

Call for proposals „Bergen“

**on the implementation of selected nature related adaptation
and mitigation measures**

Number of the call: 4A

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.

One of the most recent social issues is a climate change and its negative impacts on all areas of our lives – from the quality of life in municipalities to economic losses. For this reason, our Programme focuses within the 4th priority area, on the **impact of climate change at the local and regional level**. Funding of selected adaptation measures identified in the Adaptation strategies/Plans at regional or local level will be supported through **Call no 4A**, named „Bergen“ for which an amount of CZK **156 000 000 (6,000,000 EUR)**¹ is allocated, opened within the 4th 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 the 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](#).

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 “Bergen” from the Programme. This project promoter which shall not be 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):

¹ The exchange rate for this call is: 1 EUR = 26 CZK

- 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 "**Bergen**" of the Programme are the **implementation of selected nature related adaptation and mitigation measures** identified in the adopted strategic documents establishing a long-term approach to climate change related issues. For the purposes of this call, this type of document is collectively referred to as the Climate Strategy². Particularly preferred are green and blue infrastructure elements and preventive elements of urban ecology or in the open landscape against the negative effects of climate change.

The measures that can be implemented through the Bergen call include in particular:

- Replacement of small paved areas with residential greenery and the tree planting (except for complex transport measures);
 - The aid also applies to individual planting of trees and greenery on parts of paved areas of transport infrastructure, i.e. car parking areas, islets and dividing strips, individual planting on paved areas of settlements or replacement of paved playgrounds to green playgrounds.
- Acquisition and implementation of green or blue elements with a positive impact on the microclimate of the settlement
 - Elements providing cooling effect or noise reduction, including support for elements of modern construction excluding unrelated building modification.

² As adopted climate strategy (i.e. a similar conceptual document identifies long-term strategic approaches in the fight against climate change and identifies appropriate adaptation and mitigation measures for the application area municipality or region), for the purposes of the challenges seen the adoption of such an executive document, which decides on its application in the territory for which it is processed (e.g. regional/municipal council, supervisory board, or a similar executive body, depending on the nature of the adaptation strategy) is needed.. Such a strategy also includes, for example, the Sustainable Energy and Climate Action Plan (SECAP) within the Covenant of Mayors for Sustainable Energy and Climate.

- Purchase and installation of small green elements, a significant part of which are living vegetation (including above-ground beds and flower boxes, in cases where it is not possible to implement other close to nature measures).
- Establishment and restoration of green areas for spontaneous succession (including flowery meadows).
- Acquisition and reconstruction of water elements of paved areas (without the support of architecturally valuable elements and unrelated buildings).
- Support for other landscape elements of green and blue infrastructure that can not be supported from the Operational Programme of environment and which have proven benefits in terms of climate change.
- Development of territorial and settlement studies from the point of view of urban ecology or in the open landscape and prevention of negative impacts of climate change.

This call only supports measures for obtaining and construction of the above-listed elements. Costs for subsequent maintenance of implemented measures are ineligible.

2.2. Examples of good practice and other sources of information on adaptation and mitigation measures

Inspiration and examples of good practice and innovative solutions to some elements of adaptation and mitigation measures can be found under these links:

- [*Adaptation of best practices from Visegrad Countries*](#)
- [*Adaptace na změnu klimatu ve městech*](#)
- [*Adaptace na změnu klimatu v regionech*](#)
- [*Clime Adapt*](#)
- [*Adaptterra Awards*](#)

2.3. 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 under EEA/Norwegian FM 2014-2021 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 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 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 voluntary work (for project promoters or project partners which are NGO's or social partners only), they fulfill the conditions of Ch. 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, while other expenditures are not considered eligible.

2.3.1. Direct costs

Direct costs are expenditures that directly and exclusively serve to achieve the objectives and purpose of the project. Expenditures must be used to finance and implement supported measures (according to the ch. 2.1 of this call, which are also identified in the adopted climate strategies applied in the defined area.

These expenses also include expenses for elaboration of supporting analyzes and studies (eg feasibility studies, especially for projects within the transfer of examples of good practice), in case they are the basis for subsequent physical implementation of the project or expenses for elaboration of territorial and settlement studies from the point of view of urban ecology or in the open landscape and prevention of the negative effects of climate change, if they are part of the adopted climate strategies for the given localities. In addition to expenses for the physical implementation of the above measures, direct implementation expenses also include expenses for the purchase of new or used equipment³, expenses for consumables and goods, and expenses that are in accordance with ch. 3.1 points a) to g) of Guideline of the National Focal Point for eligible expenditures, provided that they are identifiable and assigned to the project.

A) Supplies and services, construction work

Direct costs refer to expenditure on services, supplies and construction work 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 by the contractor. These are eligible under the following conditions:

³ 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.

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, ie 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 2020.⁴
 - **In the case of foreign project partners,** from the average national gross annual wage issued by Eurostat⁵, 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.⁶
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 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*

⁴ For 2020, the Ministry of Labor and Social Affairs of the Czech Republic has established an average gross wage of CZK 34,835.

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

⁶ 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>

Change Programme, which can be found [here](#). All promotional activities shall be stated in the **Project Communication Plan**

2.3.2. 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:

- 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;
- 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
- 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.

2.3.3. 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. 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*⁷.

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 2020.⁸
- for *the foreign project partners*, from the average national gross annual wage issued by Eurostat⁹, 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.¹⁰

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 2.3. 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 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).

2.3.4. 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

⁷ Does not apply to food and accommodation provided.

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

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

¹⁰ Average annual exchange rates can be obtained on the website of the European Central Bank <https://sdw.ecb.europa.eu/browse.do?node=1495>

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.

2.3.5. 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.¹¹ 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.

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

The aim of the projects which is specified in detail in point 2.1. of this call is to increase the resilience of regions and municipalities to the effects of climate change with possible green and blue infrastructures identified in strategic documents (climate strategies), which identify long-term strategic approaches of regions or municipalities with adaptation to climate change and reflects the specific influences that operate in the area.

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.

¹¹ https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/eurofxref-graph-czk.en.html

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 for proposals „**Bergen 4A**“ the **mandatory (obligatory) indicators are:**

The list of mandatory indicators	Description of the indicator
<i>Number of people positively affected by the implementation of mitigation/adaptation measures</i>	The indicator describes the number of persons who live permanently in the area within which mitigation and adaptation measures close to nature have been implemented, and are therefore positively directly or indirectly affected by the implementation of these measures. The initial value of the indicator is always 0.
<i>Number of mitigation/adaptation measures implemented</i>	<i>The indicator determines how many real nature-friendly mitigation and adaptation measures were implemented within one project in the territory of a given municipality, region or county.</i> <i>The initial value of the indicator is always 0.</i>
<i>A number of municipalities / regions in their territory have implemented mitigation / adaptation measures</i>	The indicator describes how many municipalities or regions have implemented close to nature mitigation or adaptation measures. The initial value of the indicator is always 0.

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 **90 % of eligible expenditure of the project**, whereas the amount of grant assistance applied for shall not be less than **CZK 5,200,000 (€ 200,000) and not more than CZK 26,000,000 (€ 1,000,000) according to the course settled for this call**. The final beneficiary will provide co-financing of at least 10% of the total eligible project expenditure.

5. How is the application administered?

5.1. The submission of the application

The applications may be submitted from **August 12, 2020 (9 a.m.)** until **October 30, 2020 (12:00 noon)** 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;
- 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 call (eliminating criterion);
- potential project partner is eligible (eliminating criterion);
- there is only one application per project (eliminating criterion);
- the application has been processed through the AIS SEF (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)¹² according to the list of evaluation criteria below¹³. 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)

¹² 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)

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

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:

$$\frac{C_{real}}{C_{mod}} * 20 = \text{number of points (rounded to an integer)}$$

where:

C_{real} total eligible costs for direct project implementation in CZK, when

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

C_{total} total eligible costs of the project in CZK

OC other project implementation costs in CZK

C_{pub} total costs for project promotion and other information activities in CZK

IC total amount of indirect eligible expenses in CZK

C_{mod} adjusted effective costs for setting points

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

NAME OF THE EVALUATION CRITERION	THE DESCRIPTION OF THE EVALUATION CRITERION The projects will be evaluated:	SCORING CHART
STRATEGIC APPROACH		
Character of the territory for which the adaptation/mitigation measures are implemented	<p><i>Character of the territory for which the implementation of adaptation / mitigation measures will take place, while the following types of areas will be assessed separately:</i></p> <ul style="list-style-type: none"> • <i>Urban (heavily urbanized) area</i> • <i>Specially protected (from the perspective of nature and landscape protection)</i> <ul style="list-style-type: none"> ○ <i>Sites of Community Importance</i> ○ <i>Specially protected areas</i> • <i>Protected areas of natural water accumulation</i> 	<p>2 pts.</p> <p>1 pt.</p> <p>1 pt.</p> <p>1 pt.</p>
Number of persons positively affected by the implementation of mitigation/adaptation measures	<p><i>The number of residents in the territory for which mitigation and adaptation measures have been implemented, and are therefore positively directly or indirectly affected by the implementation of these measures (rounded up in thousands). If the measure is implemented for the territory of a municipality, its implementation affects all its residents. This does not include temporary accommodation or seasonal visitors. If the measure shall affect only a part of the settlement, the indicator reflects only the number of people who live there permanently or for a long time and therefore they can be affected by implementation of the measure.</i></p>	<p>population (in thousands)</p> <p>up to 30 = 1 pt. 30 - 100 = 2 pts. over 100 = 3 pts.</p>

PREPAREDNESS OF THE PROJECT

Stage of the readiness of the project for implementation	Stage of the readiness of the project for its implementation will be scored additionally, when	
	<ul style="list-style-type: none"> Zoning decision or land use approval (or it is a project implementation in the territory with the issued regulatory plan) or it was concluded as a public contract with the Building Authority Building permit or notification 	2 pt. 2 pt.

APPROACH TO COOPERATION

Project partner from Norway	Direct cooperation of the applicant with a project partner from Norway	2 pt.
International project partner	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.
National project partner	A direct cooperation of the applicant with another national project partner.	1 pt.
Community cooperation	The involvement of local communities in the preparation and implementation of adaptation/mitigation measures within the project are clearly described.	1 pt.
Sharing examples of good practice and innovative measures	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 pt.

SUSTAINABLE APPROACH

A long-term approach in the implementation of the Action Plan	<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>Note: This description will be subject to further evaluation of project sustainability after its implementation!</p>	2 pt.
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The evaluated application proceeds further into the process of its assessment and final approval or rejection.

5.3. 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:

- The applications that meet **the minimum required score of 18 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.*
- The applications, that meet **the minimum required score of 18 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 an 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.

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“¹⁴. The list of successful applicants will be published.

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 applicants¹⁵) 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.

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.

¹⁴ 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.

¹⁵ 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 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;

- 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 project¹⁶.

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.¹⁷

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

¹⁶ 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.

¹⁷ 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 the project promoter's 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 ch. 5.3), after the Contract is concluded (see chapter 5.4) the **advanced payment**¹⁸ 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:

¹⁸ 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.

<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>>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 ch. 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 exhausted¹⁹. 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.

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.

¹⁹ 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.

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 Manual²⁰). The supported project must meet the minimum publicity requirements during its implementation²¹.

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;
- 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;

²⁰ Logos and Manual are available at: <https://www.sfzp.cz/dotace-a-puicky/norske-fondy/dokumenty/>

²¹ These requirements follow from the Regulation, its Ch. No. 3: Information and Communication, and Annex No. 3 to the Regulation

- 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 2.3.1 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*.

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 basics 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 fulfillment** 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. 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>.