

GUIDELINES

for Applicants and Final Beneficiaries

from the **BILATERAL FUND**

within the framework of the EEA and Norway Grants 2014-2021

Ministry of Finance – National Focal Point

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List of abbreviations

BF	Fund for bilateral relations
CA	Certifying Authority
CEDR	Information system (IS) for administration of initiatives and projects
Donor states	Iceland, Liechtenstein and Norway
CZK	Czech crown
EEA	European Economic Area
EUR	Euro / €
FB	Final beneficiary
JCBF	Joint Committee for Bilateral Funds
NFP	National Focal Point
OUS	Organizational Unit of State
SCO	State Contributory Organization
VAT	Value added tax

I. Introduction

Objective of the Fund for bilateral relations

The overall objective of **the EEA and Norway Grants** is to contribute to reducing economic and social disparities in the European Economic Area (hereinafter referred to as “**EEA**”) and to strengthening bilateral cooperation between donor and beneficiary states through financial contributions in specified priority sectors.

The Fund for bilateral relations (hereinafter referred to as “**BF**”) was established within the framework of the EEA and Norway Grants 2014-2021 to **strengthen bilateral relations between Iceland, Liechtenstein and Norway (hereinafter referred to as “Donor states”) and the Czech Republic.**

The BF is functioning as a flexible source of funding for a wide range of initiatives of mutual interest with the aim to create or strengthen cooperation and increase mutual knowledge and understanding between the Czech Republic and the Donor states.

Legal framework

The Ministry of Finance – the National Focal Point for the EEA and Norway Grants 2014-2021 in the Czech Republic (hereinafter referred to as “**NFP**”), entrusted with the implementation of the BF, is responsible for the use of the BF.

Grants from the BF are made available to finance bilateral initiatives of Applicants/Final Beneficiaries (hereinafter referred to as “**FB**”) under the rules of the EEA and Norway Grants 2014-2021.

The guidelines set forth herein are established pursuant to the Regulation on the implementation of the EEA and Norwegian Financial Mechanisms 2014-2021 and the Bilateral Guideline adopted by the Financial Mechanism Committee. They are designed to provide direction and guidance to applicants and FB on receiving funds and their administration including procedures for commitment, award and disbursement of funds.

All proceedings must be in compliance with the State aid rules, Public Procurement legislation and internal procedures of grant applicants.

Availability of funding opportunities

Funds are eligible from the signature of the Memoranda of Understanding between the Donor states and the Czech Republic (signed on 4 September 2017). The final date of eligibility for support shall be **30 April 2025**, unless otherwise specified in the respective Open Call.

Grants under the BF shall be made available by the NFP through pre-defined initiatives¹ and Open Calls for submission of Grant Applications for bilateral initiatives (hereinafter referred to as “*Grant Application*”). *Grant Applications* will be checked by the NFP and decided upon by the Joint Committee for Bilateral Funds (hereinafter referred to as “**JCBF**”) on a continuous basis until the depletion of the available BF budget.

¹ Proposals for pre-defined initiatives are submitted by the JCBF members only. Open call initiatives are submitted by other eligible applicants defined in Chapter III. of these Guidelines. Following procedures shall be applied to the FB of pre-defined initiatives as well.

Open Calls are envisaged to be launched every year (until the depletion of the available BF budget). The JCBF shall allocate bilateral funds to the Open Calls and specify the call conditions.

II. Rate of grant assistance

Minimum and maximum grant amount shall be stated in the relevant Open Call.

The BF covers 100 % of the eligible costs. FBs are not required to provide co-financing for the initiatives. Any costs covered by other sources shall not be included in the *Grant Application* budget.

The eligibility of expenditures from the BF is described in detail in Chapter V of these guidelines and in **Annex 1**.

Funding will be provided to FB **ex-post** depending on the amount of approved incurred eligible expenditures, or in a form of **ex-ante** advance payment up to 90 % of planned eligible expenditures and subsequent interim/final payment based on the amount of approved incurred eligible expenditures. The applicant asks for the advance payment in the *Grant Application*, the actual incurred eligible expenditure are reported in the interim / final monitoring report.

For detailed information see Chapters V and IX.

III. Eligible applicants

Any entity, public or private, commercial or non-commercial and non-governmental organisations, established as a legal person (in the Czech Republic or in the Donor states) are considered eligible applicants.

Limitations that determine the eligibility of applicants may be stipulated by the JCBF in the relevant Open Call.

The Programme Operators of the Programmes within the EEA and Norway Grants 2014-2021 are not eligible applicants under the BF Open Calls.

Planning and implementation of initiatives in partnership between Czech and Donor state entities is vital for achievement of the Fund for bilateral relations objectives.

In case the partners decide to conclude a Partnership Agreement, its scope and content are at full discretion of the contracting parties. Not binding recommendations of selected aspects which might be covered by the Partnership Agreement are provided in **Annex 18**. The partnership is not commercial and it will be transparently planned in terms of financial flows between partners (includes clear identification of costs borne by each partner, prove of expenditure methods, payment terms).

IV. Eligible initiatives

The range of activities eligible for support under the BF is broad, including **any** initiatives leading to strengthening bilateral relations, enhancing cooperation and improving mutual knowledge and understanding between the Czech Republic and the Donor states, provided that **both the FB and the partner(s) are actively involved in planning and organising the activity.** As an example, in an event supported under the BF, simply having attendants from Donor state entities at the actual event in the Czech Republic is **not** considered sufficient to define it as “bilateral”.

Examples of activities that can be carried out under the BF:

- workshops, meetings, visits and conferences, seminars on topics of common interest;
- study tours and visits to the Donor states and/or to the Czech Republic;
- capacity building and short term training;
- data collection, reports, studies and publications;
- exhibitions, performance or other specific cultural and artistic activities (e.g. concert, theatre performance)
- information campaigns and promotional material;
- technical cooperation and exchange of experts;
- secondments and internships.

This list is non-exhaustive and is meant just as an example of possible activities.

Generally, the activities shall have a clear bilateral profile and serve the purpose of strengthening bilateral relations between the Donor states and the Czech Republic. Assessment of their bilateral aspect is based, inter alia, on bilateral indicators which illustrate the contribution to strengthening the bilateral relations.

Initiatives may not generate a profit. If an initiative generates income, the use of this income shall be described in the *Grant Application*.

Limitations that determine type of eligible activities may be specified by the JCBF in the relevant Open Call.

V. Eligible expenditures

Eligible expenditures are those actually incurred within the initiative between the first and final date of eligibility as specified in the *Approval Letter* and subsequent *Implementation contract on the grant award (Implementation contract)*². They must be proportionate and necessary for the implementation, connected with the subject of the initiative and indicated in the detailed budget of the *Grant Application* (see the form in **Annex 2**).

² All activities related to the claimed expenditure must be completed by the date of achievement of the purpose of the initiative.

The budget shall be planned and drawn up with respect to accountability and the **3E principles** – economy, efficiency and effectiveness.

The actually incurred eligible expenditures must be documented by relevant accounting documents and recorded in the accounting records of the FB/partner and determined according to the applicable accounting standards of the country where the FB/partner is established and according to generally accepted accounting principles. The FB/partner keeps all relevant accounting documents in his files for purpose of possible controls.

The eligibility is determined by (a) the content and (b) time frame:

(a) From the content point of view, there are following types of eligible expenditures:

- costs associated with study tours and organization and/or co-organization of workshops, conferences, meetings, visits, seminars, secondments and internships (e.g. international travel costs; daily lump sum including accommodation, local transport, meals and travel insurance; local business trip expenditures; admission fees);
- expert fees;
- expenditures for feasibility studies, costs of preparation of analyses and documents;
- interpretation and translation of working materials;
- expenditures associated with promotional and informational activities for strengthening bilateral relations;
- external consultancy fees;
- expenditures for the report certifying the costs claimed within the initiative proving the eligibility of expenditures within the monitoring report;
- other necessary expenses directly related to bilateral initiative (must be described in the *Grant Application*).

In case of purchase of flight/railway/bus ticket/s, it is recommended to purchase the ticket/s with *cancellation insurance*, to ensure the possibility of returning the ticket/s in case of an unexpected event preventing the participant(s) from travelling within the initiative. Cancellation insurance for flight/railway/bus ticket/s is eligible for financing within the initiative (see **Annex 1**).

The purchases can be made by orders and subsequent invoices or by direct purchase documented by relevant accounting documents. Nonetheless, efficiency of expenditures is essential.

Eligible expenditures including their **financial limits** are described in detail in the Chapter X. and in the **Annex 1**.

(b) Time eligibility of expenditures is determined by the date specified in the Approval Letter and subsequently in the *Implementation contract* through which the grant will be awarded (see Forms in **Annexes 5-8**).

No expenditures incurred before the approval of the *Grant Application* shall be eligible. The expenditures are eligible up to 3 months after the final date for achievement of the purpose of the initiative (initiative completion). In duly justified cases, prolongation of the eligibility after the implementation of the initiative can be requested via IT system CEDR (hereinafter referred to as “IS CEDR”).

VI. Information system CEDR

Administration of the bilateral initiatives is carried out via the Information system CEDR. Applicants/Final Beneficiaries can administer their initiatives and monitor the administration process directly from their workplace or home, through the system, from the preparation of the *Grant Application* to the final payment. In the IS CEDR, users can find all the information they need in connection with their *Grant Application* and processes during the subsequent implementation (reporting, modifications, and payment request). Through the IS CEDR the following features are available:

- preparation and submission of the *Grant Application*,
- accessibility of a communication with the NFP via message board of the respective initiative,
- administration of approved initiatives including monitoring reports, payment requests and modification requests,
- accessibility of all relevant documentation of the initiative.

All applicants must be registered in the IS CEDR for the purpose of submitting the *Grant Application*.

An electronic certificate³ is issued for a period of 12 months, then it must be renewed by the provider or issued a new one. If the applicant is an employee/statutory representative of a legal entity, he/she is required to obtain a qualified employee certificate (a certificate indicating a link to the organization).

For Czech applicants:

- The applicant must have a data box established at the Ministry of the Interior of the Czech Republic which is used as a fundamental tool for sending official documents by the Grant Provider to the applicant.
- The applicant that has a Company Registration Number has to choose the registration with a Company Registration Number:

³ Applies to Czech applicants only.

APPLICANT ACCOUNT SET UP

- *Select type of applicant you want to set up*

Czech natural person or legal entity **with Company Registration Number**

Czech legal entity without Company Registration Number

DONOR state legal entity

- The applicant must obtain a qualified electronic certificate that can be set up with the certified service providers, e.g. First Certification Authority, a.s. or Czech Post, s.p.
For the detailed information about the certified service providers please visit the CEDR mainpage.

For applicants from Donor states:

- The applicant is obliged to register within the IS CEDR by fulfilling all relevant fields providing organisation and contact details.
- The applicant shall be a holder of an electronic signature certificate that can be further used for submission of the *Grant Application* and monitoring reports by signing these documents. The electronic certificate does not have to be the qualified electronic certificate.
In case the applicant does not keep such an electronic certificate, the *Grant Application* must be signed by hand.

Registration to the IS CEDR can be done by entering the IS CEDR homepage through the web address given in the open call text or through www.eeagrants.cz and www.norwaygrants.cz via the CEDR button on the opening page.



VII. Procedures for submission of Grant Applications

Due to the bilateral nature of the BF, all forms (*Grant Application* and monitoring reports) are processed **in English** so that they can be understood by entities from the Donor states. The following procedures apply to applicants from the Czech Republic as well as from the Donor states.

The IS CEDR is accessible through the link <https://cedr-fm.mfcr.cz/CEDRNFBFNU>.

1. *Grant Application*, including all mandatory annexes, shall be filled in, signed and submitted exclusively **on-line** via the **IS CEDR** at least **2 months before** the planned start date of the initiative. In exceptional cases, the JCBF may decide to assess the *Grant Application* form submitted later than 2 months before the planned start; however, later submission needs to be justified in the *Grant Application* or its annex and there is no guarantee that the JCBF's final decision will be made by the planned start of the initiative. With regard to the possibility of unexpected delays, it is recommended to submit the *Grant Application* at least 3 months before the planned start date of the initiative.
2. A small-scale public tender may be launched even before the approval of the *Grant Application*; however, realization of the subject of the contract and payment of related expenditures must take place after the initial date of eligibility of expenditure. This means that the contract with the winning contractor can be signed earlier with the condition that the subject of the contract will be realised only in case of approval of the grant.
3. For the Czech applicants, a **qualified certificate** with an **electronic signature** is needed for the registration of an applicant in the IS CEDR. For applicants from the Donor states, a qualified certificate is not required for the registration. The details about the IS CEDR registration and other technical prerequisites can be found at the IS CEDR main page and in Chapter VI. of these Guidelines.
4. The applicant chooses the relevant Open Call and is obliged to fill in **all** items marked with a star (on-line in the IS CEDR) in the *Grant Application* form (please see **Annex 2 – Grant application for bilateral initiative** for its required content and extend). All eligible expenditures associated with the initiative shall be covered by the requested grant. Any expenditure covered by other sources shall not be included in the *Grant Application* budget (i.e. the total eligible costs shall amount to the requested grant, grant rate is always 100%). The detailed guidance for applicants on how to proceed with filling in the *Grant Application* in the IS CEDR including the definition of its annexes is described in Chapter VI. and **Annex 2** of these *Guidelines*.
5. The applicant⁴ is entitled to submit a justified request for an advance payment as part of the *Grant Application* covering up to the 90 % of planned expenditures of the initiative (note: the request for an advance payment will in no way taken into consideration during the assessment of the *Grant Application*. The amount of the advance payment requested is not taken into account in the evaluation of the *Grant Application*). For further details on provision of advance payment see Chapter IX.

- Submitted *Grant Application* is checked by the NFP if it meets all requirements (see **Annex 4 – Requirements check-list**) and subsequently assessed by the JCBF in terms of relevance of strengthening bilateral relations and fulfilling the **principles⁵ of 3E – economy, efficiency and effectiveness**:

Economy = minimizing costs/expenditures while respecting the appropriate quality of the planned outputs and achievement of the stated objective of the initiative

Efficiency = achieving the highest possible scope, quality and benefit of outputs as compared to the amount of money spent on ensuring these outputs

Effectiveness = the ability to produce the desired benefit and to ensure the optimum level of achievement of the stated objective of the initiative

The initiative needs to be planned to include only those activities that are necessary to achieve the planned outputs and lead to the achievement of the set objective. To ensure economic and efficient use of the Funds, all tools necessary to implement the initiative, e.g. transport, accommodation, number of participants, duration etc. must be planned sparingly and to the minimum extent necessary to achieve the objectives and they must be clearly substantiated in the *Grant Application*.

The initiative shall contribute to improved mutual knowledge / expertise and understanding between the Donor states and Czech Republic and the initiative shall create new opportunities for establishing of a new partnership and/or enhancing the existing cooperation.

The *Bank Identification* (**Annex 16 and 17**) which is necessary for issue of the *Implementation Contract* shall be attached to the *Grant Application*. The form needs to be confirmed by the bank and signed by the account holder.

In case the applicant is a contributory organisation and the grant is channelled via its founder, the *confirmation of consent of the founder institution* (e-mail message is sufficient) and the signed *Bank Identification* of the **founder's bank account** shall be submitted together with the *Grant Application*.

- If the *Grant Application* fails to meet any formal requirement, the applicant may be asked by the NFP, via the electronic message board in the IS CEDR, to clarify, amend or add information/annexes necessary for further JCBF evaluation.
- Upon the request of the JCBF, based on the assessment of the *Grant Application*, adjustments in the *Grant Application* or fulfilment of specific conditions can be required. The applicant shall

⁴ The possibility of an advance payment is not relevant for Organizational Unit of the State/State Contributory Organization, in line with the Act no. 218/2000 coll., on budgetary rules.

⁵ In accordance with Act no. 320/2001 Coll. on financial control.

decide whether the amendments/conditions are acceptable or not. Rejection of the amendments/conditions shall cause rejection of the *Grant Application*. In case of exceeding the financial limits set in the **Annex 1** to these *Guidelines*, expenditures in question as well as ineffective expenditures may be cut by the JCBF. The final amount of the grant will be stated in the *Approval Letter*.

- a) The applicant shall be notified of the **approval** of the application through the *Approval Letter* in which the date of eligibility of expenditures and the approved grant amount shall be stated. The grant is awarded in CZK.
 - b) The applicant shall be notified of the application **refusal** through the *Refusal Letter* stating the reason for the *Grant Application* refusal. Unsuccessful applicants may appeal (in English) via IS CEDR within 15 calendar days from the date of receipt of the *Refusal Letter*. Within 10 working days from the receipt of the appeal by the NFP, the applicant will be notified of the final decision of the JCBF and either an *Approval Letter* and subsequent *Implementation Contract* (in line with procedures described in point 8. a)) or a *Decision on not awarding the grant* will be issued. If the *Grant Application* is refused, the *Decision on not awarding the grant* is issued within 30 days following the *Refusal Letter*.
9. The *Approval letter* shall be issued **within 6 weeks** of the *Grant Application*'s submission, provided that all requested documentation is included. In case of insufficiencies of the *Grant Application* and/or further conditions raised by the JCBF during the assessment of the *Grant Application*, the applicant is notified (as stated in points 7 and 8 above) to remedy such insufficiencies/accept the conditions. Upon the receipt of the information required by the NFP/JCBF, the review process continues again at the point at which it was paused.

Any notification that the *Grant Application* is insufficient and/or requires specific conditions to be accepted by the applicant **may cause prolongation of the total assessment period** resulting in later issue of the *Implementation contract*. Applicants are therefore advised to read the *Guidelines* carefully and keep in touch with the NFP during preparation of their *Grant Applications* as well as during the assessment and approval process.

VIII. Implementation contract on awarding of the grant

Following the issue of the *Approval Letter*, an *Implementation contract* on awarding of the grant (Grant Award Decision/ Letter of Deputy Minister in compliance with Act No. 218/2000 Coll., on Budgetary Rules or the Implementation Contract with the Donor state FB according to the status of the institution that is the beneficiary of funds⁶) will be issued by the NFP and recorded in the IS CEDR.

The *Implementation contract* further specifies conditions and rules for implementation of the initiative (see **Annex 5-8**).

⁶ The *Grant Award Decision* is issued to FB (public or private, commercial or non-commercial and non-governmental organisations) based in the Czech Republic; the *Implementation contract with the Donor state FB* is issued to FBs from Donor states; the *Letter of Deputy Minister* is issued to Organizational Unit of the State (OUS)/State Contributory Organizations (SCO) from the Czech Republic.

IX. Advance payment

In case an advance payment is approved together with the *Grant Application* and the *Implementation contract* is signed by the NFP, the requested advance payment in the approved amount will be transferred to the bank account of the FB **as soon as possible** (within about 10 working days) after the *Implementation contract* becomes effective⁷.

Each advance payment is accounted for in the interim/final monitoring report of the initiative and subtracted from the interim/final payment request up to the full amount of provided advance payment. In case the advance payment was not fully accounted for within the first interim monitoring report, the same principle is used for the following monitoring report.

In case that the overall actual incurred eligible expenditures reported in the final report are lower than the amount of the advance payment, the FB is obliged to return the unused financial resources. After the final report is approved, the FB is requested to return these unused financial resources to the bank account specified by the NFP within 30 days.

The advance payment is not relevant for Organizational Unit of the State/State Contributory Organization, in line with the Act no. 218/2000 coll., on budgetary rules.

Each advance payment approved within the *Grant Application*, will be, in line with the Act No. 218/2000 Coll., on Budgetary Rules, subject to settlement with state budget after the implementation of the initiative is completed.

X. Procedures for submission of interim/final report including payment request

The FB submits a monitoring report (interim/final report) including payment request to the NFP for its approval and reimbursement of all incurred expenditures of the initiative in line with the below mentioned schedule. The interim report shall be submitted in English electronically on-line via IS CEDR no later than 1 month after the end of the monitoring period. The final report shall be submitted electronically via IS CEDR no earlier than at the final completion date of the initiative set in the *Implementation contract*⁸, but not later than 3 months after its completion .

- For initiatives with an implementation **period up to 6 months**, the FB submits only 1 final report after the end of implementation of the initiative.
- For initiatives with an implementation period **longer than 6 months**⁹, the FB submits interim report every six months and 1 final report after completion of the initiative.

The Grant Award Decision becomes effective on the date of its signature by the Deputy Minister of Finance. *The Implementation Contract with the Donor state FB* becomes effective on the date of its publication in the Contracts register pursuant to the Act no. 340/2015 Coll., on contract registry, as amended.

⁸ In the *Implementation contract*, the completion date is referred to as the final deadline for achievement of the initiative purpose.

⁹ In case the initiative is planned for a longer period than 6 months, request for merging the monitoring periods can be submitted by the FB. Nevertheless, the monitoring period of the final report shall not exceed 8 months. In exceptional cases, if the Final Beneficiary in the standard six months monitoring period does not realise any activities and/or expenditures, the monitoring period may be prolonged to 12 months upon the request of the Final Beneficiary and subsequent approval by the NFP.

The interim report must be filled in in IS CEDR (for information on the scope and content please see the form in see **Annex 11**) and consists of:

Narrative part including:

- description of the progress of approved initiative and its activities in the relevant monitoring period,
- quantification of results and description of outputs/bilateral indicators reached in the monitoring period,
- an explanation of drawing of the budget, any changes and description of any risk, if relevant.

Payment request including:

- list of actually incurred expenditures (will be generated by IS CEDR upon entering of individual expenditures into the system)
- scans of individual invoices or accounting documents¹⁰ (copies of invoices, bills, etc.) for each accounting document/invoice with a value above 10 000 CZK. Files with copies of accounting documents/invoices should be clearly stored in attachments to the Payment request in IS CEDR under the invoice/accounting document number (file name = invoice no.), eventually compressed in .zip, .rar).
- scans of bank statements from the FB's bank account¹¹/cash receipts proving realization of payments related to accounting documents/invoices above the financial limit of 10 000 CZK,
- statement from the accounting system¹² proving that all requested expenditures are recorded under the specific accounting cost centre for the EEA and Norway Grants within the FB's accounting system,
- documents substantiating implementation and eligibility of activities and expenditures (particularly airplane/bus/train tickets, boarding passes, travel reports, signed attendance lists, photographic documentation, research analysis and other documents, articles, publicity samples, etc.)¹³

OR

- a **report certifying the costs** claimed within the initiative (see **Annex 14**), covering all incurred expenditures substituting the above mentioned accounting documentation. As an annex, the report shall include a **breakdown of the certified costs**. The cost of the report is considered eligible, providing that it complies with general principles of eligibility of expenditures as defined in Art. 8.2 of the Regulations,

¹⁰ Valid document must fulfil the specified essentials of an accounting document in accordance with § 11 Act No. 563/1991 Coll., on accounting (besides article 1f) in case of Czech entities. Entities from the Donor states and international organizations shall follow the applicable accounting standards and the generally accepted accounting principles of the country in which the entity is established. All accounting documents must be provided with the text "Financed from the EEA and Norway Grants 2014 – 2021".

¹¹ Applies to electronic payments.

¹² The evidence must be given through submission of the printout from the FB's accounting system (.pdf, .xls) displaying each eligible expenditure accounted for within the initiative. The date of origin of the printout and the name of the information system shall be clearly identifiable. In case of single entry bookkeeping, submission of scans of books of accounts is satisfactory.

¹³ FB is obliged to attach such documentation for each completed activity to enable the NFP to evaluate the progress of the initiative and eligibility of incurred expenditures. Such documentation can be also used for publicity purposes by the NFP.

- documents confirming implementation and eligibility of activities and expenditures (particularly travel reports, signed attendance lists, photographic documentation, research analysis and other documents, articles, publicity samples, etc.).

The Report certifying the costs claimed within the initiative is:

- a **report of an independent auditor** capable of performing mandatory audits of accounting documents attesting that the reported costs have been incurred in accordance with the Regulations, national legislation and relevant national accounting procedures of the initiative partner¹⁴;

OR

- a **report issued by a competent and independent public entity**, which was recognized by the competent national authorities as being competent for the exercise of budgetary and financial control of the entity incurring the cost and which was not involved in the preparation of the financial statements, certifying that the reported cost was incurred in accordance with the Regulations, national legislation and relevant national accounting procedures of the initiative partner.

The reports certifying the reported expenditures must prove at least that:

- the expenditures were incurred in the eligibility period of the initiative and are eligible in line with all standards and rules of expenditure eligibility;
- the expenditures relate to items and activities approved under the initiative;
- the expenditures were supported with accounting documents or documents of equivalent probative value and documents proving the payment of the expenditure, and comply with contracts concluded on the basis of public procurement rules valid in the partner's country.

Such reports cannot be replaced by an annual audit of financial statements.

The originals of all invoices and other relevant accounting documents (bills, orders etc.) related to all incurred eligible expenditures are archived by the FB in the initiative folder for the purpose of the on-site control. Accounting documents (invoices, receipts, contracts, etc.) must clearly show that they relate to the EEA / Norway Grants (e.g.eg by including information in the text of the accounting document, marking the printed document with the text "Financed from the EEA and Norway Grants 2014 – 2021" or by the code of the accounting centre designated to the EEA / Norway Grants).

The grant is awarded in CZK, the budget is also calculated in CZK (applies also to applicants from Donor states). Expenditure incurred in foreign currency is always converted into CZK for IS CEDR

¹⁴ The reports shall - apart from the opinion of an independent auditor or independent public entity on the above points - contain a detailed description of the purpose of the audit, the auditing procedures, the scope of the audit and its results. The audit must be carried out in line with the relevant international accounting standards (e.g. *International Standard on Related Services ISRS 4400*).

financial management purposes although it can be entered into the IS CEDR in the currency of the respective accounting document and converted by using the respective conversion rate (see **Annex 1**).

The final report must be filled in on-line in IS CEDR (for information on the scope and content please see the form in **Annex 12**). As compared to the interim report, its content is extended by a summary of the initiative implementation, its final results and outcomes and an assessment of the contribution to the strengthening of bilateral cooperation. It is also linked to the final payment request. If documents related to publicity and promotion of the EEA / Norway Grants have not been provided in previous reports, they will be annexed to the final report.

3. After submission of the interim/final report and payment request as a whole, the NFP shall assess the report including annexes. If necessary, the NFP shall ask the FB for additional information or documents. After the approval of the interim/final report incl.pament payment request, the FB is requested by the NFP to submit the report officially (with electronic signature of the statutory representative or the person authorised to sign the report¹⁵) via IS CEDR. The NFP then sends the payment request to the Certifying Authority (hereinafter referred to as “CA”) for reimbursement of 100 % of approved expenditures reported in the interim/final report to FB’s account. If applicable, the approved amount to be reimbursed is lowered by the amount of the advance payment/remaining advance to be settled.

a) In case of payment requests by institutions whose management and financing are not linked to the Czech state budget, the CA transfers the funds from its account directly in favour of the FB account. The payment will be preceded **within 15 working days** from approval of the monitoring report including payment request by the NFP.

b) In case of payment requests of the Czech Organizational Units of the State/State Contributory Organizations, the payment of funds from CA is bound to the Interim Financial Report’s¹⁶ reporting period. Actual expenditures of the FB incurred during the reporting period are transferred to the bank account specified in the *Bank Identification* by the CA as follows:

- expenditures incurred in the period 1 January - 30 June – CA transfers the required funds by 30 September of the respective year
- expenditures incurred in the period 1 July - 31 December – CA transfers the required funds by 31 March next year

¹⁵ Applies to Czech FB only. For FB from the Donor states, a handwritten signature of the statutory representative can be used.

¹⁶ Interim Financial Report is submitted twice a year by the Certifying Authority to the Finacial Mechanisms Office (FMO) for approval of expenditures incurred within the EEA and Norway Grants on the level of the Bilateral Fund Programme, it is a financial flow between the the FMO and the Czech Republic.

XI. Bilateral indicators (indicators of success)

Bilateral indicators are tools which help to measure to what degree the objectives of the individual bilateral initiatives are achieved. Their initial and planned target values are given by the FB in the *Grant Application*; consequently their reached target values are an obligatory part of the interim/final report of the initiative. The applicant is obliged to choose at least one indicator relevant to the planned initiative. A summary of standardized indicators is listed in **Annex 3** including an explanation.

XII. Publicity

All approved initiatives have to comply with the following basic publicity requirements:

As a minimum, the FB is obliged to use **logos of the EEA and Norway Grants** in all materials and documents developed within the approved initiative (in an appropriate range with regard to the relevant activity – e.g. publication materials using the logo in a suitable format). The logo package can be found in **Annex 15**.

The FB is requested to provide the NFP (via the IS CEDR) with a **photographic documentation** related to the implementation of the initiative (particularly relevant for study trips, seminars, meetings, workshops and conferences).

The FB is also obliged to inform about the bilateral initiative **results** at their websites/Facebook profile (if available) etc.

As part of the promotion of important events related to the approved initiative, it is required to inform the NFP about these through the Message board in the IS CEDR and via the e-mail address czp@mfcz.cz.

XIII. Modification request

The FB may submit a modification request with the aim to update or modify the content of the approved initiative. Such a modification request can be submitted no earlier than after issuing the *Implementation Contract* by the NFP.

The FB shall submit the request for such a modification electronically via IS CEDR in the “Modification Request” module (does not apply for type C changes – see below); for information on the scope and content please see the template of the modification request in **Annex 13**. The NFP will assess¹⁷ the modification request (whether the planned change can be justified in relation to the approved initiative) and will inform the FB about the decision via IS CEDR.

¹⁷ Assessment by the NFP is not relevant for modifications requesting change of statutory representatives and bank accounts. These are accepted by the NFP automatically. Changes under the type C) are assessed by the NFP during administration of monitoring reports.

Within the initiative, two types of modifications may be requested:

1. Substantial changes

A) the modifications that **have an impact on the implementation contract** and must be submitted through modification request via the IS CEDR:

- change of the completion date (i.e. achievement of the initiative purpose) and/or change of the final date of eligibility of expenditures – the request for modification must be submitted **at least 10 working days before** the original date of the initiative completion and approved by the NFP before the original date of the initiative completion (in exceptional cases, a shorter term is acceptable if duly justified and provided that the administration of such a modification request is possible/feasible);

change of the statutory representative of the Donor state FB (notification of the NFP as soon as possible);

- change of the bank account (notification of the NFP as soon as possible).

B) changes that **have no impact on the implementation contract** and must be submitted through modification request via the IS CEDR:

- request for the implementation of new activities financed from savings (e.g.eg realisation of a additional foreign business trip)
- creation of new items in the budget (the total amount of the grant remains the same).

The modification request must be submitted no later than **10 working days** before the date of implementation of the activities affected by the modification. In exceptional cases, a shorter term is acceptable if duly justified and provided that the administration of such a modification request is feasible.

~~request for merging of monitoring periods (in exceptional cases, if the Final Beneficiary in the standard six months monitoring period does not realise any activities and/or expenditures, the monitoring period may be prolonged to 12 months if agreed)~~

2. Non-substantial changes

C) changes, which will be approved in the interim/final report and which **must be duly justified by the FB** as regards their compliance with the 3E principle, clear contribution to strengthening of bilateral relations and/or necessity for successful implementation of the initiative:

- changes in utilization of the existing budget items (eg. change in unit prices, transfers between items¹⁸),
- changes of the composition/number of the participants of the initiative due to unforeseen circumstances (e.g. due to illness),
- partial changes of planned programme (e.g. change of location of the excursion, programme extension etc.).

These changes will be described and justified by the FB in the narrative part of the interim/final report. **It is however strongly recommended to consult the changes type C**), especially those impacting approved number of participants of the initiative, indicators of the initiative or coordination/management costs with the NFP before such modifications take effect. Expenditures related to modifications not compliant with **the 3E** principle, having no clear contribution to strengthening of bilateral relations and/or unnecessary for successful implementation of the initiative shall not be reimbursed.

D) Changes, which must be referred via the Message board within the IS CEDR:

- change of the statutory representative of the Donor state FB (notification to the NFP as soon as possible);
- request for merging of monitoring periods (in exceptional cases, if the Final Beneficiary in the standard six months monitoring period does not realise any activities and/or expenditures, the monitoring period may be prolonged to 12 months if agreed).

If a change requiring the NFP's prior approval is implemented without its prior approval, the expenses associated with this change will be considered as ineligible.

XIV. On-site control of the initiative

The NFP can execute on-site controls of the approved initiatives. The aim of these controls is to compare the reality with the data and information given in the interim/final reports, from financial as well as factual aspects.

The control is carried out by the NFP and/or entities authorized by the NFP, regional tax office, the Supreme Audit Office, representatives of CA, Audit Authority, FMO, the Financial Mechanism Committee, the Board of Auditors, EFTA, The Office of the Auditor General of Norway and The Norwegian Ministry of Foreign Affairs or by persons authorized by the NFP.

¹⁸ Transfers from or to the budget items defined as a lump sum are not allowed if they are connected with increase or decrease of the unit price. The transfer connected with increase or decrease of number of units is acceptable if justified (e.g.eg in case of increase/decrease of the number of participants).

If requested by the control authorities, the FB is obliged to cooperate with given entities on the executed control and to provide all documents and information to substantiate the fulfilment of the approved initiative.

In case the NFP or other control authority detects irregularities, these are dealt with in accordance with the rules stated in the following Chapter XIV – Irregularities in the supported initiatives.

XV. Irregularities in supported initiatives

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 negatively affect or endanger any stage of the implementation and/or the budget 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 NFP in any case of suspected irregularity. In cases of suspected serious irregularity the NFP may suspend payments for a given initiative for the necessary time.

The NFP is entitled to withhold the grant or its part if it considers that the FB has breached legal obligations, failed to comply with the purpose of the grant or the conditions under which the grant was awarded (§ 14e of Act no.218/2000 Coll.). The amount of the unpaid part of the grant will be determined in accordance with the table of grant recoveries for breach of budgetary discipline/table of corrections for breaching the *Implementation contract* (the table is a part of the *Implementation contract*). The NFP shall inform the FB, the JCBF and the tax office about this measure. The FB is entitled to submit an objection against the measure. The NFP shall inform competent tax office about the possible decision on objections.

In case that the NFP, based on control findings, assumes that the FB breached a grant award condition for which the NFP sets lower grant recoveries and the nature of which allows for remedy, the NFP asks the FB to implement remedial measures and sets a deadline for their implementation (§ 14f article 1 of Act no. 218/2000 Coll.). The NFP shall promptly notify the tax office of the issue and how the FB responded to request for implementation of remedial measures.

If the NFP, based on the control findings, assumes that the FB has breached the legal obligation, failed to comply with the purpose of the grant or the conditions under which the grant was awarded and it is not possible to implement remedial measures, the NFP asks the FB to return the grant or its part (in line with § 14f paragraph 3 of Law no. 218/2000 Coll.). The amount of the returned part of the grant will be determined in accordance with the table of grant recoveries for breaching the budgetary discipline/table of corrections for breaching the *Implementation contract* (see **Annexes 9 and 10**). The NFP shall promptly notify the tax office of the issue and how the FB responded to request for return of the grant or its part.

If the FB fails to implement remedial measures or does not return a grant or its part (which is understood as breaching of budgetary discipline), the NFP shall submit a request for the decision in the matter to the tax office.

Information regarding the submission of *Grant Applications* within the open call shall be published:

at the NFP websites. www.eeagrants.cz/en and www.norwaygrants.cz/en

and at the websites of the Royal Norwegian Embassy in Prague: <https://www.norway.no/cs/czech-republic>.

- Any general queries concerning the Open Call (e.g. submission of the Grant Application, conditions of the Call, the method of appraisal and awarding of the grant) may be sent by e-mail: czp@mfcz.cz. Replies will be sent by e-mail within 10 days. If urgent, questions may be addressed also to telephone number + 420 257 044 564. Please note that only written answers are binding.
- Technical queries related to the use of CEDR may be sent to hot-line_ehp@asd-software.cz.
- Questions concerning the assistance with search for Norwegian partners may be addressed to emb.prague@mfa.no or telephone number + 420 257 111 500.

Annexes

1. Eligible expenditures of the Bilateral Fund
2. Grant Application for bilateral initiative
3. List of indicators for bilateral initiatives
4. Requirements Check-list
5. Implementation Contract – Czech applicants
6. Implementation Contract – Donor state applicants
7. Letter of Deputy Minister of Finance – Czech applicants – OUS
8. Letter of Deputy Minister of Finance – Czech applicants – SCO
9. Table of grant/funds recoveries
10. Table of corrections – Czech applicants
11. Interim monitoring report including payment request
12. Final monitoring report including payment request
13. Modification request
14. Report certifying the costs claimed within the initiative
15. EEA and Norway Grants logo package
16. Bank Identification (form) – Czech applicants
17. Bank Identification (form) – Donor state applicants
18. Partnership Agreement – recommendations on the content