

Norwegian Financial Mechanism 2014-2021

PROGRAMME AGREEMENT

between

The Norwegian Ministry of Foreign Affairs

and

The 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 “Justice”

hereinafter referred to as the “Programme”

Chapter 1

Scope, Legal Framework, and Definitions

Article 1.1

Scope

This programme agreement between the Norwegian Ministry of Foreign Affairs (hereinafter referred to as the NMFA) 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 Norwegian Financial Mechanism 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 Norwegian Financial Mechanism 2014-2021:

- (a) Agreement between the Kingdom of Norway and the European Union on the Norwegian Financial Mechanism 2014-2021 (hereinafter referred to as the Agreement);
- (b) the Regulation on the implementation of the Norwegian Financial Mechanism 2014-2021 (hereinafter referred to as the “Regulation”) issued by Norway in accordance with Article 10(5) of the Agreement;
- (c) the Memorandum of Understanding on the Implementation of the Norwegian Financial Mechanism 2014-2021 (hereinafter referred to as the “MoU”), entered into between Norway and the Beneficiary State; and
- (d) any guidelines adopted by the NMFA 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 1.6 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 Regulation.
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 Norwegian Financial Mechanism 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 Regulation 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 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 NMFA 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. 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 annexed to this programme agreement shall:

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

(b) 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 NMFA with reference to paragraph 2 of Article 6.3 of the Regulation. 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 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 NMFA 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 Regulation as well as statistical reporting in accordance with guidelines adopted by the NMFA.

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 Regulation 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 NMFA.

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 NMFA, the National Focal Point shall consult the NMFA before such modifications take effect.

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

Article 2.10
Communication

1. All communication to the NMFA 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 NMFA 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 NMFA 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 NMFA 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 Regulation and this programme agreement.

2. Eligibility of project promoters and project partners is stipulated in Article 7.2 of the Regulation 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 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 7.6 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 1.6 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 7.7 of the Regulation.

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

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 Regulation.

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 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.

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 Regulation and fall within the categories and fulfil the conditions of direct eligible expenditure set in Article 8.3 of the Regulation, the conditions regarding the use of standard scales of unit costs set in Article 8.4 of the Regulation as well as indirect costs in accordance with Article 8.5 of the Regulation.

4. The first date of eligibility of expenditures in projects shall be set in the project contract in accordance with Article 8.13 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 NMFA of a positive appraisal of the pre-defined projects by the Programme Operator in accordance with paragraph 3 of Article 6.5 of the Regulation.

5. 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 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 9.2, 9.3 and 9.4 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 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 Regulation.
5. Chapter 9 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 Norwegian Financial Mechanism 2014-2021 to the Programme in accordance with Article 9.8 of the Regulation.

Article 4.5

Irregularities, suspension and reimbursements

The NMFA has the right to make use of the remedies provided in the Regulation, 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 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 NMFA 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 NMFA 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 Regulation or a decision to suspend payments according to paragraph 1(h) of Article 13.1 of the Regulation has not been lifted within 6 months of such a decision;
 - (b) a suspension of payments according to Article 13.1 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 13.2 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 NMFA, 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 NMFA to make use of the remedies provided in Chapter 13 of the Regulation.

Article 5.3

Waiver of responsibility

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

3. The NMFA 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.

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 NMFA 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 NMFA, its officials or employees, 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

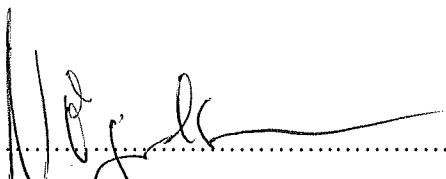
1. This programme agreement shall enter into force on the date of the last signature of the Parties.

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

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

For the NMFA

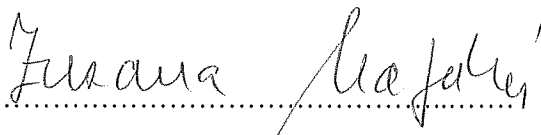
Signed in Oslo on 14.1.2019


.....
Niels Engelsen

Director General,
Norwegian Ministry of Foreign Affairs

For the National Focal Point

Signed in Prague on 7.2.2019


.....
Zuzana Matyášová

Director
International Relations Department
Ministry of Finance of the Czech
Republic

Annex 1 to the Programme Agreement

Programme Operator and Partners	
Programme Operator:	Ministry of Finance of the Czech Republic
Donor Programme Partner:	Norwegian Correctional Service (KDI)
IPO:	Council of Europe (CoE)
Other Programme Partners(s):	Ministry of Justice of the Czech Republic

Programme Objective		Improved correctional system							
PA	Outcome	Expected programme results	Indicator	Unit of measurement	Source of verification	Frequency of reporting	Baseline value	Baseline year	Target value
PA19	Outcome 1	Enhanced cooperation in the criminal justice and social system	Common educational system for inter-departmental training related to prison and post-prison care set up Level of cooperation in criminal justice and social system employees Level of satisfaction with training services	Binary Scale 1-5	Memorandum of systematic cooperation, Course syllabi, contracts with lecturers Survey results	Annually (APR) Annually (APR)	No 0	N/A N/A	Yes 4
				Scale 1-5	Survey results	Annually (APR)	0	N/A	4

			provided within the new system						
		Framework for common education developed	Binary	Inter-departmental education modules annotations	Semi-annually	No	N/A	Yes	
		Number of inter-departmental training courses developed	Number	Project Promoters' records, Course syllabi	Semi-annually	0	N/A	7	
	Output 1.1	Common penitentiary and post penitentiary educational system launched	Number	Project Promoters' records, Attendance sheets	Semi-annually	0	N/A	1400	
			Number of participants in inter-departmental trainings. (disaggregated by gender)	Project Promoters' records, Attendance sheets	Semi-annually	0	N/A	15	
			Number of stakeholders involved in networking ¹	Project Promoters' records, Attendance sheets	Semi-annually	0	N/A	80	
	Output 1.2	Training related to alternative sentences carried out	Number	Project Promoters' records, Attendance sheets	Semi-annually	0	N/A	80	
			Number of judiciary staff trained in application of alternative sentences	Project Promoters' records, Attendance sheets	Semi-annually	0	N/A	80	

¹ Number of stakeholders involved in networking expresses the number of different types of institutions (public, non-governmental, private etc.) involved in networking within criminal justice and social system (e.g. Ministry of Justice, Ministry of Labour and Social Affairs, Courts, Public Prosecutor Offices, Prison Service, etc.).

			(disaggregated by gender)						
PA19	Outcome 2	Services for prisoners improved	Level of satisfaction of prisoners and ex-prisoners with the new services	Scale 1-5	Survey results	Annually (APR)	0	N/A	4
			Percentage of prisoners having access to new services	Percentage	Project Promoters' records	Annually (APR)	N/A	N/A	3.0%
			Percentage of prisoners involved in the mentoring programme who returned back to prison within 2 years after release	Percentage	Project Promoters' records	Annually (APR)	63.0%	2017	50.0%
			Fathers' programme piloted	Binary	Fathers programme manual, Project promoters' records	Semi-annually	No	N/A	Yes
	Output 2.1	Reintegration / Motivation programmes for criminal offenders piloted	Number of prisoners undergoing Fathers' programme	Number	List of prisoners undergoing the programme	Semi-annually	0	N/A	32

			Number of prisoners undergoing pilot run of “Motivation programme”	Number	List of prisoners undergoing the programme	Semi-annually	0	N/A	32
			“Motivation programme” piloted	Binary	Motivation programme manual, Project promoters' records	Semi-annually	No	N/A	Yes
			Number of staff members dealing with drug addicts within the new developed medical programmes trained (disaggregated by gender)	Number	Project Promoters' records, Attendance sheets	Semi-annually	0	N/A	30
			Treatment programmes for vulnerable groups (drug addicts) developed	Number	Project Promoters' records, Medical programme manual	Semi-annually	0	N/A	3
			Integrated medical programmes for drug addicts developed and piloted	Number	List of prisoners undergoing the programme	Semi-annually	0	N/A	46
	Output 2.2								

		medical programmes							
		Number of prisoners treated within the new service (psycho-social treatment, case management) provided by NGOs (disaggregated by gender)	Number	Project Promoters' records	Semi-annually	0	N/A	150	
	Output 2.3	Improved facilities for treatment of prisoners	Number	Project Promoters' records, Photo documentation	Semi-annually	0	N/A	7	
	Output 2.4	Introduction of services for prisoners	Binary	Project Promoters' records	Semi-annually	No	N/A	Yes	
		Mentoring services provided by NGO's							

² It is assumed that the purchase of equipment and renovation will take place not only in the prisons involved in the pilot but also in other prisons to which treatment programmes will be extended.

		in release procedure	Number of mentors for post penitentiary care trained (disaggregated by gender)	Number	Project Promoters' records, Attendance sheets	Semi-annually	0	N/A	30
			Number of prisoners supported by the mentoring services (disaggregated by gender)	Number	Project Promoters' records	Semi-annually	0	N/A	230
			Probation Houses used as a new measure to enforcement of alternatives to imprisonment	Binary	Probation case files	Annually (APR)	No	N/A	Yes
	Outcome 3	Improved access to alternative measures	Programme Centres used as a new measure to enforcement of alternatives to imprisonment	Binary	Probation case files	Annually (APR)	No	N/A	Yes
PA21	Output 3.1	Capacity for alternative sentencing and conditional	Number of persons receiving conditional release with the obligation to	Number	Court records	Annually (APR)	0	N/A	40

		release developed	stay in a probation house						
			Number of probation houses piloted	Number	Project Promoters' records	Annually (APR)	0	N/A	1
			Number of programme centres piloted	Number	Project Promoters' records	Annually (APR)	0	N/A	4
	Output 3.2	Probation houses established	Number of probation houses built and equipped	Number	Project Promoters' records, photo documentation	Semi-annually	0	N/A	1
	Output 3.3	Awareness Raising for Judiciary and wider public	Number of distributed printed leaflets to representatives of judiciary and wider public	Number	Project Promoters' records	Semi-annually	0	N/A	10000
Bilateral	Bilateral outcome	Enhanced collaboration between beneficiary and donor state entities involved in the programme	Level of satisfaction with the partnership (disaggregated by State type)	Scale 1-7	Survey results	Annually (APR)	TBD	TBD	≥4.5, And an increase on the baseline
			Level of trust between cooperating entities in Beneficiary States and Donor States	Scale 1-7	Survey results	Annually (APR)	TBD	TBD	≥4.5, And an increase on the baseline

Conditions

General

- 1) The National Focal Point shall ensure that the Programme Operator ensures that an ex ante control of public procurement procedures and documentation carried out for the pre-defined projects under section 5.1 of Annex II to the Programme Agreement, is carried out by a competent independent entity, other than the respective project promoter.
- 2) The maximum level of funding available from the total eligible expenditure of the programme for infrastructure (hard measures) shall be 30%.
- 3) For pre-defined project no. 1) under Section 5.1 of Annex II to the Programme Agreement, the National Focal Point shall ensure that the Programme Operator ensures that the appraisal foreseen in Article 6.5.3 of the Regulation is externalised and carried out by a legal entity independent of and unrelated to the Programme Operator and Programme Partner.
- 4) The National Focal Point's responsibilities regarding continuous structured risk assessment described in Article 5.3.3 of the Regulation, and the regular monitoring of the Programme described in Article 5.3.4 of the Regulation shall be externalised and be carried out by a legal entity independent of and unrelated to the National Focal Point as further described in the description of the management and control systems in accordance with Article 5.7.1 of the Regulation. The National Focal Point shall inform the NMFA on the selection of the entity. The methodology followed by this entity shall be developed in cooperation with the National Focal Point. The methodology shall be submitted to the NMFA for review.
- 5) The National Focal Point shall ensure that the Programme Operator ensures that Project Promoters:
 - Keep any buildings purchased, constructed, renovated or reconstructed under the project in their ownership for a period of at least 5 years following the completion of the project and continue to use such buildings for the benefit of the overall objectives of the project for the same period;
 - Keep any buildings purchased, constructed, renovated or reconstructed under the project properly insured against losses such as fire, theft and other normally insurable incidents both during project implementation and for at least 5 years following the completion of the project; and
 - Set aside appropriate resources for the maintenance of any buildings purchased, constructed, renovated or reconstructed under the project for at least 5 years following the completion of the project. The specific means for implementation of this obligation shall be specified in the project contract.

Pre-eligibility

Not applicable

Pre-payment

- 1) Prior to disbursing the first payment to the programme, the National Focal Point shall submit to the NMFA the detailed description of the management and control systems of the Programme Operator in English in accordance with paragraph 4 of Article 5.7 of the Regulation.

Pre-completion

Not applicable

Post-completion

Not applicable

Eligibility of costs - period	First date	End date
Eligibility of costs	05/09/2017	31/12/2024

Grant rate and co-financing	
Programme eligible expenditure (€)	€ 7,058,824
Programme grant rate (%)	85%
Maximum amount of Programme grant - EEA Financial Mechanism (€)	€ 0
Maximum amount of Programme grant - Norwegian Financial Mechanism (€)	€ 6,000,000
Maximum amount of Programme grant - Total (€)	€ 6,000,000

Maximum eligible costs (€) and Advance payment amount (€)									
PA	Budget heading	EEA Grants	Norway Grants	Total grant	Programme grant rate	Programme co-financing	Programme eligible expenditure	Advance payment	
PM	Programme management	-	€ 600,000	€ 600,000	85%	€ 105,882	€ 705,882	€ 0	
PA19	Outcome 1	-	€ 681,700	€ 681,700	85%	€ 120,300	€ 802,000	€ 0	
PA19	Outcome 2	-	€ 2,788,800	€ 2,788,800	85%	€ 492,142	€ 3,280,942	€ 0	
PA21	Outcome 3	-	€ 1,929,500	€ 1,929,500	85%	€ 340,500	€ 2,270,000	€ 0	
	Total		€ 6,000,000	€ 6,000,000	85%	€ 1,058,824	€ 7,058,824	€ 0	

Retention of management costs	
Retention of management costs - percentage of the management costs	10%
Retention of management costs - planned Euro value	€ 70,588

Annex II-Operational rules

1. Programme summary

This Annex sets out the operational rules for the programme. The programme agreement is based on the MoU, the concept note, and comments made by the NMFA. 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 is the Ministry of Finance. The Ministry of Justice is the Programme Partner. The Directorate of Norwegian Correctional Services (KDI) is the Donor Programme Partner. The Council of Europe (CoE) is the International Partner Organisation (IPO).

The *programme objective, “Improved Correctional system”*, shall be attained through three outcomes:

- The programme shall support the outcome *“Enhanced cooperation in the criminal justice and social system” (Outcome 1)* by way of one pre-defined project: “Common Education System – strengthening cooperation in the criminal justice and social system” (PDP 1).
- The programme shall support the outcome *“Services for prisoners improved” (Outcome 2)* by way of one pre-defined project: “Strengthening the rehabilitation of prisoners through treatment” (PDP 2) and one call for proposals consisting of two parts: “Support of reintegration of persons conditionally released and released from prison” (Call 1a) aiming to establish a network of mentors, which will support the prison social workers’, social curators’ and probation workers’ work with the target group and “Professional care for imprisoned drug users and its continuity after release” (Call 1b) with the objective of treatment programmes for vulnerable groups with emphasis on drug addicted treatment services and integrated mental programmes.
- The programme shall support the outcome *“Improved access to alternative measures” (Outcome 3)* by way of one pre-defined project: “Back to Life” (PDP 3).

2. Eligibility

2.1 Eligible applicants:

The rules of eligibility of project promoters and project partners are set in Article 7.2 of the Regulation.

The following limitations shall be placed:

- Only non-governmental organisation (as defined in Article 1.6 n of the Regulation) shall be eligible applicants under the open call (Call 1a and Call 1b).

2.2 Special rules on eligibility of costs:

Costs are eligible in accordance with chapter 8 of the Regulation.

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 calls 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 in the Cooperation Committee.

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):

Call	Outcome	Estimated timing of the call	Total available amount	Planned minimum grant applied for	Planned maximum grant applied for
Call for proposals 1a/1b	Outcome 2	2019 Q3	€ 1 690 942 1a: € 791 667 1b: € 899 275	€ 200 000	€ 1 000 000

4.2 Selection procedures:

The project evaluation and award of grants shall be in accordance with Article 7.4 of the Regulation.

The Programme Operator shall be responsible for project evaluation in cooperation with the Programme Partner and the award of grants.

The Programme Partner shall be responsible for reviewing the applications in compliance with administrative and eligibility criteria. Applicants whose application is rejected at this stage shall be informed of the reasons of rejection in writing and given 5 working days to appeal that decision to the Programme Operator.

Each application that meets the administrative and eligibility criteria shall be reviewed by at least two impartial experts appointed by the Programme Partner, at least one of which shall be independent of and external to the Programme Operator and the Programme Partner. The experts shall separately score the project according to the selection criteria published with the call for proposals. For the purposes of ranking the projects, the average of the scores awarded by the experts shall be used. If the difference between the scores given by the two experts is more than 30% of the higher score, a third expert, who shall be impartial and independent of the Programme Operator and the Programme Partner as well as of the Selection Committee, shall be commissioned by the Programme Partner. In such cases, the average score of the two closest scores shall be used for the ranking of the projects.

The Programme Partner shall establish a Selection Committee for call 1a and 1b separately. The Selection Committee shall consist of a Chairman and a secretary – representatives of the Programme Partner – without voting rights and at least five voting members, including representatives of the Ministry of Justice (independent of the section acting as the Programme Partner), the Prison Service, the Probation and Mediation Service and independent experts external to the Programme Operator and the Programme Partner. The Programme Operator, the NMFA, the DPP, the IPO, and the National Focal Point shall be invited to participate in the Selection Committee as observers.

The Rules of Procedure of the Selection Committee shall be agreed in the Cooperation Committee. The Programme Partner shall provide the Selection Committee with a list of the ranked projects. The Selection Committee shall review the ranked list of projects. The Selection Committee may modify the ranking of the projects in justified cases. The justification for modifications shall be detailed in the minutes of the meeting of the Selection Committee. The minutes shall be signed by all members of the Selection Committee. The Chairman of the Selection Committee shall submit the minutes and the list of the recommended projects, together with a reserve list and the list of rejected project applications and the reason for their rejection, to the Programme Operator.

The Programme Operator (in cooperation with the external agency to be selected via public procurement) shall verify that the selection process has been conducted in accordance with the Regulation and that the grant award recommendation of the Selection Committee complies with the rules and objectives of the Programme. Following such verification, the Programme Operator shall make a decision on which projects shall be supported.

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.

4.3 *Project grant rate:*

Grants to all projects from the programme may be up to 100% of total eligible expenditure of the project. In the case of projects where the project promoter is an NGO or a social partner as defined in Article 1.6 of the Regulation, the project grant rate maybe up to 90% of the total eligible expenditure of the project. The project grant rate shall in all cases be set at a level that complies with the State Aid rules in force and takes into account any and all other forms of public support granted to projects. Any 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*

There will be three pre-defined projects implemented under the programme:

1) ***“Common Education System – strengthening cooperation in the criminal justice and social system”***

Project Promoter:	The Ministry of Justice of the Czech Republic
Donor project partner(s):	The University College of Norwegian Correctional Service
Other project partner(s):	The Prison Service of the Czech Republic
Programme outcome the project contributes to:	“Enhanced cooperation in the criminal justice and social system”
Total maximum eligible project costs	€ 802,000
Project grant rate:	100%
Maximum project grant amount:	€ 802,000

The project will enhance cooperation and coherence between the criminal justice and social system through establishing a common educational system for inter-departmental training related to prison and post-prison care and will support the establishment of a quality education system for persons dealing with inmates and offenders. The project will strengthen the sharing of information and knowledge

between the judiciary, the Prison Service and the Probation and Mediation Service.

The project will include, inter alia, the following main activities:

- Training of staff focused on treatment of end beneficiaries, especially in the areas of addiction, employment, maintenance of family and social relationships,
- Training of staff focused on motivation, psycho-hygiene and conflict management,
- Study visits to gain experience and know-how in the area of common education and to share best practices not only in the area of education but in penitentiary and post-penitentiary care in general,
- Training of staff by Norwegian experts on topic of interconnection of the Prison Service and the Probation and Mediation Service within the Common Education System.

2) *“Strengthening the rehabilitation of prisoners through treatment”*

Project Promoter:	The Prison Service of the Czech Republic
Donor project partner(s):	University College of Norwegian Correctional Service (KRUS), Bastoy Prison, Ila Prison, Norwegian Correctional Service – Region South
Other project partner(s):	The Probation and Mediation Service
Programme outcome the project contributes to:	“Services for prisoners improved”
Total maximum eligible project costs	€ 1,590,000
Project grant rate:	100%
Maximum project grant amount:	€1,590,000

The project will enhance convicts’ motivation to participate in intervention programmes, which, as a final goal, can decrease the risk of their relapse, through the implementation of the Norwegian “Motivation Programme” to improve treatment programmes for vulnerable groups with emphasis on the integration of medical and psycho-social care, implementation of standardization of the procedures of professional care for convicted drug users and through implementation of programme focused on working with imprisoned fathers as well as on working with families and imprisoned parents (e.g. “Pappa Programme”).

The project will include the following main activities:

- Translation of the manual for the application of the “Motivation programme” from Norwegian into Czech and its adaptation for Czech environment.
- Training of teams of professional staff from four Czech prisons in using the “Motivation programme” and “job shadowing” in a Norwegian prison or prisons where this programme is implemented.
- Pilotage of the “Motivation programme” in four Czech prisons
- Equipment and adjustment of appropriate spaces for the Motivation programme in the “pilot” prisons
- Creating a standard procedure of substitution treatment and detoxification and its pilot verification in one prison including necessary equipment
- Training staff members dealing with drug addict within new developed medical programmes

- Translation of the manual for the application of the programme from Norwegian into Czech and its adaptation for Czech environment
- Training of Prison Service staff – training of Czech lecturers of Pappa Programme in Norway
- Pilotage of Fathers programme in four prisons
- Creating an educational publication for parents and children (about the life of a parent in prison in collaboration with suppliers and partners, processing of publications, illustrations and graphics, followed by printing)
- Equipment and adjustment of appropriate spaces for the Fathers programme implementation and creation of suitable spaces inside visiting rooms suited for visits of family members in prisons.

3) *“Back to Life”*

Project Promoter:	The Probation and Mediation Service
Donor project partner(s):	Buskerud Probation office Drammen Half-way house
Other project partner(s):	The Prison Service of the Czech Republic
Programme outcome the project contributes to:	“Improved access to alternative measures”
Total maximum eligible project costs	€ 2,270,000
Project grant rate:	100%
Maximum project grant amount:	€ 2,270,000

The project will establish programme centres in 4 judicial regions where no suitable programmes for offenders are yet available and build, establish and operate a probation house, in which those conditionally released will be provided with accommodation, programmes strengthening working habits and stabilizing family relationships in addition to other services.

The project will include the following main activities:

- Establishment of four programme centres,
- Training of staff for implementation of standardized programmes for convicted juveniles and adults,
- Pilot implementation of probation and resocialization programmes,
- Construct and operate a probation house,
- Training of probation officers
- Implementation of programmes for dismissed persons.

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 to the projects shall be based on approved project reports.

Payments of the project grant shall take the form of advance payments, 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 linked to the type of project promoter. The maximum level of advance payment is 60% of the project grant in the case of private entities. There is no advance payment for public entities.

Project Promoter	Advance payment	Interim payments	Final payment
Public entity	No advance payment	90%	10%
Private entity (incl. NGOs)	Up to 60%	40% - 90%	10%

The first advance instalment shall be paid following the signature of the project contract. An advance payment of a percentage of the total grant amount shall be paid within 1 month from the submission of a request after signature of the project contract.

Subsequent payments shall be paid after the approval of project interim reports. The interim payments shall be paid within 1 month after the approval of project interim reports.

The final payment will be paid after approval of the final report. Upon approval of the final project report a final balance payment, if applicable, shall be made within 1 month.

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

The periodicity of reporting periods, and deadlines for reporting will be further detailed in the description of the Programme Operator’s management and control systems.

6.2 *Verification of incurred expenditure*

Project promoters shall submit interim and final project reports containing information on project progress and incurred expenditure.

In line with point i) of Article 5.6.2 of the Regulation incurred expenditure reported shall be subject to administrative verifications before the report is approved. Verifications to be carried out shall cover administrative, financial, technical and physical aspects of projects, as appropriate and be in accordance with the principle of proportionality.

Additionally, in line with point ii) of Article 5.6.2 of the Regulation on-the-spot verifications of projects, which may be carried out on a sample basis, shall be carried out.

The detailed procedure for verification will be further detailed in the description of the Programme Operator’s management and control systems.

6.3 *Monitoring and reporting*

The Programme Operator shall monitor, record and report on progress towards the programme’s outcomes in accordance with 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 National Focal Point to meet its obligation to the NMFA.

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

7.1 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.