EEA Financial Mechanism 2014-2021

Norwegian Financial Mechanism 2014-2021

PROGRAMME AGREEMENT

between

The Financial Mechanism Committee and the Norwegian Ministry of Foreign Affairs
Hereinafter referred to as the “Donors”

and

The International Relations Department, Ministry of Finance of the Czech Republic,
hereinafter referred to as the “National Focal Point”,
representing Czech Republic,
hereinafter referred to as the “Beneficiary State”

together hereinafter referred to as the “Parties”

for the financing of the Programme “Research”

hereinafter referred to as the “Programme”

Chapter 1
Scope, Legal Framework, and Definitions

Article 1.1
Scope

This programme agreement between the Donors and the National Focal Point lays down the rights and obligations of the Parties regarding the implementation of the Programme and the financial contribution from the EEA and the Norwegian Financial Mechanisms 2014-2021 to the Programme.

Article 1.2
Legal Framework

1. This programme agreement shall be read in conjunction with the following documents which, together with this programme agreement, constitute the legal framework of the EEA and Norwegian Financial Mechanisms 2014-2021:

(a) the Agreement between the Kingdom of Norway and the European Union on the Norwegian Financial Mechanism 2014-2021 (hereinafter referred to as the "Agreement") and Protocol 38c to the EEA Agreement on the EEA Financial Mechanism 2014-2021 (hereinafter referred to as "Protocol 38c";

(b) the Regulation on the implementation of the EEA Financial Mechanism 2014-2021 and the Regulation on the implementation of the Norwegian Financial Mechanism 2014-2021 (hereinafter referred to as the "Regulations") issued by the Financial Mechanism Committee in accordance with Article 10(5) of Protocol 38c and by the Norwegian Ministry of Foreign Affairs in accordance with Article 10(5) of the Agreement;

(c) the Memorandum of Understanding on the Implementation of the EEA Financial Mechanism 2014-2021 and the Memorandum of Understanding on the Implementation of the Norwegian Financial Mechanism 2014-2021 (hereinafter referred to as the "MoUs"), entered into between the Donors and the Beneficiary State; and

(d) any guidelines adopted by the Donors in accordance with the Regulations.

2. In case of an inconsistency between this programme agreement and the Regulations, the Regulations shall prevail.

3. The legal framework is binding for the Parties. An act or omission by a Party to this programme agreement that is incompatible with the legal framework constitutes a breach of this programme agreement by that Party.

Article 1.3
Definitions

Terms used and institutions and documents referred to in this programme agreement shall be understood in accordance with the Regulations, in particular Article 1.6 thereof, and the legal framework referred to in Article 1.2 of this programme agreement.

Article 1.4
Annexes and hierarchy of documents

1. Annexes attached hereto form an integral part of this programme agreement. Any reference to this programme agreement includes a reference to its annexes unless otherwise stated or clear from the context.

2. The provisions of the annexes shall be interpreted in a manner consistent with this programme agreement. Should the meaning of any provision of the said annexes, so interpreted, remain inconsistent with this programme agreement, the provisions of the annexes shall prevail, provided that these provisions are compatible with the Regulations.

3. Commitments, statements and guarantees, explicit as well as implicit, made in the preparation of the programme are binding for the National Focal Point and the Programme Operator unless otherwise explicitly stipulated in the annexes to this programme agreement.

Chapter 2
The Programme

Article 2.1
Co-operation

1. The Parties shall take all appropriate and necessary measures to ensure fulfilment of the obligations and objectives arising out of this programme agreement.

2. The Parties agree to provide all information necessary for the good functioning of this programme agreement and to apply the principles of implementation as set out in the Regulation.

3. The Parties shall promptly inform each other of any circumstances that interfere or threaten to interfere with the successful implementation of the Programme.

4. In executing this programme agreement the Parties declare to counteract corrupt practices. Further, they declare not to accept, either directly or indirectly, any kind of offer, gift, payments or benefits which would or could be construed as illegal or corrupt practice. The Parties shall immediately inform each other of any indication of

corruption or misuse of resources related to this programme agreement.

Article 2.2
Main responsibilities of the Parties

1. The National Focal Point is responsible and accountable for the overall management of the EEA and Norwegian Financial Mechanisms 2014-2021 in the Beneficiary State and for the full and correct implementation of this programme agreement. In particular, the National Focal Point undertakes to:

(a) comply with its obligations stipulated in the Regulations and this programme agreement;

(b) ensure that the Certifying Authority, the Audit Authority, the Irregularities Authority and the Programme Operator properly perform the tasks assigned to them in the Regulations, this programme agreement and the programme implementation agreement;

(c) take all necessary steps to ensure that the Programme Operator is fully committed and able to implement and manage the Programme;

(d) take the necessary measures to remedy irregularities in the implementation of the Programme and ensure that the Programme Operator takes appropriate measures to remedy irregularities in Projects within the Programme, including measures to recover misspent funds;

(e) make all the necessary and appropriate arrangements in order to strengthen or change the way the Programme is managed.

2. The Donors shall, subject to the rules stipulated in the legal framework referred to in Article 1.2 of this programme agreement, make available to the Beneficiary State a financial contribution (hereinafter referred to as "the programme grant") to be used exclusively to finance the eligible cost of the Programme.

Article 2.3
Objective and outcomes of the Programme

1. This programme agreement sets out the objective, outcome(s), outputs, indicators and targets for the Programme.

2. The National Focal Point shall ensure that the Programme Operator implements and completes the Programme in accordance with the objective, outcome(s), outputs, indicators and targets set for the Programme.

Article 2.4
Programme grant

1. The maximum amount of the programme grant, the programme grant rate, and the estimated eligible cost of the Programme shall be as specified in this programme agreement.

2. The Programme is supported by grants from both the EEA and the Norwegian Financial Mechanism. Nevertheless, this programme agreement may contain provisions applicable only to the support from the EEA Financial Mechanism and/or provisions applicable only to the support from the Norwegian Financial Mechanism.

3. The financial plan annexed to this programme agreement shall:

(a) contain a breakdown between the Programme's budget headings;

(b) contain a breakdown between the support from the EEA Financial Mechanism and the Norwegian Financial Mechanism;

(c) indicate the agreed advance payment, if any.

4. The management cost of the Programme Operator shall not exceed the amount specified in this programme agreement.

Article 2.5
Special conditions and programme specific rules

1. This programme agreement shall list any conditions set by the Donors with reference to paragraph 2 of Article 6.3 of the Regulations. The National Focal Point shall ensure compliance with these conditions and take the necessary steps to ensure their fulfilment.

2. The National Focal Point shall ensure compliance with any other programme specific rules laid down in this programme agreement.

Article 2.6
Programme implementation agreement

With reference to Article 6.8 of the Regulations and without prejudice to paragraph 2 thereof, the National Focal Point shall, before any payment is made to the Programme, sign a programme implementation agreement with the Programme Operator. The National Focal Point shall notify the Donors of such signing.

Article 2.7
Reporting

The National Focal Point shall ensure that the Programme Operator provides financial reports, annual programme reports and a final programme

report in accordance with Chapter 9 and Articles 6.11 and 6.12 of the Regulations as well as statistical reporting in accordance with guidelines adopted by the Donors.

Article 2.8
External monitoring

The external monitoring and audit referred to in Articles 11.1, 11.2, 11.3 and 11.4 of the Regulations shall not in any way relieve the National Focal Point or the Programme Operator of their obligations under the legal framework regarding monitoring of the Programme and/or its projects, financial control and audit.

Article 2.9
Modification of the Programme

1. Unless otherwise explicitly stipulated in this programme agreement, any modification of the Programme is subject to prior approval by the Donors.

2. Programme specific exceptions from paragraph 1, if any, are set in the annexes to this programme agreement.

3. Expenditures incurred in breach of this article are not eligible.

4. Should there be a doubt as to whether the proposed modifications require approval by the Donors, the National Focal Point shall consult the Donors before such modifications take effect.

5. Requests for modifications shall be submitted and assessed in accordance with Article 6.9 of the Regulations.

Article 2.10
Communication

1. All communication to the Donors regarding this programme agreement shall take place in English and be directed to the Financial Mechanism Office (hereinafter referred to as the FMO), which represents the Donors towards the National Focal Point and the Programme Operator in relation to the implementation of the Programme.

2. To the extent that original documents are not available in the English language, the documents shall be accompanied by full and accurate translations into English. The National Focal Point shall bear the responsibility for the accuracy of the translation that it provides and the possible consequences that might arise from any inaccurate translations.

Article 2.11
Contact information

1. The contact information of the Programme Operator is as specified in this programme agreement.

2. The contact information for the Donors and the Financial Mechanism Office are:

Financial Mechanism Office
Att: Director
EFTA Secretariat
Rue Joseph II, 12-16
1000 Brussels
Telephone: +32 (0)2 286 1701
Telefax (general): +32 (0)2 211 1889
E-mail: fmo@efta.int

3. Changes of or corrections to the contact information referred to in this article shall be given in writing without undue delay by the Parties to this programme agreement.

Article 2.12
Representations and Warranties

1. This programme agreement and the awarding of the programme grant is based on information provided by, through, or on behalf of the National Focal Point to the Donors prior to the signing of this programme agreement.

2. The National Focal Point represents and warrants that the information provided by, through, or on behalf of the National Focal Point, in connection with the implementation or conclusion of this programme agreement are authentic, accurate and complete.

Chapter 3
Projects

Article 3.1
Selection of projects and award of grants

1. The National Focal Point shall ensure that the Programme Operator selects projects in accordance with Chapter 7 of the Regulations and this programme agreement.

2. Eligibility of project promoters and project partners is stipulated in Article 7.2 of the Regulations and, in accordance with paragraph 4 thereof, subject only to the limitations stipulated in this programme agreement.

3. Pre-defined projects shall be outlined in this programme agreement.

4. The National Focal Point shall take proactive steps to ensure that the Programme Operator complies fully with Article 7.5 of the Regulations.

Article 3.2
Project contract

1. For each approved project a project contract shall be concluded between the Programme Operator and the Project Promoter.

2. In cases where a project contract cannot, due to provisions in the national legislation, be made between the Programme Operator and the Project Promoter, the Beneficiary State may instead issue a legislative or administrative act of similar effect and content.

3. The content and form or the project contract shall comply with Article 7.6 of the Regulations.

4. The National Focal Point shall ensure that the obligations of the Project Promoter under the project contract are valid and enforceable under the applicable law of the Beneficiary State.

Article 3.3
Project partners and partnership agreements

1. A project may be implemented in a partnership between the Project Promoter and project partners as defined in paragraph 1(w) of Article 1.6 of the Regulations. If a project is implemented in such a partnership, the Project Promoter shall sign a partnership agreement with the project partners with the content and in the form stipulated in Article 7.7 of the Regulations.

2. The partnership agreement shall be in English if one of the parties to the agreement is an entity from the Donor States.

3. The eligibility of expenditures incurred by a project partner is subject to the same limitations as would apply if the expenditures were incurred by the Project Promoter.

4. The creation and implementation of the relationship between the Project Promoter and the project partner shall comply with the applicable national and European Union law on public procurement as well as Article 8.15 of the Regulations.

5. The National Focal Point shall ensure that the Programme Operator verifies that the partnership agreement complies with this article. A draft partnership agreement or letter of intent shall be submitted to the Programme Operator before the signing of the project contract.

Chapter 4
Finance

Article 4.1
Eligible expenditures

1. Subject to Article 8.7 of the Regulations, eligible expenditures of this Programme are:

(a) management costs of the Programme Operator in accordance with the detailed budget in the financial plan;

(b) payments to projects within this Programme in accordance with the Regulations, this programme agreement and the project contract.

2. Eligible expenditures of projects are those actually incurred by the Project Promoter or project partners, meet the criteria set in Article 8.2 of the Regulations and fall within the categories and fulfil the conditions of direct eligible expenditure set in Article 8.3 of the Regulations, the conditions regarding the use of standard scales of unit costs set in Article 8.4 of the Regulations as well as indirect costs in accordance with Article 8.5 of the Regulations.

3. The first date of eligibility of expenditures in projects shall be set in the project contract in accordance with Article 8.13 of the Regulations. The first date of eligibility of any pre-defined projects shall be no earlier than the date on which the National Focal Point notifies the Donors of a positive appraisal of the pre-defined projects by the Programme Operator in accordance with paragraph 3 of Article 6.5 of the Regulations.

4. The maximum eligible costs of the categories referred to in paragraph 1 are set in this programme agreement. Programme specific rules on the eligibility of expenditure set in this programme agreement shall be complied with.

Article 4.2
Proof of expenditure

Costs incurred by Programme Operators, Project Promoters and project partners shall be supported by documentary evidence as required in Article 8.12 of the Regulations.

Article 4.3
Payments

1. Payments to the Programme shall be made when all relevant conditions for payments stipulated in this programme agreement and the Regulations have been fulfilled.

2. Payments to the Programme shall take the form of an advance payment, interim payments and payment of the final balance and shall be made in accordance with Articles 9.2, 9.3 and 9.4 of the Regulations.

3. Payments of the project grant to the Project Promoters may take the form of advance payments, interim payments and payments of the final balance. The level of advance payments and their off-set mechanism is set in this programme agreement.

4. The National Focal Point shall ensure that payments are transferred in accordance with paragraph 2 of Article 9.1 of the Regulations.

5. Chapter 9 of the Regulations shall apply to all aspects related to payments, including currency exchange rules and handling of interests on bank accounts.

Article 4.4
Transparency and availability of documents

The National Focal Point shall ensure an audit trail for financial contributions from the EEA and Norwegian Financial Mechanisms 2014-2021 to the Programme in accordance with Article 9.8 of the Regulations.

Article 4.5
Irregularities, suspension and reimbursements

The Donors have the right to make use of the remedies provided in the Regulations, in particular Chapter 13 thereof. The National Focal Point has a duty to take all necessary measures to ensure that the provisions in Chapter 12 and 13 of the Regulations regarding irregularities, suspension of payments, financial corrections and reimbursement are complied with.

Chapter 5
Final provisions

Article 5.1
Dispute settlement

1. The Parties waive their rights to bring any dispute related to the programme agreement before any national or international court, and agree to settle such a dispute in an amicable manner.

2. If a demand for reimbursement to the Donors is not complied with by the Beneficiary State, or a dispute related to a demand for reimbursement arises that cannot be solved in accordance with paragraph 1, the Parties may bring the dispute before Oslo Tingrett.

Article 5.2
Termination

1. The Donors may, after consultation with the National Focal Point, terminate this programme agreement if:

(a) a general suspension decision according to Article 13.6 of the Regulations or a decision to suspend payments according to paragraph 1(h) of Article 13.1 of the Regulations has not been lifted within 6 months of such a decision;

(b) a suspension of payments according to Article 13.1 of the Regulations, other than under paragraph 1(h), has not been lifted within one year of such a decision;

(c) a request for reimbursement according to Article 13.2 of the Regulations has not been complied with within one year from such a decision;

(d) the Programme Operator becomes bankrupt, is deemed to be insolvent, or declares that it does not have the financial capacity to continue with the implementation of the Programme; or

(e) the Programme Operator has, in the opinion of the Donors, been engaged in corruption, fraud or similar activities or has not taken the appropriate measures to detect or prevent such activities or, if they have occurred, nullify their effects.

2. This programme agreement can be terminated by mutual agreement between the Parties.

3. Termination does not affect the right of the Parties to make use of the dispute settlement mechanism referred to in Article 5.1 or the right of the Donors to make use of the remedies provided in Chapter 13 of the Regulations.

Article 5.3
Waiver of responsibility

1. Any appraisal of the Programme undertaken before or after its approval by the Donors, does not in any way diminish the responsibility of the National Focal Point and the Programme Operator to verify and confirm the correctness of the documents and information forming the basis of the programme agreement.

2. Nothing contained in the programme agreement shall be construed as imposing upon the Donors or the FMO any responsibility of any kind for the supervision, execution, completion, or operation of the Programme or its projects.

3. The Donors do not assume any risk or responsibility whatsoever for any damages, injuries, or other possible adverse effects caused by the Programme or its projects including, but not limited to inconsistencies in the planning of the Programme or its projects, other project(s) that might affect it or that it might affect, or public discontent. It is the full and sole responsibility of the National Focal Point and the Programme Operator to satisfactorily address such issues.

4. Neither the National Focal Point, the Programme Operator, entities involved in the implementation of projects, nor any other party shall have recourse to the Donors for further financial support or assistance to the Programme in whatsoever form over and above what has been provided for in the programme agreement.

5. Neither the European Free Trade Association, its Secretariat, including the FMO, its officials or employees, nor the Donors, the NMFA, the FMC, its members or alternate members, nor the EFTA States, can be held liable for any damages or injuries of whatever nature sustained by the National Focal Point or the Beneficiary State, the Programme Operator, Project Promoters or any other third person, in connection, be it direct or indirect, with this programme agreement.

6. Nothing in this programme agreement shall be construed as a waiver of diplomatic immunities and privileges awarded to the European Free Trade Association, its assets, officials or employees.

Article 5.4
Entry into force and duration

1. This programme agreement shall enter into force on the date of the last signature of the Parties.

2. This programme agreement shall remain in force until five years have elapsed after the date of the acceptance of the final programme report.

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This programme agreement is drawn up in two originals in the English language.

For the Donors

Signed in Oslo on 21/06/2019

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Niels Engelschion
Chairman of the EEA Financial Mechanism Committee Director General, Norwegian Ministry of Foreign Affairs

For the National Focal Point

Signed in Prague on 22/07/2019

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Zuzana Matyasova

Director International Relations Department
Ministry of Finance of the Czech Republic

Annex I to the Programme Agreement

Programme Operators and Partners	
Programme Operator:	Technology Agency of the Czech Republic (TACR)
Donor Programme Partner:	Research Council of Norway (RCN)
IPO:	-
Other Programme Partner(s):	-

Programme Objective	Enhanced research-based knowledge development

PA	Outcome/Output	Expected programme results	Indicator	Disaggregation	Unit of measurement	Source of verification	Frequency of reporting	Baseline values	Baseline year	Target value
PA02	Outcome 1	Enhanced performance of Czech research and development internationally	Number of new products/technologies developed[1]	Financial Mechanism, CCS	Cumulative number	Project Promoters' records	Annually (APR)	0	N/A	40
			Number of jointly registered applications for Intellectual Property Protection[2]	Financial Mechanism, CCS, Applicant type	Cumulative number	Copies of filed application(s)/registration reference	Annually (APR)	0	N/A	20
			Number of joint, peer-reviewed, scientific publications submitted[3]	Financial Mechanism, CCS, Donor State, Research discipline, Type of scientific publication	Cumulative number	Proof of submission	Annually (APR)	0	N/A	20
	Output 1.1	Production of new research facilitated	Number of research organisations supported	CCS, State type	Cumulative number	Copies of Project Contracts, Partnership	Semi-annually (APR and	0	N/A	40

[1] E.g. patents, pilot plants, verified technologies, utility models, industrial (registered) designs, prototypes, functional samples, results projected into legislation, norms, national R&D strategy, methodologies, specialized maps with technical/scientific content (Nmap), software.
[2] Studies to address knowledge gaps on potential sites for CO2 capture projects, transport solutions and storage solutions.
[3] Gold Open Access, pending Open Access, other

						Agreements, Project Promoters' records	September IFR)			
			Number of CCS projects with support for a pre-commercial phase[4]	N/A	Cumulative number	Project Promoters' records	Annually (APR)	0	N/A	5
			Number of researchers supported[5]	Financial Mechanism, CCS, Gender, State type, Type of graduate degree	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	240
	Output 1.2	Enterprises supported to develop innovative use of research results	Number of SMEs supported	Financial Mechanism	Cumulative number	Copies of contracts signed with Project Promoters; Project Promoters' reports, partnership agreements	Semi-annually (APR and September IFR)	0	N/A	40
			Number of large companies supported	N/A	Cumulative number	Copies of Project Contracts, Partnership Agreements, Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	2
			Number of partnership projects between SMEs and research organizations established	N/A	Cumulative number	Copies of Project Contracts, Partnership Agreements, Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	30
PA02	Bilateral Outcome	Enhanced collaboration between beneficiary	Level of trust between cooperating entities in Beneficiary States and Donor States	N/A	Scale 1-7	Survey results	Annually (APR)	6.28[6]	2023[7]	4.5[8]

[4] Including e.g feasibility stydy and/or pre-commercialisation phase
[5] PhD/Postdoc
[6] Survey carried out by the FMO
[7] Latest available baseline
[8] ≥4.5 and an increase on the baseline

		and donor state entities involved in the programme	Level of satisfaction with the partnership	N/A	Scale 1-7	Survey results	Annually (APR)	6.34[9]	2023[10]	4.5[11]
			Share of cooperating organisations that apply the knowledge acquired from bilateral partnership	N/A	Percentage	Survey results	Annually (APR)	N/A	N/A	50 %
			Number of joint applications for further funding	Donor State, Funding source (applied for)	Cumulative number	Copies of the application for funding	Annually (APR)	0	N/A	5
	Bilateral Output 1	Knowledge transferred between Donor States entities and CZ entities	Number of capacity building events between DS and CZ entities[12]	CCS	Cumulative number	Attendance sheets (Project Promoters' records)	Semi-annually (APR and September IFR)	0	N/A	80
			Number of projects involving cooperation with a donor project partner	N/A	Cumulative number	Copies of Project Contracts, Partnership Agreements	Semi-annually (APR and September IFR)	0	N/A	40

[9] Survey carried out by the FMO
[10] Latest available baseline
[11] ≥4.5 and an increase on the baseline
[12] E.g. Brokerage events, idea light lab seminars

Conditions

General

1. The National Focal Point shall ensure that pursuant to Article 1.5.2 of the Regulation that the Programme Operator shall ensure that any additional provisions to the implementation of the Programme shall be kept to a minimum, and to this end the Donor Programme Partner shall be closely involved in and effectively contribute to the development of the project contract and any other document(s) relevant to the implementation of the programme, especially those affecting the relation of the project promoter and partner(s).

2. Approximately 30% of the total eligible expenditure of the Norwegian Financial Mechanisms shall be allocated to support carbon capture and storage (CCS) projects.

Pre-eligibility

Not applicable

Pre-payment

Not applicable

Pre-completion

Not applicable

Post-completion

Not applicable

Eligibility of costs - period	**First date**	**Final date**
Eligibility of costs	05/09/2017	30/04/2025
Grant rate and co-financing		
Programme eligible expenditure (€)		€ 35,188,235
Programme grant rate (%)		85.00 %
Maximum amount of Programme grant - EEA Financial Mechanism (€)		€ 14,000,000
Maximum amount of Programme grant - Norwegian Financial Mechanism (€)		€ 15,910,000
Maximum amount of Programme grant - Total (€)		€ 29,910,000

PA	Budget Heading	EEA Grants	Norway Grants	Total grant	Programme grant rate	Programme co-financing	Programme eligible expenditure	Advance payment
PA02	Programme management	€ 1,099,000	€ 1,256,000	€ 2,355,000	85.00 %	€ 415,588	€ 2,770,588	n/a
PA02	Outcome 1 (EEA Grants)	€ 12,901,000		€ 12,901,000	85.00 %	€ 2,276,647	€ 15,177,647	n/a
PA02	Outcome 1 (Norway Grants)		€ 14,654,000	€ 14,654,000	85.00 %	€ 2,586,000	€ 17,240,000	n/a
Total		**€ 14,000,000**	**€ 15,910,000**	**€ 29,910,000**	**85.00 %**	**€ 5,278,235**	**€ 35,188,235**	**€ 0**

Retention of management costs	
Retention of management costs - Percentage of the management costs	10.00 %
Retention of management costs - Planned Euro value	€ 277,059

Research

Operational rules (Annex II)

1. **Programme summary**

This Annex sets out the operational rules for the programme. The programme agreement is based on the MoUs, the concept note, and comments made by the FMC. Commitments, statements and guarantees, explicit as well as implicit, made in the concept note, are binding for the National Focal Point and the Programme Operator unless otherwise explicitly stipulated in the annexes to this programme agreement.

The Programme Operator (PO) is the Technology Agency of the Czech Republic (TA CR). The Research Council of Norway (RCN) is the Donor Programme Partner (DPP).

The programme ***objective: "Enhanced research-based knowledge development"*** shall be attained through ***one outcome "Enhanced performance of Czech research and development internationally"***, by way of one call for proposals.

The call for proposals shall be launched under the EEA and Norway Financial Mechanisms 2014-2021 for applied research projects. Applied research includes industrial research, experimental development, innovation or a combination thereof. The call shall include a CCS component, but otherwise be thematically open.

The programme shall support capacity building in applied research, including supporting the small and medium-sized enterprises (SME), social sciences, humanities and arts research, and careers of female researchers and early stage researchers.

In accordance with the Guideline for Research Programmes, the programme shall follow the principles and practice of European framework programmes (i.e. Horizon 2020 and to Horizon Europe) for research and innovation. The programme will pay particular attention to the implementation of principles and provisions on Open Science.

2. Eligibility

2.1 Eligible applicants:

The provisions of Chapter 8 of the Guideline for Research Programmes contain the rules on eligibility of applicants and project partners. The following limitations to these provisions shall be placed:

a) Eligible project promoter (applicant):

- Research organisations, as defined in the Article 2 paragraph 83 of the Commission Regulation (Commission Regulation (EU) No 651/2014 of 17 June 2014) and EU Framework for State aid for research and development and innovation (2014/C 198/01), established in the Czech Republic.
- SMEs and large enterprises in accordance with annex 1 article 1 of the Commission Regulation (Commission Regulation (EU) No 651/2014 of 17 June 2014) declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty established in the Czech Republic. In the case of enterprises founded less than18 months prior to the submission deadline of the application a financial plan shall be submitted together with the application.

b) Eligible project partners:

- Research organizations and SMEs and large enterprises as described above under a) established in the Czech Republic, the Kingdom of Norway, Iceland, and the Principality of Liechtenstein (for projects financed by EEA FM).

- Research organizations and SMEs and large enterprises as described above under a) established in the Czech Republic, and the Kingdom of Norway (for projects financed by Norwegian FM).
- Research organisations from third countries[1]. Provisions on allocation from the project budget shall be further specified in the call for proposals.

All projects shall include partnerships between Czech and Donor State entities.

Minimum condition for the composition of partnerships (type and number of participants) shall be specified in the call for proposals, following the advice of the Programme Committee. When the donor project partner is from Norway, the partner shall be approved by the RCN (DPP), in accordance with the provisions of the RCN guidelines for approval of research organisation; only one project partner from Norway needs to be approved by the RCN, per project.

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[1] Third country is any country except for the Czech Republic, Norway, Iceland and Liechtenstein.

2.2 Special rules on eligibility of costs:
Chapter 8 of the Regulation contains the rules on eligibility of costs. The following exceptions are made:

- The purchase of real estate and/or land shall not be eligible.
- Article 10.8 of the Guideline for Research Programmes concerning indirect costs shall apply. Alternatively, Norwegian entities classified as 'Research Institutes' may use standard scales of unit costs in accordance with Article 8.4.1 (b) of the Regulation: According to the Research Council of Norway's procedure for 'Payroll and indirect costs', the Norwegian entities classed as 'Research Institutes' calculate the payroll and indirect costs together, as hourly rates for the staff participating in a project. The RCN will ensure the verification of conformity of unit scales used by the project partners.

3. Bilateral relations
3.1 Bilateral relations
The Programme shall contribute to strengthening bilateral relations between the Czech Republic and the Donor States. The Programme shall as appropriate facilitate donor partnership projects by carrying out, inter alia, match-making events and activities in conjunction with launching the call for proposals, as well as by encouraging donor partnership projects in call texts. The further use of the funds for bilateral relations allocated to the programme shall be agreed with the Research Council of Norway.

4. Selection of projects and financial parameters
4.1 Open calls and availability of funds (including number of calls, duration of calls, and estimated size):
The Programme will be implemented through one main open call, with a CCS component, which will otherwise be without a thematic focus. The grant support for the CCS projects may include a dedicated budget for a feasibility study and/or pre-commercialisation phase, in order to assess the technical or commercial potential of the project.

An additional call(s) will be considered if there is not sufficient demand within the first call and there is enough funding left from the first call and the time scope is still sufficient. Such potential additional call(s) may be thematically restricted according to the advice of experts of the Programme Committee.

Call	Outcome	Estimated timing of the call	Total available amount	Planned minimum grant applied for	Planned maximum grant applied for

Call 1	Outcome 1	Q4 2019	€ 32,523,529 (€ 5,203,764 for CCS)	€ 500,000	€ 1,500,000 (€ 2,500,000 for CCS projects)

4.2 Selection procedures:
The Programme Operator shall follow the selection procedure described in the Guideline for Research Programmes. The call documents shall be prepared in cooperation with the DPP and reviewed and approved by the Programme Committee (PC).

The selection procedure shall respect the following principles:

- The Norwegian Financial Mechanism shall finance projects with Norwegian partners;
- The EEA Financial Mechanical shall finance projects with partners from Norway, Iceland and Liechtenstein.

The Programme Operator shall be responsible for reviewing the applications for compliance with administrative and eligibility criteria in cooperation with the DPP. Applicants whose application is rejected at this stage shall be informed of the reasons of rejection in writing and given 10 working days to appeal that decision to the Programme Operator.

Following the eligibility check, the Programme Operator in consultation with PC and DPP shall decide whether it is appropriate to include a panel review within the selection procedure.

Each application that meets the administrative and eligibility criteria shall be reviewed by three international experts who will independently and separately score the proposal according to the evaluation criteria published with the call for proposals. International experts must be resident and working outside the Czech Republic and the Donors States.

Once all experts have completed their individual assessments, the evaluation shall continue with the consensus assessment representing the experts' common views. The experts shall approve the consensus report including their scores and comments.

The Programme Operator shall review results of the expert evaluation and prepare preliminary ranking lists[1] to the Programme Committee. The budget under the EEA financial mechanism shall be absorbed before the budget under the Norwegian financial mechanism is attributed to the ranked projects.

The Programme Committee shall consist of five members including Chairman and four members representing the research community. The provisions on conflict of interest of the Regulation (Article 7.5) shall apply to the members of the Programme Committee. Representatives of the Programme Operator are the secretary without voting rights. Three members, appointed by the Programme Operator shall be from the Czech Republic and two members, appointed by the DPP from the Donors States. The Programme Operator shall invite the DPP, the NFP, and the representatives of the Donors to participate in the Programme Committee as observers. The Programme Committee shall review the ranked lists of projects. The Programme Committee shall modify the ranking of the projects in justified cases. The justification for modifications shall be detailed in the minutes of the meeting of the Programme Committee. The Chair of the Programme Committee shall submit the minutes and the lists of recommended projects, together with the reserve lists and the lists of rejected project applications and the reason for their rejection to the Programme Operator.

The Programme Operator shall notify the applicants about the results of the selection process within reasonable time and publicise the results. All unsuccessful applicants shall be provided with a brief description of the reasons for the decision.

Appeals shall be handled by the Programme Operator in accordance with section 8.19 of the Guideline for Research Programmes.

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[1] A separate ranking list will be prepared for the CCS projects.

4.3 Project grant rate:
Grants to all projects from the programme shall aim to provide maximum percentage of the total eligible expenditure of the project, on condition that a part of the total eligible expenditure of the project shall be brought in from own sources as further specified in the call for proposals. The project grant rate shall in all cases be set at a level that complies with the State Aid rules in force and take into account any and all other forms of public support granted to projects. The remaining costs of the project shall be provided or obtained by the Project Promoter.

5. Additional mechanisms within the Programme
5.1 Pre-defined projects
Not applicable.

5.2 Financial Instruments
Not applicable.

6. Programme Management
6.1 Payment flows
The Programme Operator shall ensure that payments to projects are made in a timely manner. Interim and final payments, where applicable, to the projects shall be based on approved project reports.

Payments of the project grant shall take the form of advance payment, interim payments and a final payment. The level of advance payment to projects shall be set out in the project contract. The maximum level of advance payment shall be as follows:

Advance payment	Interim payments	Final payment
Up to 70%	Up to 100%	Outstanding balance based on final report

The advance payment shall be paid following the signature of the project contract. Subsequent payments shall be paid after the approval of annual project reports subject to the consumption of at least 70% of the previous payment(s). The final payment, if applicable, will be paid after approval of the final report.

Payment schedules can be set in project contracts.

An advance payment of a percentage of the total grant amount shall be paid within 1 month from signature of the project contract. The interim payments shall be paid within 1 month after the approval of project interim reports.

Upon approval of the final project report a final balance payment, if applicable, shall be made within 2 months.The final payment may take the form either of a positive payment or of a recovery of the unspent funds paid to the project promoter.

The approval of project interim and final reports shall take place within 2 months from the submission of the required information.

All relevant rules on financial reporting, payment flows and proof of expenditure contained in the Regulation and the Guideline for Research Programmes shall be complied with.

If the Project Promoter is a State Organisational Unit[1], no advance payment is paid, and interim and final payments will be based on principles set out in the Methodology on financial flows, control and certification of programmes financed from the EEA and Norwegian Financial Mechanisms 2014-2021.

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[1] A 'State Organisational Unit' is a type of a public entity associated with the state budget.

6.2 Verification of payment claims

Project Promoters shall submit annual and final reports containing information on incurred expenditure. The Programme Operator will control the eligibility of incurred expenditure following chapter 8 of the Regulation and Guideline for Research Programmes.

The Programme Operator's verification of incurred expenditure comprises administrative verifications (desk checks) and on the spot verifications. As part of verification, the Programme Operator shall carry out on-the-spot checks to account for reported incurred expenditure in Projects. During the on the spot verifications proof of expenditure shall be verified.

The detailed procedure for verification of incurred expenditure, periodicity of reporting periods, and deadlines for reporting will further be detailed in the description of the Programme Operator's management and control systems.

Requirements for the submission of proof of expenditure contained in the Regulation and the Guideline for Research Programmes shall be complied with. Where proof of expenditure is required, this shall be submitted with the final project report referred to in Article 10.3. (Guideline for Research Programmes).

In line with Guideline for Research Programmes, a certificate by an independent auditor qualified to carry out statutory audits of accounting documents, certifying that the claimed costs are incurred in accordance with the Guideline, the Regulation, the national law and relevant national accounting practices, shall be accepted as sufficient proof of expenditure incurred. A certificate issued by a competent and independent public officer recognised by the relevant national authorities as having a budget and financial control capacity over the entity incurring the costs and who has not been involved in the preparation of the financial statements, certifying that the claimed costs are incurred in accordance with the Guideline, this Regulation, the relevant law and national accounting practices, shall also be accepted as sufficient proof of expenditure incurred.

Requirements for the submission of proof of expenditure shall be set in the project contract and the partnership agreement, where relevant.

The interim financial reports of the Programme Operator are verified and approved by the Certifying Authority.

6.3 Monitoring and reporting

The Programme Operator shall monitor, record and report on progress towards the programme's outcomes in accordance with the provisions contained in the legal framework. The Programme Operator shall ensure that suitable and sufficient monitoring and reporting arrangements are made with the project promoters in order to enable the Programme Operator and the NFP to meet its obligations to the donors. When reporting on progress achieved in Annual and Final Programme Reports, the Programme Operator shall disaggregate results achieved as appropriate and in accordance with instructions and templates received from the FMO.

6.4 Programme administrative structures

Not applicable.

7. Communication

The Programme Operator shall comply with Article 3.3 of the Regulation, the Information and Communication Requirements in Annex 3 of the Regulation and the Communication plan for the programme.

8. Miscellaneous

Notwithstanding Article 6.9 of the Regulation and Article 2.9 of the programme agreement, approval of the Final Programme Report in accordance with Article 6.12 of the Regulation, shall be considered as fulfilment of Articles 1.4.3 and 2.3.2 of the programme agreement.