference period
- indication of the existing financial performances in the settled terms (according to the AIS SEF), i.e. for total amount for the relevant reference period
- indication of the assumption of financial performance for next period, i.e. May-October and November-April for relevant years of the project implementation

if the **payment request** is also part of the monitoring report, there are further checked:

- the list of actually incurred expenditures, including annexes (copies of invoices, bills, etc.) and their consistency with the approved budget
- a statement from the accounting system proving realization of payments of the project promoter or his/her partner (submission of the proofs of payment to the submitted accounting document)
- a statement from the accounting system proving that all requested expenditures are recorded under the specific accounting cost centre for EEA and Norway Grants in

In case of detected deficiencies, the project promoter is obliged to ensure their correction within 5 working days of being called.

### **6.3. Project financing scheme**

Funds are paid to final beneficiaries in accordance with Act No. 388/1991 Coll., On the State Environmental Fund of the Czech Republic, and the Statute of the SEF<sup>18</sup> on the basis of a concluded contract on the provision of support (subsidies) except OUS, hereinafter the "Contract"), where the procedure is in accordance with Act No. 388/1991 Coll. and 218/2000 Coll., On budgetary rules, as amended.

Projects are financed in the form of a one-off advance (ex-ante payment) after the entry into force of the Contract in the amount of a fixed percentage of the total grant with subsequent billing in the form of payment requests (ex-post payments, supported by paid documents), but up to 90 % of the total grant amount. The remaining amount of the grant will be determined and financed after the final monitoring report control.

With regard to the financial flows of the state budget, support can be provided to SPO beneficiaries only in the form of a request for payment (ex-post payment) without an advance.

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<sup>18</sup> To the beneficiaries of the SPO, the funds are financed by SEF, in accordance with Section 53, Paragraph 1 of Act No. 218/2000 Coll. On budgetary rules



The support (subsidy) can be drawn exclusively non-cash in CZK to the account of the final beneficiary<sup>19</sup> specified in the contract (and registered in the AIS SEF). Finances provided by the SEF CR within the Programme are according to their character registered under special purpose features (CA):

- 90003 Norway Grants – non-investment
- 90500 Norway Grants – investment
- 90006 Norway Grants – co-financing – non-investment
- 90503 Norway Grants – co-financing - investment

The final beneficiary may reimburse the project expenditures at the earliest after the Decision has been issued (see ch. 5.5), after the effective date of Contract (see ch. 5.6) the fixed **advanced payment**<sup>20</sup> is always provided to the final beneficiary's account due to conditions stated in the Contract and in the amount specified in the Contract (usually not more than 10 days after signing the Contract) and the following parameters:

<i>Project implementation duration</i>	<i>Maximum Advance Payment (% of total subsidy)</i>	<i>Interim payments</i>	<i>Final Payment</i>
<i>≤ 12 Months</i>	50%	≤ 40%	≥ 10%
<i>12-18 Months</i>	30%	≤ 60%	≥ 10%
<i>&gt;18 Months</i>	20%	≤ 70%	≥ 10%

*Payment requests annexed to interim/final monitoring reports should be composed of reporting on eligible expenditure incurred in addition to reporting on the consumption of previous pre-financings received.*

The advanced payment must be included into the interim/final monitoring report and deducted from every interim/final payment request until the whole amount of the advanced payment has been exhausted.<sup>21</sup> If the advanced payment has not been fully booked in the first interim monitoring report, the same principle shall be applied for the next monitoring report. If the total amount of the advanced payment is fully posted and the payment request contains higher amount, the SEF shall pay the requested amount of the finance to the final beneficiary based on approved incurred expenditures, respectively payment request.

**The final beneficiary confirms by including copies of the accounting documents in the submitted request for payment their conformity with the original kept in the accounts.**

The reimbursement of approved eligible expenditures takes place on an ongoing basis (and in accordance with conditions set above), according to progress reported and described in interim reports, up to a **maximum of 90 % of the grant provided. The remaining final balance of the grant, at least 10 %, must be part of the final report as a final payment request.** Through the final report, the final realization of the project takes place in terms of factual, financial and formal finishing of the project.

<sup>19</sup> In accordance with Act No. 218/2000 Coll., On budgetary rules, Territorial self-governing units, voluntary associations of municipalities, state funds, public research institutions, public universities, the Railway Infrastructure Administration and the General Health Insurance Company are obligated to keep the bank accounts for receiving subsidies with Czech National Bank (CNB).

<sup>20</sup> The advanced payment is not relevant for the State Organizational Units and State Contributory Organizations in accordance with Act No. 218/2000 Coll., On budgetary rules.

<sup>21</sup> In case that the total incurred eligible costs are lower than the amount of the advance payment, the final beneficiary is obliged to return unused funds within 30 days of ringing the bank accounts of SEF of the title of the Contract and in the proportions in which they were provided by the sources.

The funds are reimbursed to the final beneficiary usually no later than 1 month after the approval of the respective monitoring report, even in the case of the final report.

*Organizational Unit of the State (OUS)*

*and State Contributory Organizations (SPO) proceed the project financing in accordance with Act No. 218/2000 Coll., On budgetary rules, as amended. Particular details of financial flows are defined in the Methodology of financial flows, control and certification of programmes financed from the EEA and Norwegian FM 2014-2021.*

#### **6.4. On-site control of the project implementation**

For selected projects, progress is monitored by **on-site visits**. This monitoring can be provided by SEF CR representatives (programme manager) before the release of funds reported in the respective monitoring report, respectively payment request, and is focused on factual and financial on-site controls by comparing reality/facts with data and information from the report.

However, the on-site visits can also be provided by another representative of SEF, the Ministry of Finance, the Royal Norwegian Embassy in Prague and the Norwegian Environment Agency (Norwegian Programme partner), also the control may be provided by the Supreme Audit Office, the Financial Mechanism Office in Brussels, the Office of the Auditor General of Norway and the Norwegian Ministry of Foreign Affairs, or commissioners authorized by the SEF, other bodies authorized by the abovementioned institutions, in particular in accordance with the relevant provisions of Act No. 320/2001 Coll., on Financial Control in Public Administration and on Amendments to Certain Acts, as amended, and Implementing Decree No. 416/2004 Coll., which implements the Act on Financial Control and in accordance with the relevant rules for the provision of funding from the EEA Funds and Norway.

*In case of detected significant deficiencies or in case of high level risks identified (e.g. through monitoring reports, during the review of supporting documents for payment request or on other suggestions raising doubts about the project's factual, legal or financial nature), the on-site monitoring visit will always be carried out.*

At the request of the control authorities, the project promoter shall cooperate with all of the subjects participating in the control, and provide all the relevant documents and information, demonstrating compliance with the obligations of the supported project.

#### **6.5. Irregularities in project implementation**

**Irregularity shall mean any infringement of the rules** governing the Norwegian Financial Mechanism, European Union law or national legislation, if such a breach could affect or endanger any stage of the implementation of the supported initiatives financed by Norway Grants 2014-2021.

Entities involved in the implementation of the EEA and Norway Grants 2014-2021 are required to **promptly notify** the SEF in any case of suspected irregularity. In cases of suspected serious irregularity, the SEF may suspend payments for a given initiative for the necessary time.

The SEF is entitled to withhold the grant or parts of it if it considers that the project promoter has breached legal obligations, failed to comply with the purpose of the grant or breached conditions under which the grant was awarded (§ 14e Law code no. 218/2000 Coll., as amended, and Act No.367/2017 Coll.). The amount of the unpaid part of the grant will be determined in accordance with the project contract.

*If the project promoter fails to implement remedial measures or does not return a grant or its part (which is understood as breaching of budgetary discipline), the SEF CR shall inform the Certification Unit, NFP and submit a request for the decision in the matter to the tax office.*

## 7. How to properly promote and inform about awarded project?

When submitting the application, the applicant is obliged to submit at the same time the Project Communication Plan, which must be in accordance with the [Publicity Manual for Applicants and Final Beneficiaries in the Environment, Ecosystems and Climate Change Programme](#) (hereinafter the Publicity Manual<sup>22</sup>). The supported project must meet the minimum publicity requirements during its implementation<sup>23</sup>.

Communication of all projects implemented within the Programme must be in accordance with the Publicity Manual, which specifies the basic requirements and recommendations for communication within the Programme, including the graphic documentation. All the final beneficiaries under the Programme shall:

- follow the Programme Publicity Manual;
- develop and implement the Project Communication Plan, which is part of the application and is in line with the Publicity Manual;
- provide project information to the general public at appropriate national, regional and local level;
- raise awareness of Norway's assistance through the Norway Grants;
- ensure project transparency;
- regularly inform the SEF CR on the fulfillment of the communication and information obligations of the project and provide statistical data on its activities;
- inform the SEF CR about all the events related to project propagation (opening ceremonies, seminars, open days, etc.) at the latest 3 weeks before the event;
- be obliged to use logos of the EEA and Norway Grants in all materials and documents developed within the approved initiative, in the appropriate extent and in an appropriate format, see the Publicity Manual;
- provide to the SEF CR continuously a photographic documentation related to the project implementation (preferably in print quality), especially in the case of realization of physical objects, workshops, seminars etc. This material will be used to promote the Programme and may be provided to a third party;
- enable the SEF CR to visit the project implementation and take a photographic and video documentation, provide it to a third party and use this material to promote the Programme;
- inform about their project on websites, social networks (if available), or create their own project website;
- mark all orders and invoices by text „*Funded from the EEA and Norway Grants 2014-2021 – CZ-ENVIRONMENT*“; without the designation, the expenditure will not be accepted as eligible;
- inform every project partner of its communication duties;
- to comply with other publicity obligations of the supported projects, as stipulated in the concluded project contract.

Publicity expenditures are eligible expenditures (see ch. 2.2.1. d). However, such expenditures must be in proportion to the total eligible expenditures of the project. Further details and communication requirements are also provided in the [Programme Publicity Manual](#).

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<sup>22</sup> Logos and Manual are available at: <https://www.sfzp.cz/dotace-a-puicky/norske-fondy/dokumenty/>

<sup>23</sup> These requirements follow from the Regulation, its ch. No. 3: Information and Communication, and Annex No. 3 to the Regulation.

## 8. Other elements or facts related to supported projects

During the preparation of the application for support, project implementation, and when the implementation is finished, there may be other facts that need to be taken into the whole administration process. Already in the preparation of the project plan, before compilation of the application for support, it is necessary to consider the answers to questions that are part of this chapter.

### 8.1. State aid within the project

Any aid provided by the State or by the State resources, which would distort or threaten to distort competition by favouring certain companies or production sector while affecting trade between Member States under article 107, (1) of the Treaty functioning of the European Union is prohibited. The form of such support is further defined by 4 basic definitions, where:

1. the support is provided by State or from public funds
2. the support favours certain companies/undertakings or certain sectors of business production and is selective
3. the trade between Member States is affected and
4. competition is or may be distorted.

If the project meets the above-mentioned defining features of state aid, support may be granted only on the basis of secondary regulations, which take the form of regulations, decisions, guidelines or frameworks.

Individual applications for support will be assessed individually in terms of the possible fulfillment of the features of state aid, and more information on this issue is available on the website of the Office for the Protection of Competition of the Czech Republic <https://www.uohs.cz/cs/verejna-podpora.html>.

*Aid compatible with the internal market under the General Block Exemption Regulation, hereinafter "GBER".*

Areas of intervention compatible with the internal market are laid down in COMMISSION REGULATION (EU) No. 651/2014 of 17 June 2014, in accordance with article 107 and 108 of the Treaty. The Regulation lays down the conditions horizontal or vertical providing of state aid into defined areas, so-called categories of aid. Detailed methodological documents and relevant regulations can be found on website <https://www.uohs.cz/cs/verejna-podpora/obecne-narizeni-oblokovych-vyjimkach-gber.html>.

*Small scale De minimis support*

Due to the wide scope of most projects envisaged for the Program support, most of them could meet the definition of state aid and whose support amount will not reach the limit of EUR 200,000 can be supported in accordance with Commission Regulation (EU) No. 1407 / 2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid. The limit of EUR 200 000 is set on the assumption that it will not distort trade or competition between Member States. However, this scheme can only be applied to one enterprise and for a period of three years (ie the current and two previous accounting periods).

The granting aid will be registered in the Central de minimis register<sup>24</sup>, whereby the register records all the support provided in the same way from the different providers. Limit over reporting over the three-years period is prohibited/forbidden.

*Aid under the public service compensation scheme*

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<sup>24</sup> Information on the Central Register of De Minimis can be found at <https://www.uohs.cz/cs/verejna-podpora/registr-de-minimis.html>

Aid may be granted to undertakings entrusted with this obligation in accordance with the Commission Decision of 20 December 2011 on the application of Article 106 (2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the provision of services of general economic interest.

### **8.2. Conflict of interest**

The applicant for the support from the Programme must comply with general conditions of transparency and avoidance of potential conflicts of interest. For this reason all the legal entities (except SOU), including potential project partners, **are obliged to identify their ownership structure** in the application, state their real owners in the sense of § 4 of Act No. 253/2008 Coll., on certain measures against money laundering, crime and terrorist financing, or provide the actual list of shareholders and document changes in the ownership structure during the administration of the application.

### **8.3. Accounting for the financial support**

All the expenditures incurred in implementation of projects supported by Programme must be supported by an **output** (report or reports) **from the accounting system** which will show the accounting of all project-related transactions and be clearly identifiable from which accounting system and when it was generated. The list from the accounting system should provide at least the following information:

- date of accounting
- the document number attributable to the documented primary document
- the amounts equal to or higher than stated in primary documents
- text definitions of individual items

*The project promoters' subjects whom are obliged to classify actual and budgeted revenues and expenditures shall **proceed according to the budget structure** laid down by Act No. 218/2000 Coll., on Budgetary Rules and by Decree No. 323/2002 Coll., on Budgetary Structure, as amended, and to compile financial statements according to Decree No. 449/2009 Coll., on The manner, dates and scope of data submitted for the evaluation of the state budget, state fund budgets, budgets of territorial self-governing units, voluntary unions of municipalities and regional councils of cohesion regions, amended and registered items related to the subsidy separately.*

*Beneficiaries who keep accounting in accordance with **Decree No. 563/1991 Coll., On accounting in full or in simple scope**, shall record double-entry records on the state and movement of assets, liabilities, costs and revenues and profit/loss relating to the subsidy.*

**Eligible project expenditures** must be managed by:

- I. In the accounting system of the beneficiary of the support in accordance with Decree No. 563/1991 Coll., On accounting, as amended.

*The beneficiary is obliged to keep separate accounting reports for monitoring and reporting of received and used subsidies in relation to the claimed eligible expenses.*

or

- II. The beneficiaries who do not keep accounting system in accordance with Act No. 563/1991 Coll., On accounting, are obliged to manage tax or operative evidence extended by the following requirements:
  - *The documents must be in accordance with predefined requisites of an accounting document with the meaning § 11 Act No. 563/1991 Coll., On accounting as amended, except point f);*
  - *The documents in question must be correct, conclusive and comprehensible and kept in chronological order in a manner guaranteeing their performance;*
  - *Realized incomes and expenditures are kept with a clear link to the relevant project to which they relate, ie the project number must be clearly stated on the documents, especially invoices. The final beneficiary confirms by including copies of the accounting documents in the submitted request for payment their conformity with the original kept in the accounts. Bank statements proving payment do not have to be marked with the project number, but it is necessary to follow the rule of separate records;*
  - *The applicant is fully responsible for fulfilling the obligation to state the project number on the accounting document*

#### **8.4. Document archiving**

The project promoter is obliged to archive all the documents related to the project preparation and implementation **for a 10 years period** from next year after the year when the Final monitoring report was approved, however at least until 31 December 2030.

### **8.5. Termination of the project contract**

Through the whole process, from the receipt of the application for support until the project implementation process, there may be situations in which the project for support from the Programme is terminated. This happens especially in situations described below:

#### *Expiry of the Decision*

If the applicant does not submit required documents for the conclusion of the project contract within the deadline, or if he/she does not request extension of the set deadline in due time, or the deadline has not been extended, or other condition specified in the Decision is not met, the Decision shall expire on the date stated in the Decision. In this case it is not possible to conclude the project contract and the preparation of the project contract is terminated.

#### *Withdrawal of the application by the applicant or termination of the project contract before the start of financing*

The applicant is entitled to notify the SEF of the withdrawal of the application until the Minister's Decision is issued. If the Decision has already been taken or the project contract has been concluded, the applicant shall submit a **written proposal for termination of the contractual relationship**, on the basis on which the Decision is annulled or it shall expire upon its expiry date.

#### *Cancellation/Termination of contractual relationship*

In the case when the contractual conditions are not fulfilled, the SEF may file the proposal to cancel the project contract or make its modification subject to a reduction or non-granting of entitlement to the remaining part of the support. If the termination of the contractual relationship is required by the project promoter, it shall submit a written application containing a termination request, and a justification for that request. The project contract may be cancelled **by agreement of both parties in written form**, if the law allows it.

In the case where the reimbursement has been started, the project promoter is obliged to return the support to the SEF before the termination of the contractual relationship. If the support is not repaid, the SEF shall send to the beneficiary a request for repayment of the support within the 30 day period specified by the SEF. If the funds are not returned even after the deadline has expired, the SEF shall refer the case to the competent financial authority.

### **8.6. Settlement of dispute in the administration of applications or project implementation**

During the *project implementation*, each project promoter is regularly informed via the AIS SEF about the binding deadlines that must be respected and which also are settled in the legal act. The project promoter shall be informed 30 calendar days before the deadline expires. If the project promoter is unable to meet the deadline due to objective reasons, it can send a request for extension, however, no later than within the deadline. If the project promoter does not fulfill the set obligations during the project implementation, SEF will proceed in accordance with the relevant provisions of Act No. 218/2000 Coll., On Budgetary Rules and Amendment to Certain Related Acts (Budgetary Rules), as amended. Breach of obligations not exceeding a period of 30 calendar days will not be penalized and will not be considered a breach of the conditions for the provision of support.

## 9. Annexes

1. Binding outline of the project proposal
2. Indicative list of substances

***You can send any questions to the Call during the whole time from the launch of the call to the end of the receipt applications to [norwaygrants@sfzp.cz](mailto:norwaygrants@sfzp.cz). We will reply you by email within 10 days.***

***Frequently asked questions will also be posted [here](#).***

***Applications suspected of non-compliance with the principles of good governance in connection with the implementation of the Norway Grants may be submitted through the website National Focal Point of the Czech Republic, <https://www.eeagrants.cz/cs/stiznosti>.***