

EEA Financial Mechanism 2009-2014

PROGRAMME AGREEMENT

between

The Financial Mechanism Committee
established by Iceland, Liechtenstein and Norway

and

The Ministry of Finance,
hereinafter referred to as the "National Focal Point",
representing the Czech Republic ,
hereinafter referred to as the "Beneficiary State"

together hereinafter referred to as the "Parties"

for the financing of the Programme "Funds for Non-governmental Organisations"

hereinafter referred to as the "Programme"

Chapter 1

Scope, Legal Framework, and Definitions

Article 1.1

Scope

This programme agreement between the Financial Mechanism Committee (hereinafter referred to as the FMC) 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 Financial Mechanism 2009-2014 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 Financial Mechanism 2009-2014:

- a. Protocol 38b to the EEA Agreement on the EEA Financial Mechanism 2009-2014;
- b. the Regulation on the implementation of the EEA Financial Mechanism 2009-2014 (hereinafter referred to as the "Regulation") issued by the Donor States in accordance with Article 8(8) of Protocol 38b;
- c. the Memorandum of Understanding on the Implementation of the EEA Financial Mechanism 2009-2014 (hereinafter referred to as the "MoU"), entered into between the Donor States and the Beneficiary State; and
- d. any guidelines adopted by the FMC in accordance with the Regulation

2. In case of an inconsistency between this programme agreement and the Regulation, the Regulation 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 Regulation, in particular Article 1.5 thereof, and the legal framework referred to in Article 1.2 of this programme agreement.

Article 1.4

Annexes and hierarchy of documents

1. The programme decision, including the financial plan (Annex I), and the operational rules (Annex II) 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 former shall prevail, provided that these provisions are compatible with the Regulation.

3. Commitments, statements and guarantees, explicit as well as implicit, made in the programme proposal 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 highest degree of transparency, accountability and cost efficiency as well as the principles of good governance, sustainable development, gender equality and equal opportunities.

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 Financial Mechanism 2009-2014 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 Regulation and this programme agreement;
- b. ensure that the Certifying Authority, the Audit Authority, the Monitoring Committee and the Programme Operator properly perform the tasks assigned to them in the Regulation, 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 FMC 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. The programme decision 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 the programme decision.

2. In case the Programme is also supported by the Norwegian Financial Mechanism, this programme agreement shall be interpreted in conjunction with the agreement regulating that support.

3. The financial plan shall:

- a. contain a breakdown between the Programme's budget headings using the description put forward in the template for the programme proposal;
- b. indicate the agreed advance payment, if any.

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

Article 2.5

Special conditions and programme specific rules

1. The programme decision shall list any conditions set by the FMC with reference to paragraph 3 of Article 5.3 of the Regulation. The National Focal Point shall ensure compliance with these conditions and, in a timely manner, 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 the operational rules.

Article 2.6

Programme implementation agreement

1. With reference to Article 5.8 of the Regulation 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 FMC of such signing.
2. The signed programme implementation agreement shall be identical to the draft programme implementation agreement confirmed by the FMC in accordance with paragraph 5 of Article 5.8 of the Regulation with regard to the content required according to paragraph 3 thereof. The National Focal Point shall inform the FMC of any deviation from that confirmed draft which may be subject to a new confirmation according to paragraph 5 of Article 5.8 of the Regulation prior to any payment to the Programme.

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 8 and Articles 5.11 and 5.12 of the Regulation as well as statistical reporting in accordance with the Programme Operator's Manual (Annex 9 to the Regulation).

Article 2.8

External monitoring

The external monitoring and audit referred to in Articles 10.1, 10.2, 10.3 and 10.4 of the Regulation shall not in any way relieve the National Focal Point or the Programme Operator of its obligations under the programme agreement 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 FMC.
2. Modifications that do not affect the objective, outcomes, outputs, indicators or targets of the Programme are permitted without FMC's prior approval provided that they are limited to the following:
 - a. cumulative transfers between budget headings related to outcomes of an amount less than 10 % of total eligible expenditure of the Programme or € 1,000,000, whichever is higher, and
 - b. changes of internal practices of the Programme Operator that are not stipulated in the programme agreement.
3. Programme specific exceptions from paragraphs 1 and 2, if any, are set in the operational rules.
4. Expenditures incurred in breach of this article are not eligible.
5. Should there be a doubt as to whether the proposed modifications require approval by the FMC, the National Focal Point shall consult the FMC before such modifications take effect.
6. Requests for modifications shall be submitted and assessed in accordance with Article 5.9 of the Regulation.

Article 2.10

Communication

1. All communication to the FMC 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 FMC 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.

3. 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.

4. The FMC shall ensure that the National Focal Point is informed about communication between the FMC and the Programme Operator that is relevant for the responsibilities of the National Focal Point under this programme agreement.

Article 2.11

Contact information

1. The contact information of the National Focal Point and the Programme Operator is as specified in the programme proposal.
2. The contact information for the FMC 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 FMC in the programme proposal or other communication 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 the programme proposal, in connection with the programme proposal, the implementation or conclusion of this programme agreement are authentic, accurate and complete.

Chapter 3 Projects

Article 3.1

Selection of projects

1. The National Focal Point shall ensure that the Programme Operator selects projects in accordance with Chapter 6 of the Regulation and the operational rules.
2. Eligibility of applicants is stipulated in Article 6. 2 of the Regulation and, in accordance with paragraph 3 thereof, subject only to the limitations stipulated in the operational rules.
3. Pre-defined projects shall be outlined in the operational rules.
4. The National Focal Point shall take proactive steps to ensure that the Programme Operator complies fully with Article 6.6 of the Regulation.

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 of the project contract shall comply with Article 6.7 of the Regulation.
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 1.5 of the Regulation. 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 6.8 of the Regulation.
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 7.16 of the Regulation.

5. The National Focal Point shall ensure that the Programme Operator verifies that the partnership agreement complies with this article before the signing of the project contract.

Article 3.4

Reallocation of funds

1. Reallocation of unused or cancelled financial contributions to projects shall be made in compliance with Article 6.9 of the Regulation.
2. Project grants not reallocated shall be reimbursed to the FMC in accordance with Article 6.9 of the Regulation.

Chapter 4

Finance

Article 4.1

Eligible expenditures

1. Subject to Article 7.6 of the Regulation, 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 Regulation, this programme agreement and the project contract;
 - c. expenditure of funds for bilateral relations in accordance with Article 7.7 of the Regulation;
2. Expenditure related to the categories referred to in subparagraphs (d), (e) and (f) of Article 7.1 of the Regulation are eligible in accordance with Chapter 7 thereof if such expenditures are explicitly approved by the FMC in the programme decision. The implementation of the activities under these categories shall be in compliance with the operational rules.
3. Eligible expenditures of projects are those actually incurred by the Project Promoter or project partners, meet the criteria set in Article 7.2 of the Regulation and fall within the categories and fulfil the conditions of direct eligible expenditure set in Article 7.3 of the Regulation as well as indirect costs in accordance with Article 7.4 of the Regulation.

Article 4.5

Irregularities, suspension and reimbursements

The FMC has the right to make use of the remedies provided in the Regulation, in particular Chapter 12 thereof. The National Focal Point has a duty to take all necessary measures to ensure that the provisions in Chapter 11 and 12 of the Regulation 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 FMC 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 FMC may, after consultation with the National Focal Point, terminate this programme agreement if:

a. a general suspension decision according to Article 12.6 of the Regulation or a decision to suspend payments according to paragraph 1(h) of Article 12.1 of the Regulation has not been lifted within 6 months of such a decision;

b. a suspension of payments according to Article 12.1 of the Regulation, 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 12.2 of the Regulation 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 FMC, 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.

4. The first date of eligibility of expenditures in projects shall be set in the project contract in accordance with Article 7.14 of the Regulation. 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 FMC of a positive appraisal of the pre-defined projects by the Programme Operator in accordance with paragraph 3 of Article 5.5 of the Regulation.

5. The maximum eligible costs of the categories referred to in paragraphs 1 and 2 are set in the programme decision. Programme specific rules on the eligibility of expenditure set in the programme decision or in the operational rules 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 7.13 of the Regulation.

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 Regulation 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 8.2, 8.3 and 8.4 of the Regulation.

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 the operational rules.

4. The National Focal Point shall ensure that payments are transferred in accordance with paragraph 2 of Article 8.1 of the Regulation.

5. Chapter 8 of the Regulation 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 Financial Mechanism 2009-2014 to the Programme in accordance with Article 8.8 of the Regulation.

- 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 FMC to make use of the remedies provided in Chapter 12 of the Regulation.

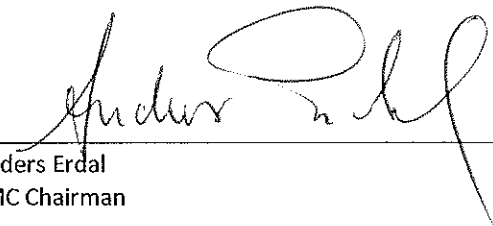
Article 5.3
Waiver of responsibility

- 1. Any appraisal of the Programme undertaken before or after its approval by the FMC, 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 FMC or the FMO any responsibility of any kind for the supervision, execution, completion, or operation of the Programme or its projects.
- 3. The FMC does 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.

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

For the FMC

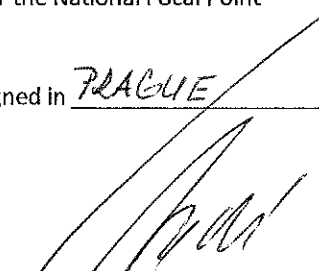
Signed in Prague on 31/10/2013



 Anders Erdal
 FMC Chairman

For the National Focal Point

Signed in PRAGUE on OCTOBER 31, 2013



 Eva Anderová
 Deputy Minister

- 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 FMC 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 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.

Annex I - Programme Decision

1. Expected Outcomes & Indicators for Outputs

Expected Outcome(s): Democratic values, including human rights, promoted

Output

Individuals, whose human rights are being violated or are discriminated, received improved support from NGOs

Output indicator(s)	Baseline	Target	Source of Verification
Number of Individuals	0	320	Final project reports including individual case studies and statistic of supported individuals (Measures: social services, watchdog and advocacy activities)

Output

More women are involved in decision-making and take leadership positions

Output indicator(s)	Baseline	Target	Source of Verification
Number of activities that support women to get more involved in decision-making and take leadership positions	0	4	Final project reports including case studies, press monitoring, photo documentation (Measures: raising-awareness and advocacy activities)

Output

National motivation and information campaign to support democratic values and human rights protection implemented (targeting horizontal concerns)

Output indicator(s)	Baseline	Target	Source of Verification
Number of supported campaigns targeting horizontal concerns	0	2	Final project reports including PR printouts, information materials, press monitoring (Measures: raising awareness)
Number of information materials developed and distributed	0	4	Final project reports including PR printouts, information materials, press monitoring (Measures: raising awareness)

Output

Capacity of Project Promoters strengthened

Output indicator(s)	Baseline	Target	Source of Verification
Number of Project Promoters able to evidence strengthened capacity in area of organizational management, multisource financing and planning and increased expertise	0	20	Final project reports; Entry/Final Self-Assessment Reports (Measures: capacity-building)

Expected Outcome(s): Active citizenship fostered

Output

Volunteering in the Czech Republic further developed through NGO initiatives

Output indicator(s)	Baseline	Target	Source of Verification
Number of Initiatives developed to support volunteering	0	2	Final project reports including PR printouts, press monitoring (Measures: raising-awareness)

Output

Mechanisms created to foster dialogue between citizens, civil society and public administration

Output indicator(s)	Baseline	Target	Source of Verification
Number of mechanisms fostering dialogue between citizens, civil society and public administration	0	3	Final project reports including PR printouts, press monitoring (Measures: watchdog and advocacy activities)

Output

Advocacy, watchdog and monitoring activities and anti-corruption measures supported

Output indicator(s)	Baseline	Target	Source of Verification
Number of advocacy activities and anti-corruption measures	0	6	Final project reports including case studies, press monitoring (Measures: Advocacy, watchdog and monitoring activities)

Output

NGO coalitions and networks in place to build partnerships with state administration, commercial sector and academia

Output indicator(s)	Baseline	Target	Source of Verification
Number of coalitions / platforms / networks in place	0	3	Final project reports including coalitions case studies, press monitoring; statistic of settled coalitions (Measures: networking and advocacy activities)

Output

NGO professionalism improved

Output indicator(s)	Baseline	Target	Source of Verification
Number of system activities supported aiming to improve NGO professionalism	0	3	Final project reports including lists of participants, PR printouts, photo documentation (Measures: capacity-building activities)

Output

Capacity of Project Promoters strengthened

Output indicator(s)	Baseline	Target	Source of Verification
Number of Project Promoters able to evidence strengthened capacity in area of organizational management, multisource financing and planning and increased expertise	0	10	Final project reports; Entry/Final Self-Assessment Reports (Measures: capacity-building)

Expected Outcome(s): Provision of welfare and basic services to defined target groups increased

Output

Services for children and youth (including Roma) with disabilities or social disadvantages improved and available

Output indicator(s)	Baseline	Target	Source of Verification
Number of services for children and youth (including Roma) with disabilities or social disadvantages	0	10	Final project reports including methodologies of improved services; Final project reports including internal statistics, individual case studies, photo documentation (Measures: social services)
Number of children and youth with disabilities or social disadvantages with access to improved services	0	320	Final project reports including methodologies of improved services; Final project reports including internal statistics, individual case studies, photo documentation (Measures: social services)

Output

Information on available services (including free hotlines) for dealing with various life situations shared with the public/spread to the public or known among the public

Output indicator(s)	Baseline	Target	Source of Verification
Number of activities to spread information on available services	0	2	Final project reports including PR printouts, information materials, press monitoring (Measures: raising-awareness)

Output

Cooperation among NGOs, authorities and experts for social and legal protection of children on local or regional level developed or enhanced

Output indicator(s)	Baseline	Target	Source of Verification
Number of cooperations established or strengthened	0	9	Final project reports including cooperations' case studies; statistic of settled cooperation (Measures: advocacy and networking)

Output

Capacity of Project Promoters strengthened

Output indicator(s)	Baseline	Target	Source of Verification
Number of Project Promoters able to evidence strengthened capacity in area of organizational management, multisource financing and planning and increased expertise	0	10	Final project reports; Entry/Final Self-Assessment Reports (Measures: capacity-building)

Expected Outcome(s): Empowerment of vulnerable groups

Output

Increased cooperation among NGOs, schools and counseling centres to ensure the best interest of children and youth, including the development of methodologies to facilitate inclusive education

Output indicator(s)	Baseline	Target	Source of Verification
Number of developed functional cooperations among NGOs, schools and counseling centres	0	4	Final project reports including cooperation's case studies; statistic of settled cooperation (Measures: advocacy and networking)
Number of methodologies developed to ensure the best interest of Roma children and youth	0	1	Final project reports including cooperation's case studies; statistic of settled cooperation (Measures: advocacy and networking)

Output

Roma children and youth included in educational and leisure activities

Output indicator(s)	Baseline	Target	Source of Verification
Number of Roma children and youth included	0	120	Final project reports including internal statistics, individual case studies, photo documentation, information materials, press monitoring (Measures: educational activities)
Number of leisure and educational activities organised where Roma children and youth are included	0	8	Final project reports including internal statistics, individual case studies, photo documentation, information materials, press monitoring (Measures: educational activities)

Output

Capacity of Project Promoters strengthened

Output indicator(s)	Baseline	Target	Source of Verification
Number of Project Promoters able to evidence strengthened capacity in area of organizational management, multisource financing and planning and increased expertise	0	5	Final project reports; Entry/Final Self-Assessment Reports (Measures: capacity-building)

Expected Outcome(s): Increased contribution to sustainable development achieved**Output**

Target groups better informed about the importance of sustainable development, conservation of biodiversity and climate protection

Output indicator(s)	Baseline	Target	Source of Verification
Number of mechanisms (campaigns, educational activities, community actions) fostering interest of target groups in conservation of biodiversity, climate protection and sustainable environment	0	10	Final project reports including PR printouts, information materials, press monitoring and photo documentation (Measures: raising awareness)

Output

Practical measures implemented in conservation of biodiversity and climate protection

Output indicator(s)	Baseline	Target	Source of Verification
Number of natural valuable locations influenced by implementation of projects focusing on conservation of biodiversity and climate protection	0	5	Final project reports including photo documentation (Measures: services)

Output

Number of NGOs able to evidence strengthened capacity

Output indicator(s)	Baseline	Target	Source of Verification
Strengthened capacity of NGOs in following areas: organizational management, multisource financing and planning and increased expertise	0	8	Final project reports; Entry/Final Self-Assessment Reports (Measures: capacity-building)

2. Conditions**2.1 General**

1. The National Focal Point shall ensure that any public support under this Programme complies with the procedural and substantive state aid rules applicable at the time when the public support is granted. The National Focal Point shall, by way of the

- programme implementation agreement, ensure that the Programme Operator maintains written records of all assessments concerning compliance with state aid rules, particularly decisions to award grants and set grant rates, and provides such records to the FMC upon request. The approval of the Programme by the FMC does not imply a positive assessment of such compliance.
2. Bilateral, output and outcome indicators shall be reported on in the annual programme report.
3. The National Focal Point shall ensure that at least 5% of the total allocation to the Programme shall be secured for:
- Roma-relevant general issues (e.g. discrimination);
 - Roma targeted interventions;
 - Poverty related, school attendance - issues specifically relevant for Roma.
4. The National Focal Point shall ensure that the Programme Operator informs and coordinates its actions with the Operators of the relevant programmes in the Czech Republic in order to avoid overlap and to seek and achieve synergies.

2.2 Pre-eligibility

Not applicable.

2.3 Pre-payment

Not applicable.

2.4 Pre-completion

Not applicable.

2.5 Post-completion

Not applicable.

2.6 Other

Not applicable.

3. Eligibility of costs

3.1 Eligibility of costs - period

Eligibility of costs (excluding prog prep costs): 24/06/2013-30/04/2017

Eligibility of programme proposal preparation costs: 25/10/2012-23/06/2013

3.2 Grant rate and co-financing

Programme estimated total cost (€)	€9,810,000
Programme estimated eligible cost (€)	€9,810,000
Programme grant rate (%)	100.0000%
Maximum amount of Programme grant (€)	€9,810,000

3.3 Maximum eligible costs (€) and Advance payment amount (€)

Budget heading	Eligible expenditure	Advance payment*
Programme management	€1,220,312	€343,883
Democratic values, including human rights, promoted	€2,943,000	€934,403
Active citizenship fostered	€1,962,000	€622,935
Provision of welfare and basic services to defined target groups increased	€1,081,597	€343,407
Empowerment of vulnerable groups	€600,323	€190,602
Increased contribution to sustainable development achieved	€1,681,663	€533,928
Fund for bilateral relations	€149,194	€140,323
Complementary action	€122,890	€39,379
Preparation of programme proposal	€49,021	€49,021
Reserve for exchange rate losses	€0	€0
Total	€9,810,000	€3,197,881

* The advance payment is composed of €3,197,881 in grant amount and €0 in co-financing.

3.4 Retention of management costs

Retention of management costs - percentage of the management costs	10.00%
Retention of management costs - planned Euro value	€122,031

3.5 Small Grant Scheme

Not applicable

Annex II - Operational Rules

1. Eligibility

1.1 Eligible measures:

The Programme Operator is the Civil Society Development Foundation (Nadace rozvoje občanské společnosti - NROS). The Programme shall be implemented in partnership with the Environmental Partnership Foundation (Nadace Partnerství - NaP).

The Programme shall contribute to strengthening civil society development and enhance its contribution to social justice, democracy and sustainable development in the Czech Republic.

The Programme shall support projects in the following four priority areas:

- I. Human rights and key areas of support
 - a) Protection of human rights and multiculturalism
 - b) Gender equality
 - c) Strengthening civil society, democracy mechanisms and transparency
- II. Children and youth at risk
- III. Social inclusion
- IV. Environmental protection and climate change

The priority areas address five outcomes:

- Outcome 1: Democratic values, including human rights, promoted
- Outcome 2: Active citizenship fostered
- Outcome 3: Provision of welfare and basic services to defined target groups increased
- Outcome 4: Empowerment of vulnerable groups
- Outcome 5: Increased contribution to sustainable development achieved

The following activities shall be eligible under this Programme:

- a) Fostering active citizenship and participatory democracy, including grassroots / local level
- b) Advocacy, watchdog and monitoring activities
- c) Awareness raising activities
- d) Multicultural dialogue activities
- e) Participation in policy and decision making processes
- f) Capacity building and organisational support to NGOs
- g) Strengthening governance in membership based NGOs
- h) Network and coalition building
- i) Mutual learning and dissemination
- j) Education and training activities
- k) Cultural initiatives to promote key areas of support
- l) Protection of the environment and climate change
- m) Provision of welfare and basic services

Specific activities under the focus areas shall include:

- a) Democracy, good governance and transparency: supporting the role of NGOs, activating citizens in promoting democratic principles, participation in developing public policies, monitoring their implementation, advocacy and anti-corruption activities.
- b) Human rights, including minorities' rights: strengthening human rights bodies/mechanisms and conditions for legislative changes, improving professionalism, education and sensitivity of members of public administration institutions, developing dialogue between state institutions and civil society; strengthening law enforcement; mediation.
- c) Children and youth: empowerment of vulnerable groups, supporting children and youth, including children and young people at risk and Roma.
- d) Social inequalities, poverty and exclusion, including in rural areas: activities targeting social inequalities, poverty and exclusion, including in rural areas, support to local initiatives and creation of networks focused on early child intervention programmes; integration of disabled citizens; developing ambulant and community based social programmes; promoting dialogue between local stakeholders; supporting social cohesion at local level.

e) Gender equality and Gender-based violence: specialised assistance, impact assessment, policy and strategy development, supporting NGO platforms and/or coalitions, engaging in policy and decision-making processes, adopting and applying Council of Europe quality standards of services for women victims of violence.

f) Anti-discrimination, combat racism and xenophobia: strengthening NGO capacity and cooperation in the fight against discrimination, strengthening law enforcement, reducing segregation level at schools, training and education of stakeholders on issues of racism and discrimination; monitoring of anti-discrimination bodies/mechanisms; strengthening NGO watchdog role in countering online hate speech, developing baselines for systemic use of legislative and other instruments.

g) Protection of the environment and climate change: awareness-raising and civic participation, development of umbrella organisations and/or new networks on biodiversity/climate change; NGO involvement in national action plans related to biodiversity and/or climate change, environmental educational activities and training for teachers.

The Programme will be implemented by way of three open calls covering all five outcomes.

1.2 Eligible applicants:

1. Eligible applicants are NGOs that are established in the Czech Republic and fall within the following definition: "A non-profit voluntary organisation established as a legal entity, having a non-commercial purpose, independent of local, regional and central government, public entities, political parties and commercial organisations. Religious institutions, political parties and social partners (trade unions and employers' organisations according to the EU definition) are not considered NGOs."

2. The Programme Operator shall, for the purpose of interpreting the definition in paragraph 1, duly take into account the interpretation guidance contained in section 2.3 of the Guideline for NGO Programmes. In cases of doubt, the Programme Operator shall consult with the FMC.

1.3 Special rules on eligibility of costs:

Costs are eligible in accordance with Chapter 7 of the Regulation.

2. Financial parameters

2.1 Minimum and maximum grant amount per project:

Projects implemented in 12 months: the minimum amount of grant assistance applied for is €12,096; the maximum amount is €40,323.

Projects implemented in 18 months: the minimum amount of grant assistance applied for is €12,096; the maximum amount is €60,484.

Projects implemented in 24 months: the minimum amount of grant assistance applied for is €12,096; the maximum amount is €80,645.

2.2 Project grant rate:

Grants from the Programme will not exceed 90% of total eligible project costs. The Project Promoter shall provide or obtain the remaining co-financing in the form of cash or in-kind contribution as voluntary work. The in-kind contribution may constitute up to 50% of the co-financing required by the Programme for the project.

For the calculation of the in-kind contribution, the price for each hour, half day or day of voluntary work shall be in accordance with salary normally paid for such work in the Czech Republic, calculated according to officially available statistics.

3. Selection of projects

3.1 Selection procedures:

The selection procedure will be carried out in accordance with Article 6.5 of the Regulation. The independent and impartial experts required by Article 6.5.2 of the Regulation shall be independent of and impartial to both project applicants and the Selection Committee.

3.2 Open calls and availability of funds:

There shall be at least three calls for applications. The calls shall be open for at least 2 months and shall be organised as follows:

The first call shall be launched no later than in the fourth quarter of 2013. It shall make available €4,134,292. The call shall be open for projects that will be implemented in 12, 18 and 24 months.

The second call shall be launched no later than in the first quarter of 2014. It shall make available €2,894,004. The call shall be open for projects that will be implemented in 12 and 18 months.

The third call shall be launched no later than in the third quarter of 2014. It shall make available at least €1,240,287. Funds remaining from the first 2 calls may be reallocated to the third call. The fund shall be available to projects that will be implemented in 12 months.

In case of funds remaining after the calls, the Programme Operator may launch an additional open call for proposals.

At least half of the total eligible expenditure of the Programme shall be dedicated to core areas of support. At least 10% of the total eligible expenditure of the programme shall be dedicated to support children and youth at risk. The programme shall address the specific needs of minority groups including Roma, environmental protection and climate change. €600,000 shall be dedicated to NGOs supporting efforts in reducing inequalities and promoting social inclusion.

3.3 Selection criteria:

Detailed selection criteria for the calls for proposals shall be developed by the Programme Operator and included in the text of the calls for proposals.

The following selection criteria will be taken into account:

- Relevance of the project;
- Project methodology;
- Project budget;
- Project sustainability;
- Horizontal issues, organizational capacity building, bilateral relations; and
- Ability of the applicant to implement the project.

4. Payment flows, verification of payment claims, monitoring and reporting

4.1 Payment flows:

Payments towards the projects are carried out by the Programme Operator and will take the form of advance payments, interim payments in the form of advance payments and final balance payments.

Advance payments are made at the signing of project contracts and may be up to 80% of the total grant amount for projects that will be implemented in 12 months; 65% of the total grant amount for projects that will be implemented in 18 months; and 55% of the total grant amount for projects that will be implemented in 24 months.

Interim payments to projects are made on the basis of approved interim reports which are to be submitted by the Project Promoters to the Programme Operator. Interim reports are accompanied by a declaration of project costs incurred within the respective elapsed period of project implementation. Interim payments may be up to 15% of the total grant amount for projects that will be implemented in 18 months and may be up to 25% for projects that will be implemented in 24 months.

Advance payments and interim payments in the form of advances shall be offset against incurred expenditure reported in the final reports. The overall advance shall be deducted from reported incurred expenditure and a final settlement shall be made according to the resulting balance.

The Programme Operator shall ensure that payments are transferred to the Project Promoters in a timely manner.

Information on payment flows to Project Promoters will further be outlined in the description of the Programme's management and control systems according to Article 4.8.2 of the Regulation.

4.2 Verification of payment claims:

Verification and approval of interim reports and final reports will be conducted by the Programme Operator.

Verification and approval of project interim and final reports will be based on information on incurred expenditure, financial status and project progress contained in the reports.

Verification of expenditure shall be based on financial statements submitted by the Project Promoters with the interim and final reports (supported by copies of documents - invoices, salary slips, etc. - related to project costs exceeding 403 EUR). A review of the financial statements shall be performed by the Programme Operator for each submitted interim and final report.

The procedure for verification of interim and final reports and deadlines for reporting as outlined in the programme proposal will further be detailed in the description of the Programme Operator's management and control systems according to Article 4.8.2 of the Regulation.

4.3 Monitoring and reporting:

Project Promoters shall be required to report on project progress and outputs and financial status in interim and final reports.

The Programme Operator shall continuously monitor projects during their implementation.

The scope of project monitoring shall be determined by the Programme Operator in an annual monitoring plan which shall be based on a risk assessment including, among other things, the material and financial progress of the projects, the time remaining to project completion, the quality of reporting documentation and reported irregularities. On-the-spot monitoring visits can also be conducted on an ad-hoc basis when considered necessary.

The detailed monitoring plan for the projects will be presented in the Annual Programme Report.

Information on Reporting and Monitoring, and periodicity of reporting, will further be outlined in the description of the Programme's management and control systems according to Article 4.8.2 of the regulation.

5. Additional mechanisms within the programme

5.1 Fund for bilateral relations:

The Programme Operator will set aside minimum 1.5 % of the total programme budget to a fund for bilateral relations.

Approximately 40% of the fund for bilateral relations will be used for the search for project partners from the Donor States prior to or during the preparation of a project application and the development of such partnerships (measure a). The funds shall be made available through a continuous open call for applications. Evaluations of the applications will take place every 2-3 months. The maximum grant rate under measure a) is 100%. The maximum grant amount is €2,823.

The following selection criteria will be taken into account:

- administrative and eligibility criteria
- eligibility of activities
- eligibility of expenditure
- relevance of the proposal
- budget of the proposal
- experience in project area
- institutional capacity for cooperation

Approximately 60% of the fund for bilateral relations will be used to facilitate networking, exchange, sharing and transfer of knowledge, technology, experience and best practices between Project Promoters and entities in the Donor States (measure b). Project Promoters and project partners may apply together for funding under measure b) in the project application submitted under one of the calls referred to in Article 3.2 of this Annex. Funds under measure b) shall also be made available through a continuous open call for applications. Evaluations of the applications will take place at least every 2-3 months. The grant rate is 100%. The maximum grant under measure b) will amount to 15% of the grant amount approved for the project.

Costs under the fund for bilateral relations are eligible in accordance with Article 7.7 of the Regulation.

5.2 Complementary action:

The Programme Operator will set aside €122,890 for a fund for complementary action. The fund shall inter alia facilitate the

participation of relevant stakeholders in events/seminars/activities agreed with the Donors. Of particular concern is support to activities connected to hate speech and the youth bloggers.

The Programme Operator will undertake the following activities:

- Contact trip for representatives of the Programme Operator's team to Norway;
- Thematic field trip of representatives of Czech environmental NGOs;
- Thematic workshops on horizontal concerns for youth bloggers in the Czech Republic and relevant follow-up measures;
- One-day seminar for Czech NGOs dedicated to bilateral cooperation;
- International workshop for NGO Programmes' Operators;
- Filming and photo-documenting the outcomes of the Programme;
- Final assessment of the Programme and presentation of the Programme outcomes (International workshop in Prague);
- Participation in horizontal initiatives under the EEA Grants targeting cross-cutting issues and concerns; participation in meetings and workshops initiated by the Donors;
- Exchange of experience activities between the Programme Operator and NGO Programme Operators from other Beneficiary States as well as relevant institutions from the Donor States.

5.3 Reserve for exchange rate losses:

Not applicable.

5.4 Small Grant Schemes :

Not applicable.

6. Pre-defined projects

Not applicable.

7. Modification of the programme

Any modifications of the Programme will follow the rules set forth in the Regulation and in Article 2.9 of the Programme Agreement.

8. Programme proposal version

Any reference to the programme proposal in this Programme Agreement shall be interpreted as the version signed by the Programme Operator on 17 January 2013, and shall include all subsequent correspondence and communication between the Donors, the Financial Mechanism Office, the National Focal Point and the Programme Operator.

9. Miscellaneous

Not applicable.