

Call for proposals „Oslo“

Number of the call: SGS-3

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 actual environmental and human society issue is related to the climate change and its negative impact on all areas of our lives - from the quality of life in communities to economic losses. For this reason our Programme focuses, within its fourth priority area, on the impacts of climate change at the local level and supports the creation of strategic documents and the subsequent implementation of selected adaptation and mitigation measures in practice. The financial support to increase local and regional resilience to climate change to the development of strategic plans will be supported through this Call for proposals (**Call no SGS-3 “Oslo”**, named after the capital city of Norway), for which an amount of **CZK 26 000 000 (EUR 1,000,000) is allocated**.

The implementation of the suggested measures will be available in separate and forthcoming calls. More information about the climate change adaptation and mitigation issues at local level in the context of the Czech Republic 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
- Guideline of the National Focal Point for eligible expenditures under EEA/Norwegian FM 2014-2021

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** in the Czech Republic are considered eligible project promoters under the Call “Oslo” from the Programme. This also applies to their project partners, which shall be institutions 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. If there is a partnership in the implementation of the project, a mandatory annex to the application is the **Partnership Agreement**, which must specify at least the following particulars (Partnership Agreement Template available [here](#)):

- a. provisions on the roles and responsibilities of the parties,
- b. a detailed budget of the partners' estimated expenditure,
- c. the arrangements for financing and reimbursing expenditure between the project promoter and the partner,
- d. matters relating to currencies and exchange rate differences,
- e. liability for damages,

- f. 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 chapter 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 measures under this Call "Oslo" (SGS-3) of the Programme comprise the **development of strategic documents setting out the approach to climate change problems** and identifying adaptation and/or mitigation measures. This type of document is collectively referred to as the **Adaptation Strategy**.

The successful completion of the project is conditioned by the **adoption of the created Adaptation Strategy by the executive body**¹, which decides on its application in the area for which the strategy has been processed (e.g. council of the region/municipality, supervisory board).

The developed Adaptation Strategy must respect the National *Strategy on Adaptation to Climate Change in the Czech Republic* (2015), especially the basic principles of adaptation to climate change identified in this National Adaptation Strategy, page 25. In particular, the developed Adaptation Strategy must include:

a. Analytical Part

including an analysis of the vulnerability of a given territory, describing its current state (including available statistical data), historical context and expectations (or directions) of future development, direct and indirect effects, both from the micro-regional and other societal perspective phenomena occurring in the given territory, identification of the main stakeholders, and last but not least, links to related strategic documents, especially of national or regional importance;

b. Design part

which is based primarily on previous analysis of the target area and its vulnerability to the impact of all relevant actors; this part define the objectives and long-term approach pursued by the strategy, to describe the next steps and their needs, and also to propose the implementation of the relevant measures in line with the above defined objectives of the strategy;

c. Implementation part

which specifies the whole process of implementation of the Adaptation Strategy, including the involvement of relevant stakeholders, time frame, financial and other legal and administrative aspects, and last but not least, the way and process of implementation, control and possible updating.

¹ Without the adoption of the Adaptation Strategy by the executive body, the project expenditure is considered non-eligible.

d. Action plan(s)

a mandatory part of the developed Adaptation Strategy which shall include the list of proposed measures or steps to be realized within the implementation of the Adaptation Strategy (or draft measures that shall respond to the main findings resulting from the Adaptation Strategy), including the cost estimation and the expected time frame of the implementation. When designing Action plans, it is appropriate to consider both adaptation and mitigation approaches that can complement each other and significantly reduce the risks posed by climate change.

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

Inspiration and possible approaches in developing adaptation strategies can be found, see e.g.:

- [Od zranitelnosti k resilienci – Adaptace venkovských oblastí na klimatickou změnu \(PDF, XLS\)](#)
- [Metodika tvorby místní adaptační strategie na změnu klimatu](#)
- [Metodika tvorby adaptační strategie sídel na změnu klimatu](#)
- [Planning for adaptation to climate change - guidelines for municipalities](#)

and based on superior strategy documents, in particular:

- *Strategy on Adaptation to Climate Change in the Czech Republic*
- *Climate Protection Policy of the Czech Republic*
- *The State Environmental Policy of the Czech Republic*

2.3. Adaptation strategy and SEA evaluation process

One of the essential issues that may affect the development of the Adaptation Strategy (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 Adaptation Strategy. To determine whether the Adaptation Strategy 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), Par. 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), Par. 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) Par. 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) Par. 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 Adaptation Strategy 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 and non-eligible project expenditures

The Programme may support projects that comply with applicable legislation, the rules of the Norwegian Financial Mechanism 2014-202, Guideline of the National Focal Point 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* (e.g. contract, invoice, purchase order and marked in account statements or be accompanied by expenditure receipts). All documents (orders and invoices) must be visibly marked with the following sentence: "Funded from the EEA and Norway Grants 2014-2021, CZ-ENVIRONMENT Programme." Without this indication, the expenditure will not be considered eligible.

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;
- f) have actually been paid to a contractor/supplier or otherwise incurred;
- g) were incurred for the project in the Czech Republic (including project-related expenditure incurred abroad).

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:

A) Direct implementation costs

Direct implementation costs are expenditures for services and supplies that **directly and exclusively serve to achieve the objectives and purpose of the project**, provided by

contractors, and must comply with the rules and guidelines for public procurement (see chapter 6.1.). In the case of this Call, direct implementation expenditures also include the preparation of supporting expert analyses, studies and assessments, without which it would not be possible to prepare the Adaptation Strategy in the required scope and quality.

B) Administrative and coordination activities

Expenditure on administrative and other coordination activities related to the implementation of the project (including preparation and administration of public contracts) can only be **provided by contractors** and are eligible **up to a maximum of 5% of the total eligible expenditure**.

C) 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.

D) Publicity

Expenditure related to promotional and information activities, which must be part of the grant application and its budget, is eligible **up to a maximum of 10% of the total eligible expenditure**, or up to CZK 20,000 (excluding VAT), whichever is higher.

All promotional activities shall be stated in the **Project Communication Plan**. 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](#).

E) Receivables

The eligibility of the expenditure is conditioned by its payment to the supplier or contractor. 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 a receivable is transferred without the knowledge of the project promoter, the project promoter is obliged without delay to give an explanation to the SEF and justify how and for what reason the transfer was made (but no later than before submitting the payment request containing the relevant invoice). 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.

F) 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.

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 advantage².

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 always related to the average for the year preceding the year of implementation (respectively submission of an application) according to data from the Czech Statistical Office³.

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 included in the points A – F of this chapter. Objective, factually correct additional costs incurred and not included in the original contract price (orders, etc.), however necessary for the project implementation to fulfil the objectives and parameters of the project are eligible provided that the total eligible costs of the project shall not exceed the total **grant amount indicated in decision on the provision of financial support / acceptance of application** for Organizational Unit of State (hereinafter referred to as the “OUS”). This additional expenditure must be approved in advance by the SEF and its implementation must comply with the other rules and regulations for their application (in particular in accordance with the rules and guidelines for public procurement).

Expenditures that **do not meet** the above **eligibility criteria** are considered **non-eligible**. The following specific expenditures are also non-eligible:

- personal and travel expenses
- acquisition or rental of real estate;
- interest on debt (credit), debit interest, debt service charges and late payment charges;
- charges for financial transactions and other purely financial costs (e.g. bank service charges, currency exchange services, charges for setting up an account and for maintaining an account, charges for bank transfers);
- provisions for losses or potential future liabilities and debts;
- exchange losses;
- recoverable VAT, i.e. VAT with the right to deduct input tax;
- paid tax (road tax, real estate tax, gift tax, inheritance tax etc.) and customs duties;
- administrative fees (extract from the land register, extract from the commercial register);
- expenditures covered from other sources or to be claimed as eligible under other subsidy programmes;
- fines, penalties, financial punishments, sanctions and costs of litigation;
- costs of legal disputes.

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 This does not concern the meals and accommodation provided

³ The average gross wages for the regions of the Czech Republic can be found on the website of the Czech Statistical Office <https://vdb.czso.cz/vdbvo2/faces/cs/index.jsf?page=vystup-objekt-parametry&pvo=MZD01-C&filtr=G-F M-F Z-F R-T P- S- null null &sp=A&skupId=855&z=T&f=TABULKA&katalog=30852&pvo=MZD01-C&evo=v208 ! MZD-R-ABS-od2011 1&u=v159 VUZEMI 100 3018>

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 and the document proving the payment of the expenditure by the project partner 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. 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 reimburse the expenditure to the project partner* after checking and verifying the eligibility of expenditure. 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 project promoter*;
- d. If the Czech project partner is a contributory organisation financed only by 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 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 impact of climate change affects a broad spectrum of all societal aspects, from social to economic, through ecological to human health. Monitoring of these changes is reported through indicators of temperature, emission load, loss of red-listed species of plants and animals, as well as an assessment of annual GDP losses, productivity, safety criteria and human mortality.

The benefits of the projects specified in chapter 2.1. of the Call are primarily the identification and commitment of a long-term strategic approach and the identification of measures to be implemented by the applicant in connection with climate change at the local level. The use of a strategic approach is essential in identifying all facts and specific influences acting in a given area and helps to identify objectives and appropriate types of measures to be implemented gradually and in the long-term.

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 values of these indicators are set by the applicant within the preparation of the application directly in the electronic environment of the 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 (Call no SGS-3 “Oslo”) the **mandatory (obligatory) indicators are:**

The list of mandatory indicators	Description of the indicator
<p><i>Number of new mitigation/adaptation plans developed (Output 4.1)</i></p>	<p>The indicator describes the number of newly created plans (collectively referred to as “Adaptation Strategy”) within the project that cover a long-term strategic approach to climate change and identify adaptation or mitigation measures with regard to the impact of climate change. The baseline value is always 0.</p>
<p><i>Number of people potentially affected by implementation of new plans (Output 4.1)</i></p>	<p>The indicator determines how many people (permanent residents in a particular area) are potentially affected by the Adaptation Strategy. The baseline value is always 0.</p> <p><i>For example if the Adaptation Strategy is created for the area of a municipality, its implementation affects all the people who live there permanently or for a long time. The indicator does not include temporary accommodation or seasonal visitors. If the strategy is elaborated only for 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 Adaptation Strategy.</i></p>
<p><i>Number of municipalities with enhanced compliance with national or EU mitigation and/or adaptation strategies/plans (Outcome 4)</i></p>	<p>The indicator describes how many municipalities (settlements) are directly affected by the implementation of the newly created Adaptation Strategy. If the subject of the project are regional adaptation strategies or strategies for specific types of territories (river basins, forest areas, specially protected areas, etc.), the number of municipalities is determined according to the cadastre of settlements in whose territory the Adaptation Strategy is elaborated. The baseline value is always 0.</p>

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 130,000 (€ 5,000)** and **not more than CZK 1,300,000 (€ 50,000⁴)**. The project promoter shall ensure co-financing of at least 10 % of the total eligible expenditure of the project.

5. How is the application administered?

5.1. The submission of the application

The application can be **submitted from January 14, 2020 12:00, until March 15, 2020 20:00 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](#).

⁴ The EUR/CZK exchange rate applicable to this call is 1 EUR = 26,00 CZK

To register the applicant, it is necessary to have a data box or qualified certificate, for the subsequent submission of the application in the AIS SEF, the statutory representative (or authorized person) must have a qualified certificate enabling the creation of qualified electronic signatures.

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 Call³).

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 and it contains the list of any consultant involved in preparation of the application (*eliminating criterion*);
- eligible project partner, if any (*eliminating criterion*);
- there is only one application per project (*eliminating criterion*);
- the application has been processed and submitted through the AIS SEF (*eliminating criterion*);
- the application is complete;
- the application is processed in Czech and accompanied by a brief description in English;
- the budget of the project is given in CZK and the total budget also contains an aliquot amount in EUR (according to the EUR/CZK exchange rate set out in this Call³);
- the application contains a valid signature of the statutory representative of the applicant or authorized person (the authorization will be inserted as an attachment in the AIS SEF).

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)⁵ according to the list of evaluation criteria below⁶. 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.

⁵ 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).

⁶ **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 <i>The projects will be evaluated:</i>	SCORING CHART
STRATEGIC APPROACH (max. 26 points)		
Link to national/ international strategy documents	<i>With respect to their direct link to national/international strategy documents. The descriptive part of the application will indicate which parts of the overarching strategy documents will be applied at regional/local level, how the developed Adaptation Strategy will contribute to the objectives of these broader strategic approaches.</i>	3 pts.
The size and character of the area for which Adaptation Strategy is being elaborated	<p><i>The area of the territory expressed in km² and character of the territory, for which the Adaptation Strategy is being elaborated, whereas in addition, these types of territories will be assessed:</i></p> <ul style="list-style-type: none"> • <i>Urban (heavily urbanized) as predominant</i> • <i>Specially protected (from the perspective of nature and landscape protection⁷)</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>up to 10 sq km = 1 point 10 - 50 sq km = 2 pts. 50 - 200 sq km = 3 pts. 200 - 1 000 sq km = 4 pts. over 1 000 sq km = 5 pts.</p> <p>3 pts.</p> <p>1 point</p> <p>1 point</p> <p>1 point</p>
The number of inhabitants directly affected by the Adaptation Strategy	<i>The number of residents in the territory for which the Adaptation Strategy is being elaborated (rounded up in thousands). If an Adaptation Strategy is developed for the territory of a municipality, its implementation affects all its residents. This does not include temporary accommodation or seasonal visitors. If the Adaptation Strategy 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 Adaptation Strategy.</i>	<p>population (in thousands).</p> <p>up to 10 = 1 point 10 - 30 = 2 pts. 30 - 100 = 3 pts. 100 - 250 = 4 pts. over 250 = 5 pts.</p>
Link to spatial planning concepts	<i>Whether the developed Adaptation Strategy shall be reflected in the spatial planning documents and concepts, and in their implementation the recommendations of the Adaptation Strategy will be taken into account (e.g. in the form of subsequent territorial studies of localities, zoning and delimitation of the territory, etc.)</i>	2 pts.
A multidisciplinary (multi-sectoral) approach used in Adaptation Strategy development	<p><i>The approach considering all aspects, inputs and impacts of the developed Adaptation Strategies, not only from the environmental point of view, but also from the social, technological, industrial points of view, and other sectoral impacts in the territory, including possible sustainable economic development, employment, small and medium business support etc.</i></p> <p><i>Within the multidisciplinary approach the Adaptation Strategy also:</i></p> <ul style="list-style-type: none"> • <i>assumes the modernization of the energy concept (intensity/burden) of the territory;</i> • <i>considers a positive overlap in support of employment policy (its adaptation to environmentally friendly modernization of the territory);</i> • <i>considers further economic development of the territory (support for economic sectors) and support for its adaptation to the impacts of climate change.</i> 	<p>2 pts.</p> <p>1 point</p> <p>1 point</p> <p>1 point</p>

⁷ pursuant to Act No. 114/1992 Coll., on Nature and Landscape Protection, as amended

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

TECHNICAL AND INNOVATIVE APPROACH (max. 4 points)

The transition to green technology industry	The approach, considering support and positive impact on implementation and development of environmentally friendly technologies of individual industries in the given territory.	1 point
Sharing examples of good practice	The approach implies the sharing of examples of good practice (national and international practice), verified or piloted in other areas.	1 point
Innovative measures	The approach/intention to realize new possibilities and measures in the fight against climate change, implementation of results of scientific research projects or transfer and adaptation of national or international pilot projects.	1 point
Support of creation and adaptation of jobs	The approach will include efforts to promote job creation or requalification of local people in connection with an environmentally friendly economy.	1 point

APPROACH TO COOPERATION (max. 10 points)

Project partner from Norway	Direct cooperation of the applicant with a project partner from Norway.	3 pts.
Another 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 point
National project partner	A direct cooperation of the applicant with another national project partner.	1 point
Cooperation during the development of the Adaptation Strategy	The approach to involve the stakeholders during the development of the Adaptation Strategy, including local communities in the area.	1 point
Public discussion of Adaptation Strategy	Before the Adaptation Strategy is approved, it is planned to be discussed with the professional and general public.	1 point
Links to other projects and bilateral initiatives supported by the EEA and Norway Grants	<p>The project builds on other already supported/implemented projects or bilateral initiatives under the EEA or Norway Grants. The project application is linked to:</p> <ul style="list-style-type: none"> • approved/implemented bilateral initiative between the applicant and other foreign entity(s) that is from EEA (non-EU) countries; • a project partner is also a partner of applicant in approved/implemented bilateral initiative; • a project supported from the EEA or Norway Grants (the same or another applicant) in the current or previous period. 	<p>1 point</p> <p>1 point</p> <p>1 point</p>

SUSTAINABLE APPROACH (max. 4 points)

A long-term approach in the implementation of the Adaptation Strategy	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). Note: This description will be subject to further evaluation of project sustainability after its implementation!	2 pts.
Adaptation Strategy as a part of the overall strategic approach	A description demonstrating the obligation to apply the adopted Adaptation Strategy to other similar regional/local strategic documents.	2 pts.

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**. It is an advisory body, established separately for individual announced Calls from the Programme to ensure the process of project selection. Its main task is to verify the evaluation process and assess the list of projects recommended for the grant award from the Programme, based on ranking of these projects, before 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, vote on the ranking of submitted applications, with:

- a) *The applications, that meet **the minimum required score of 12 points** (set in chapter 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 12 points** (set in chapter 5.2 of this Call), but their rank exceeds the available allocation, may be added to the application pool. The Selection committee decides on the creation of an application pool, 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 are 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“⁸.

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 system and after the issuance Ministry's Decision (except OUS applicants⁹) between the SEF and the project promoter, usually within 2 months of issuing the Decision. The project contract contains 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, updated project schedule;
- proof of authorization to negotiate with the SEF (if the authorized person acts as the project promoter);

⁸ 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.

⁹ 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.

- if needed, necessary documents updating the situations compared to the documents submitted in the application.

5.5. Project amendment request

The project change 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 change 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 an 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 shows 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 mentioned below in time, when:

- 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 project¹⁰.

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 period¹¹.

The submitted reports are checked for *factual, financial and formal correctness* of current report, including eligible expenditures and overall compliance with the project contract and its annexes. 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 reference period
- indication of the existing financial performances in the settled terms (according to the AIS SEF), i.e. for total amount for the relevant reference period
- indication of the assumption of financial performance for next period, i.e. May-October and November-April for relevant years of the project implementation

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

- the list of actually incurred expenditures, including annexes (copies of invoices, bills, etc.) and their consistency with the approved budget
- a statement from the accounting system proving realization of payments from bank account of the project promoter (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 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

Funding from the Programme shall be disbursed in accordance with Act. No. 218/2000 Coll., On Budgetary Rules, as amended or amended of the relevant legislative rules, exclusively by non-cash currency in CZK to the account of the project promoter¹² specified in the project contract (and registered in AIS SEF). Funding provided by SEF under the Programme shall be registered under the following special features:

¹⁰ 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.

¹¹ 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.

¹² According to Act No. 218/2000 Coll. On budgetary rules, listed institutions are obliged to maintain bank accounts for receiving subsidies with the Czech National Bank (CNB).

- 90003 Norway Grants – non-investment
- 90500 Norway Grants – investment
- 90006 – Norway Grants – cofinancing – non-investment
- 90503 – Norway Grants – cofinancing - 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** 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 following parameters:

<i>Project implementation duration</i>	<i>Maximum Advance payment</i>	<i>Interim payments</i>	<i>Final payment</i>
≤ 12 Months	50%	≤ 40%	≥ 10%
12-18 Months	30%	≤ 60%	≥ 10%
>18 Months	20%	≤ 70%	≥ 10%

The eligible incurred and paid expenditures of the project (see chapter 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 exhausted¹³. 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 see 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 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 paid to the project promoter up to 1 month after approval of the respective monitoring report, respectively up to 2 months for the final monitoring 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, there is provided progress 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 be also provided by another representative of SEF, the Ministry of Finance (especially the Audit Authority), the Royal Norwegian Embassy in Prague and the Norwegian Environment Agency (Norwegian Programme partner), also the control may be

¹³ 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.

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, in particular on Financial Control in a Public Administration and on Amendments to Certain Acts, as amended, and Decree No. 416/2004 Coll., implementing the Act on Financial Control and in accordance with the relevant rules for the provision of funds from the EEA and Norway Grants.

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 participated 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 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 Manual¹⁴). The supported project must meet the minimum publicity requirements during its implementation¹⁵.

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

¹⁴ logos and Manual are available at: <https://www.sfzp.cz/dotace-a-pujcky/norske-fondy/dokumenty/>

¹⁵ these requirements follow the Regulation, Chapter 3: Information and Communication, and Annex No. 3 to the Regulation

- 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 expenses 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*.

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 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 support from the Programme can be provided only on 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/obecne-narizeni-o-blokovych-vyjimkach-gber.html>).

Aid compatible with the internal market (GBER)

Areas of intervention compatible with internal market are laid down in COMMISSION REGULATION (EU) No 651/2014 of 17 June 2014E, in accordance with article 107 and 108 of 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-o-blokovych-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 enterprise¹⁶ 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 register¹⁷, whereby the register records all the support provided in the same way from the different providers. Limit over drafting due to three-year period is prohibited/forbidden.

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) **are obliged to identify their ownership structure** in the application or provide the actual list of shareholders and document changes in the ownership structure.

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*

¹⁶ <https://www.uohs.cz/cs/verejna-podpora/podpora-de-minimis.html>

¹⁷ <https://www.uohs.cz/cs/verejna-podpora/registr-de-minimis.html>

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.*

*Beneficiary who maintain **simple accounts** pursuant to Act No. 563/1991 Coll., On accounting, **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 the case of personal costs (work by self-help), the beneficiaries of the support are obliged to report these in accordance with the Act On accounting and implementing decrees for the given type of entity as well as so-called activation of own production.

or

- ii. In the tax records in accordance with Act No. 568/1992 Coll., On Income Taxes, as amended.

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,*
- *Upon inspection, the beneficiary keeping tax records pursuant to Act. No. 586/1992 Coll., as amended, provides the tax authority the full tax records upon request,*
- *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 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 filling 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**, what is confirmed by the Council of the SEF, the applicant is announced in writing and has the possibility **of filling appeal** in 5 working days from the date of delivery. The negative statement of the Council of the SEF, including the applicant's statement, is then submitted to the Minister, who will decide. In accordance with Article 14, par. 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 fails to comply with the stipulated obligations within 30 days of the specific deadline, correction for breach of obligations resulting from the concluded legal act will be applied to the project promoter and this complaint will be forwarded to the competent financial authority.

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 will be initiated by the Minister's Decision changing process). The Director of the SEF shall inform the applicant in writing form of 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>.