

# Call for proposals „Tromso“

**Number of the call: 2A**

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

The State Environmental Fund of the Czech Republic

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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. Projects will be implemented in these areas and supported by the Norway Grants.

The selected topic includes the global theme "air and its quality". This includes, in particular, the identification of the causes of air pollution and the level of air pollution, particularly at regional and local levels, but also the selection of appropriate measures that can be applied to reducing pollution, and eliminating this pollution or its negative effects. Projects supported by this call will focus on the issue of air pollution monitoring. **Call no 2A, named „Tromsø,“ for which an amount of CZK 77 338 170 (2,974,545 EUR)<sup>1</sup> is allocated**, opened within the 2nd priority area of the Programme. More information about the topic can be found in the Programme's information manual [here](#)

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

The main regulations and guidelines based on relevant EU 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 EEA/Norwegian FM 2014-2021 (hereinafter the „Guidelines 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 Exchange rate 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 "Tromso" from the Programme. This project promoter which is not in bankruptcy, liquidation, has no liabilities to state and public budgets, tax arrears and has not been issued a recovery order after a previous decision of the European Commission (eligibility conditions are part of the solemn declaration in the application form). 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 welcome. 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 the ch. 2.5 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).*

## 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 this Call "Tromsø" of the Programme comprise **the temporary (mobile) air quality monitoring** at regional or local level to determine the predominant type of pollution, including relevant concentrations, and to determine the source of this pollution including evaluation of the data obtained (e. g. results of qualitative and quantitative laboratory analyses). The supported project shall also include the subsequent *development of the so-called Action plan including proposals for relevant measures* to prevent the identified type of air pollution or mitigate its impacts. **The Action Plan<sup>2</sup> shall be adopted by the relevant executive body**, which decides on its application in the area for which the Action Plan has been processed (e.g. council of the region/municipality, supervisory board).

The submitted application for the **performance of temporary (mobile) monitoring** shall meet the following conditions and further include the required information, namely:

- a. The application shall contain a description of the proposed methodology to be used to obtain the project results. The methods used for the determination and identification of pollutants shall be in accordance with § 5, Par 6 of Act No. 201/2012 Coll., on Air Protection, as amended, respectively Decree No. 330/2012 Coll., on the method of assessment and evaluation of the level of pollution, the scope of informing the public about the level of pollution and in smog situations;
- b. Air quality monitoring shall be carried out with having regard to the specifics of changing seasons (incl. also a definition of the proposed timeframe / coverage of the monitoring campaigns, resulting in the expected representativeness of the monitoring);
- c. Monitoring can be performed for substances that are contained in Annex 1 to Act No. 201/2012 Coll., On air protection, and Ministry of Environment Decree No. 330/2012 Coll. (it is a sulfur dioxide, nitrogen dioxide and nitrogen oxides, carbon monoxide, benzene, particulate matters PM10 and PM2,5, lead, arsenic, cadmium, nickel, benzo (a) pyrene, tropospheric ozone, polycyclic aromatic hydrocarbons, volatile organic compounds and gas mercury), whereas only those methods of measurement that allow the determination of concentrations for selected pollutants shall be used.
- d. The analysis of pollution sources shall be part of the final evaluation of the data, if high pollutant concentrations are detected, and if possible, shall include a proposal for appropriate types of measures with regard to the specifics of the pollution detected.
- e. After the air quality monitoring and evaluation of the data obtained, **the Action Plan** shall be elaborated, with proposals for appropriate measures to prevent the identified type of air pollution or mitigate the consequences of its effects. Approval of the Action Plan by the relevant executive body, which decides on its implementation in the area for which such the plan is elaborated, is also required. (e. g. Council of a region/municipality, supervisory board, or similar executive body, according to the nature of the Action Plan).

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<sup>2</sup> In the case of this Call, the Action Plan means a proposal of measures that respond to the identified results of the performed air quality monitoring and the implementation of which will contribute to the reduction of its negative impact, or contribute to the sharing of best practice examples if the results show positive developments in the location. The new Action Plan may also take into account the updated Air Quality Improvement Programmes according to the relevant zone / agglomeration.

- f. The outputs of the air quality monitoring and the Action Plan will be attached to the Final Monitoring Report. The outputs of the monitoring will be electronically submitted to CHMI (in the form of descriptions of identified sources of air pollution and tabular results of qualitative and quantitative laboratory analyses demonstrated within the project).

## 2.2. Where to find additional information?

Inspiration and more information about improvement of air quality can be found from national strategic documents, especially:

- [National Emission Reduction Programme](#)
- [Air Quality Improvement Programmes](#)
- [Mid-term Strategy to Improve Air Quality in the Czech Republic](#)
- [An official website of the European Union on air quality in urban areas](#)

## 2.3. Action plan and SEA evaluation proces

One of the essential issues that may affect the development of the Action plan (or its subsequent adoption) is the **Strategic environmental assessment** (hereinafter referred to as the "SEA") i.e. whether this process needs to be carried out for the relevant Action Plan. To determine whether the Action Plan must be subject to SEA, it is necessary to proceed according to the following pattern according to the provisions of Act No. 100/2001 Coll. on the Environmental Impact Assessment and amending some related laws (hereinafter referred to as the "EIA Act"):

### 1. **Concept maker** (Article 3 (b) EIA Act)

*Only a public plans and programmes ("concepts") prepared or demanded by a public authority may be considered as the subject of the assessment according to the EIA Act. It is therefore irrelevant whether the public authority prepares the concept itself or assigns it to another legal or natural person on a contractual basis. What matters is that the public authority has decided to process it and will approve it at the final stage.*

### 2. **Approval of the concept** (Article 3 (b) EIA Act)

*According to the EIA Act, the concept is only the document that the public authority has to approve. As a consequence of the approval of the concept by a public administration body and at the same time an essential feature of the concept in terms of the EIA Act is their binding in enforcement in practice, i.e. the ability to influence the behaviour of its addressees. The SEA process is subject only to such concepts that are able to influence the course of things in the given area. Concepts that do not bind anyone (such as various background materials, analyses, non-binding master plans etc.) are not subject to the SEA process.*

### 3. **Setting a framework for future authorization of projects** (Article 10 (a), §. 2 EIA Act)

*The framework for future authorization of projects listed in Annex 1 of the EIA Act (ie projects whose authorization must be preceded by their environmental impact assessment) is given whenever the concept lays down conditions for their authorization, in particular as regards location, the nature, size, operating conditions or natural resource requirements. There must therefore be some connection between the concept and the subsequent decision-making activity of the public administration on specific projects.*

### 4. **Sectoral concept** (Article 10 (a), § 1a) EIA Act)

*The law explicitly lists the areas in which the elaborated concepts are assessed in the SEA process. Therefore another condition from the SEA perspective is the fact that the sectoral concept is elaborated in the specified areas - these are mostly economic sectors (agriculture, energy, industry, transport, etc.). The law assumes that some areas of human activity are closely related to environmental protection, and therefore the concepts developed in these areas may have a direct impact on the environment and its components.*

### 5. **NATURA 2000** (Article 10 (a) § 1a) EIA Act)

*Points 3) and 4) will be considered to be fulfilled for concepts with potentially significant impact on NATURA 2000 sites. The SEA will thus also include concepts not setting a framework for future approval of projects, resp. concepts elaborated also in areas other than according to Article 10 (a) § 1a) EIA Act, although such a case is rather hypothetical.*

- If the result of the review is negative in at least one of the points (i.e. the point is not fulfilled by the Adaptation Strategy under consideration), the process according to **SEA is not applied**.
- Conversely, if all the points are met, **the SEA process shall be applied on the Action plan before its approval**.

*In case of doubt about the interpretation of the EIA act and its application to specific cases, we recommend to use the institute of preliminary discussion pursuant to Article 15 of the EIA act and to contact the relevant authority (Regional Office or Ministry of Environment) and to address the necessity of the SEA procedure before its initiation.*

#### **2.4. 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 Expenditures 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* (ie by supplier invoices or other documents of equivalent probative value) and must be incurred and recorded in bank accounts 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 (eg by providing information in the text of the accounting document or by stamping the text or 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.).

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) whether were spent in the form of volunteer work, they fulfill the conditions of Chapter 5.4 of the Guidelines for eligible expenditure
- g) were incurred for the project with 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.

### 2.4.1. Direct costs

Direct costs are expenditures that directly and exclusively serve to achieve the objectives and purpose of the project: monitoring of the air quality, including subsequent evaluation and analysis of acquired data from measurements and laboratory analyzes, the processing of supporting analyzes, studies and assessments, purchase of new or used equipment<sup>3</sup>, expenditure on consumables and goods and expenditure under points (a) to (g) of the ch. 3.1 of the Guidelines for Eligible Expenditure, for the purpose of purchase, are identifiable and shared to the project (costs for the acquisition or rental of real estate excluded).

#### A) Purchase of supplies and services

Direct costs refer to expenditure on services and supplies that **directly and exclusively serves to achieve the objectives and purpose of the project**. In the case of this call, it mainly concerns expenditure on the actual monitoring of air quality, including the subsequent evaluation and analysis of acquired data from measurements and laboratory analyzes. Direct implementation costs also include the preparation of **supporting expert analyzes, studies and assessments**, without which it would not be possible to perform air quality monitoring to the required extent and quality. Furthermore, direct implementation expenditure represents expenditure on the subsequent elaboration and approval of an action plan for air quality improvement at regional or local level.

#### 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 by the contractor. 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 (personal) expenses amount to max. 1.5 times the average gross wage set by the Ministry of Labor and Social Affairs for 2020.<sup>4</sup>
  - **In the case of foreign project partners,** from the average national gross annual wage issued by Eurostat<sup>5</sup>, related to the year preceding the year of implementation + an increase of max. 25%, converted at the relevant exchange rate to CZK or NOK (or other relevant currency) presented by the European Central Bank.<sup>6</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 Guidelines 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

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<sup>3</sup> In general, eligible expenditures are only (tax) depreciations related to the purchased assets, or only that part of depreciations that corresponds to the duration of the project and the level of the actual use of the assets for the purposes of the project

<sup>4</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>5</sup> The average annual gross wages published by Eurostat are given on the website <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

<sup>6</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>



with the employer. The individual workloads cannot overlap, they can only be complemented and can total up to 1.5 workloads.

The applicant will be invited to submit an employment contract, concluded amendment or agreement on work performed outside the employment relationship, before signing the support contract. 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 Guidelines for Eligibility 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 fulfilment 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 the other 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 5 % 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**.

### **2.4.2. 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 beneficiary organization according to the Guideline 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:

(b) a flat rate of up to 25% of total direct eligible costs, excluding direct eligible costs for subcontracting and the costs of resources made available by third parties which are not used on the premises of the project promoter or project partner;

(c) a flat rate of up to 15% of direct eligible staff costs without there being a requirement for the Programme Operator to perform a calculation to determine the applicable rate; or

(e) in the case of project promoters or 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.

### **2.4.3. 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 or project partner 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 can report this volunteer work also as a non-governmental non-profit organization or a social partner (see ch. 5.4. Guideline for Eligible Expenditures).

*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>7</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, wage (personnel) expenses amount to 1.5 times the average gross wage set by the Ministry of Labor and Social Affairs for 2020.<sup>8</sup>*
- *for the foreign project partners, from the average national gross annual wage issued by Eurostat<sup>9</sup>, related to the year preceding the year of implementation + an increase of max. 25%, converted at the relevant exchange rate to CZK or NOK (or other relevant currency) presented by European Central Bank.<sup>10</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 if points 2.4.1. to 2.4.3 of this chapter 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. These additional costs are further eligible provided that, when included in the total eligible costs

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<sup>7</sup> Does not apply to food and accommodation provided

<sup>8</sup> For 2020, the Ministry of Labor and Social Affairs of the Czech Republic has established an average monthly gross wage of CZK 34,835.

<sup>9</sup> The average annual gross wages published by Eurostat are given on the website <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

<sup>10</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>

of the project, the amount of financial support determined by the decision to grant a grant (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).

#### Receivables

In this context, the SEF does not accept the assignment of receivables. Therefore, the applicant/project promoter shall state in the contracts with suppliers or contractors provisions preventing the transfer of receivables between other entities.

If the SEF finds that the project promoter has not taken legal action to prevent the assignment of the receivable, the SEF shall be entitled to determine the expenses associated with the payment of the assigned receivable as ineligible.

Proof of payment can also be replaced by a written agreement on the offsetting of mutual receivables signed by the beneficiary and the contractor. This mutual agreement must be concluded in accordance with the Civil Code. The agreement must state the parties, the identification of the project and invoices, the amounts and currencies set off against each other, the date of signature of the parties and the signatures of both parties.

#### **2.4.4. Non-eligible expenditures**

The following costs, in accordance with the Guideline for Eligible Expenditures, shall not be considered eligible (acc. 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 NMFA, 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;
- 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.

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.

#### **2.5. 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>11</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>11</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?

Air quality has an indisputable effect on many natural and socio-economic factors and is also an important indicator of quality of life. Specific geomorphological conditions, but especially the anthropogenically influenced environment and significant urban elements, cause that air quality can show significant differences even in a small area or be influenced by sources of pollution that are not directly related to the area. Before appropriate measures can be found to deal with this pollution, it is necessary to determine its components or rate, while helping to identify the causes for which we can find appropriate solutions.

The benefits of the projects are specified in point 2.1. The main challenge is the determination of air quality at the local or regional level, i.e. in places and areas where detailed information on the components or extent, and in particular their negative effects, are not known. Supported temporary (mobile) monitoring should be able to identify the prevalent type of pollution, including relevant concentrations and, where appropriate, the identification of the source of this pollution, including the evaluation of the data obtained (eg the results of qualitative and quantitative laboratory analyzes), including in specific urbanized or natural sites for which the relevant data are still known only to a limited extent. The output (where the essential ones are presented by mandatory indicators, see below) will also be a list of agreed measures through which the negative effects identified during monitoring can be combated.

**Mandatory indicators**, which are part of the application and a project contract, help to identify and measure the achievement of the project outputs and the Programme outcomes and objectives.

The initial and target values of these indicators are set by the applicant within the preparation of the application directly in the electronic Agenda Information System of the State Environmental Fund of the Czech Republic (hereinafter referred to as „AIS SEF”), in the list of project indicators. Taking into account the purpose and planned objectives of the project, the applicant shall select the initial and target status of mandatory indicators. Their reporting is also an obligatory part of every interim or final monitoring report.

In the framework of this Call „Tromso“ č. 2a for proposals the **mandatory (obligatory) indicators are:**

The list of mandatory indicators	Description of the indicator
<p><i>The number of areas in which air quality monitoring was carried out and the main sources of pollutants were identified.</i></p>	<p>The indicator quantifies how many areas it concerns to carry out temporary (mobile) air quality monitoring followed by identification of the main sources of air pollution. The default is always 0.</p> <p><i>In this case, an area is defined as a coherent or related entity in which one or more air quality measurements are carried out and the results of which are part of a common territory analysis.</i></p>
<p><i>Number of newly created action plans to improve air quality.</i></p>	<p>The indicator determines how many new action plans will be processed within the project. The default is always 0.</p>
<p><i>Number of new measures identified in the air quality action plans.</i></p>	<p>The indicator shows the number of measures proposed in the Action Plan to improve air quality. The default is always 0, the minimum target value is 1.<sup>12</sup></p>

<sup>12</sup> This is a monitored indicator, but the target value proposed by the applicant is not binding. The actual achieved value will be reported in the final evaluation of the project.

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

Financial support for the projects specified in point 2.1 of this Call will be provided in the form of a grant. Maximum grant rate may be up to **100 % of eligible expenditure** of the project (in case of projects where the project promoter is a non-governmental non-profit organization or a social partner, the project grant rate may not exceed 90% of the total eligible expenditures).

The amount of grant assistance applied for **shall not be less than CZK 5,200,000 (€ 200,000)** and **not more than CZK 19,500,000 (€ 750,000)**, according to the exchange rate settled for this call.

## 5. How is the application administered?

### 5.1. The submission of the application

The applications may be submitted from **July 15, 2020 (9:00 a.m.)** until **September 30, 2020 (12:00 p.m.)** at the latest, 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](#).

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 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:

- proof of bank account maintenance
- the project's Communication Plan
- a detailed description of the monitoring methodology
- if relevant, the authorization of the statutory representative to submit the application
- if relevant, the Partnership Agreement, its proposal or letter of intent in accordance with the ch. 1 of the Call

### 5.2. 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** and **overall eligibility** the application will be assessed according to the following list of criteria:

- the application is submitted by an eligible applicant according to this (eliminating criterion);
- potential project partner is eligible (eliminating criterion);
- there is only one application per project (eliminating criterion);
- the application has been processed (eliminating criterion);
- the application is complete;
- the application contains a list of any consultant involved in preparation of the application;
- the application is processed in Czech and accompanied by a brief description in English;
- the budget of the project is given in CZK

In case of formal mistakes the applicant is requested to ensure their correction or asked to 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 even after correction made by the applicant the administration of the application is terminated and the termination decision is sent to the applicant. The applicant is given 5 working days to appeal that decision to SEF.

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 details of the accepted application including, where appropriate, reconciling the budget changes 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!** The application is evaluated in the form of a cross-evaluation by two independent evaluators (the so-called four-eye check)<sup>13</sup> according to the list of evaluation criteria below<sup>14</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.

#### *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:

$$\frac{t * Mp * Nm * Ms}{C} * 1,5 = \text{number of points}$$

where:

<i>t</i>	time expressed in years for which temporary (mobile) air quality monitoring will take place (not the total duration of the project), rounded to quarter (i.e. quarter length = 0.25pt)
<i>Mp</i>	<i>the number of measurement points, ie the number of sites at which temporary (mobile) monitoring will be carried out (repeated measurements at the same or approximately the same sites carried out at different periods, are not added up and are calculated as 1 pt.</i>
<i>Nm</i>	number of performed (repeated) measurements at all identified measuring points for a specified period of the measuring period (eg if the measurement is carried out 4 times a year, always for 2 weeks = 4 pts.) In the case of continuous monitoring, month measurement.  number of performed (repeated) measurements at all identified measuring points for a specified period of the measuring period (eg if the measurement is carried out 4 times a year, always for 2 weeks = 4 pt In the case of continuous monitoring, there is calculated 1 pt for each started month of measurement.
<i>Ms</i>	the number of regularly measured substances (referred to in point 2.1 (c)) during the entire monitoring period, with 0.5 pt. for each measured substance.
<i>C</i>	total project costs in millions of CZK (to 2 decimal places)

<sup>13</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>14</sup> The fulfilment 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
<b>STRATEGIC APPROACH</b>		
<b>Character of the territory for which temporary (mobile) air quality monitoring is carried out</b>	<p>Character of the territory for which temporary (mobile) air quality monitoring will be carried out, with the following types of territory being separately assessed:</p> <p>Urban (heavily urbanized) or area within Trans-European Transport Network (TEN-T)</p> <p>Specially protected (from the perspective of nature and landscape protection <sup>15</sup>)</p> <ul style="list-style-type: none"> <li>○ Sites of Community Importance</li> <li>○ Specially protected areas</li> <li>● Protected areas of natural water accumulation</li> </ul>	<p>2 pt.</p> <p>1 pt.</p> <p>1 pt.</p> <p>1 pt.</p>
<b>APPROACH TO COOPERATION</b>		
<b>Project partner from Norway</b>	Direct cooperation of the applicant with a project partner from Norway	2 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).	1 pt.
<b>National project partner</b>	A direct cooperation of the applicant with another national project partner.	1 pt.
<b>Sharing examples of good practice and innovative measures</b>	An approach that implies the implementation of the results of scientific research projects or the transfer and adaptation of national or international pilot projects and the transfer of examples of good practice (national and international practice), verified or piloted in other locations	2 pts.
<b>Public discussion of the results of the monitoring and the prepared action plan</b>	it is planned to discuss the results of air quality monitoring with a professional, public and other stakeholders in the preparation of the action plan, including local communities in the area	1 pt.
<b>SUSTAINABLE APPROACH</b>		
<b>A long-term approach in the implementation of the Action Plan</b>	<p>A description ensuring a clear long-term approach in the implementation of the Adaptation Strategy (e.g. budgeting, updates of related strategy documents, concepts, implementation plans or other documents).</p> <p><b>Note: This description will be subject to further evaluation of project sustainability after its implementation!</b></p>	2 pt.

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

<sup>15</sup> According to the provisions of Act No. 114/1992 Coll., on Nature and Landscape Protection, as amended

- under Part Four of the Act
- pursuant to Section 14 (2) (a) to (d) of the Act



### **5.3. Project selection and approval proces**

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** (set in ch. 5.2 of this Call) and at the same time don´t exceed the total allocation of the Call, are recommended by the Selection Committee for support.*
- b) *The applications, that meet **the minimum required score of 10 points** (set in ch. 5.2 of this Call), but their rank exceeds the available allocation, may be added to the reserve list. The Selection committee decides on the creation of the 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 project/application are prohibited.*

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>16</sup>.

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 and has the opportunity to appeal within 5 working days of delivery. The negative opinion of the Council of the SEF, including the applicant's statement, is submitted to the Minister to release the Decision.

### **5.4. Project contract**

The project contract for the grant from the Programme is concluded after verification of the evaluation process and after the issuance Ministry´s Decision (except OUS applicants<sup>17</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 project promoter is obliged to provide necessary documents and information, in particular before:

- financial and payment calendar of the project within the AIS system
- updated project schedule;
- proof of authorization to negotiate with the SEF (if the authorized person acts as the project promoter);
- if needed, necessary documents updating the situations compared to the documents submitted in the application.
- employment contracts, 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.

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<sup>16</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.

<sup>17</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.

### **5.5. 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 final beneficiary 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.

## 6. What is the realization/implementation of approved and supported 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.

### 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 show in **the final monitoring report**, submitted at the stage of project finalizing/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 point 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;

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>18</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>18</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 quantification (the indicator fulfilment) 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 (certified copies of invoices, bills, etc.) and their consistency with the approved budget
- a statement from the accounting system proving realization of payments from bank account of the project promoter or his/her partner (submission of the bank statement to the submitted invoices)
- a statement from the accounting system proving that all requested expenditures are recorded under the specific accounting cost centre for EEA and Norway Grants within the project promoters accounting system.

In case of detected deficiencies, the project promoter is obliged to ensure their correction within one week of being called.

### **6.3. Project financing**

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 on the basis of a concluded contract on the provision of support (subsidies) except OSS, where the procedure is in accordance with Act No. 388/1991 Coll. 218/2000 Coll., On budgetary rules, as amended.

The support (subsidy) can be drawn exclusively non-cash in CZK to the account of the final beneficiary 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 (supplier invoices) at the earliest after the Decision has been issued (see chapter 5.3), after the Contract is concluded (see chapter 5.4) the **advanced payment**<sup>19</sup> is always provided to the final beneficiary's account, due to conditions stated 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</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%

*The eligible incurred and paid expenditures of the project* (see ch. 2.4) the project promoter may include to the **payment request**, respectively settlement of the advanced payment annexed to interim/final monitoring report (see chapter 6.2). 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>20</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 request amount of the finance to the final beneficiary based on approved incurred expenditures, respectively payment request.

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.

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.

*State Organizational Units (SOU) 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.*

<sup>19</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>20</sup> If the total eligible expenditure actually incurred is lower than the amount of the advance payment, the final beneficiary is obliged to return the unused funds within 30 days of being invited to the SEF CR bank account specified in the Contract.

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

For selected projects, provided progress is monitoring by **on-site visits**. This monitoring can be provided by SEF CR representatives (project 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 Financial Mechanism Committee, EFTA Board of Auditors, 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 (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 EEA and Norway Grants 2014-2021, 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 EEA and 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 breach conditions under which the grant was awarded (§ 14e Law code no. 218/2000 Coll., as amended 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 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>21</sup>). The supported project must meet the minimum publicity requirements during its implementation<sup>22</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 fulfilment 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
- is 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 point 2.4.E). 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>21</sup> Logos and Manual are available at: <https://www.sfzp.cz/dotace-a-puicky/norske-fondy/dokumenty/>

<sup>22</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. Public support 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. is distorted and threatens to distort competition.

If the project meets the above definition of public support, the applicant shall indicate the public support scheme in the application form and provide more details in the "Description of risks and project limitations," the support from the Programme can be provided only on the basis of exemption resulting from regulations, decisions, guidelines or another legal statements such as de minimis, regional aid or public service compensation in accordance with the relevant rules.

Individual applications for support will be assessed **individually in terms of possible fulfilment** 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>). For projects fulfilling the defining characteristics of State aid, with de minimis aid, the check if the applicant does not comply in any way with Commission Regulation (EU) No 651/2014 (GBER) Article 2 point 18.

#### *Aid compatible with the internal market (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 public support 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>.

#### *De minimis support*

Due to the wide scope of most projects envisaged for the Programme support, most of them could meet the definition of public support and whose support will not reach the limit 200 000 EUR, can be supported under the de minimis regime, i.e. small support. This limit is set in the light of the assumption that it will not distort trade or competition between Member States. However, this scheme is applicable only to one enterprise and to the three-year period (i.e. the current period and two previous accounting years).

The granting aid will be registered in the Central de minimis register, 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.

For projects fulfilling the defining characteristics of State aid, with the exception of de minimis aid, 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.



## 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 OUS), including potential project partners, **are obliged to identify their ownership structure** in the application, state their real owners in the sense of § 4 paragraph 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 project 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,*
- *Incomes and expenditures are kept with a clear link to the respective project, to which they relate, that is, the documents – in particular invoices – must clearly state the number of the project to which they relate. Bank statements proving payment do not have to be marked with the project number, but it is necessary to follow the rules of separate evidence.*

#### **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, eventually 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**

In the case where the **formal requirements have not been fulfilled** after the submitting, the applicant is invited to remedy their deficiencies by a written invitation. If the deficiencies are not remedied within the stipulated deadline, the applicant is informed, after the Selection Committee meeting, by the resolution of the SEF, on the negative statement of the procedure for granting of subsidy. The applicant is given the possibility of filing an appeal in 5 working days from the date of delivery. The applicant shall be informed of the outcome of the appeal by the SEF Director.

The Minister decides whether to approve or reject the application (except the SOU application). The recommendation is provided to the Minister by the Council of the SEF, whom is informed about the results from the selection and evaluation process carried out by the Selection Committee. In case the application is proposed by the Selection Committee to **be rejected**, and this is also confirmed by the Council of the SEF, the applicant is announced in writing and has the possibility **of filing an appeal** in 5 working days from the date of delivery. The negative statement of the Council of the SEF, including the applicants statement, is then submitted to the Minister, who will decide. In accordance with Article

14, § 2, of Act No. 218/2000 Coll., On Budgetary Rules and Amendment to Certain Related Acts (Budgetary Rules), as amended by Act No. 367/2017 Coll., no appeal is admissible.

If the applicant feels he/she has limited his/her rights in the framework of these decisions, he/she can claim that such a decision be annulled or declared void according to § 65, Act No. 150/2002 Coll., the Code of administrative Justice, as amended.

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 obligation during the project implementation, SEF will proceed in accordance with the relevant provisions of Act No. 218/2000 Coll., On budgetary rules and on the amendment of some 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.

If the project promoter during the implementation does not agree with the partial decisions set by the respective project manager, it may submit a maximum of **one review request** per case. The request can be submitted at least 2 weeks from the date of delivery or determination of such a decision, via AIS SEF. The SEF will assess the request (individually, depending on the severity of the project and any changes to the project, it will be assessed by the Selection Committee or it will be initiated by the Minister's Decision changing process). The Director of the SEF shall inform the applicant in writing on the outcome of any appeal.

***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>.***