

# **COUNTRY-SPECIFIC SET-UP**

for the implementation of the

Framework Agreement between the Swiss Federal Council and the Government of the Czech Republic on the implementation of the Second Swiss Contribution to selected Member States of the European Union to reduce economic and social disparities within the European Union.

**01 June 2023**

## 1. General provisions

- 1.1. This Country-Specific Set-Up lays down the rules applicable to the implementation of the Framework Agreement between the Swiss Federal Council (hereinafter referred to as the 'Swiss Party') and the Government of the Czech Republic (hereinafter referred to as the 'Czech Party') on the implementation of the second Swiss Contribution to selected Member States of the EU to reduce economic and social disparities within the EU (hereinafter referred to as the 'Framework Agreement').
- 1.2. For the purposes of this Country-Specific Set-Up, the definitions in the Framework Agreement shall apply.
- 1.3. This Country-Specific Set-Up lays down the thematic and geographical allocations of the Contribution and the specific rules applicable to the implementation of the Framework Agreement, as well as the attribution of responsibilities and tasks to entities involved in the implementation of the Swiss-Czech Cooperation Programme and in Support Measures respectively.
- 1.4. For specific rules and procedures not provided in the Country-Specific Set-Up, the provisions of the Regulations shall apply.

## 2. Roles and responsibilities for the Swiss-Czech Cooperation Programme

### 2.1. National Coordination Unit

The Czech Party has authorized **the International Relations Department of the Ministry of Finance of the Czech Republic** to act on its behalf as National Coordination Unit of the Swiss-Czech Cooperation Programme. Within the International Relations Department **the Centre for Foreign Assistance – Preparation and Coordination Unit** will act as the National Coordination Unit.

The International Relations Department within Section 07 – European Union and International Relations of the Ministry of Finance is directly subordinated to the Director General of Section 07.

The Director of International Relations Department acts as the Head of the National Coordination Unit.

The role and responsibilities of the National Coordination Unit are set out in the Regulations.

### 2.2. Intermediate Body

No Intermediate Body for the Swiss-Czech Cooperation Programme is envisaged.

### 2.3. Paying Authority

The Paying Authority is **the European Funds Department of the Ministry of Finance of the Czech Republic**.

The European Funds Department within Section 07 – European Union and International Relations of the Ministry of Finance is directly subordinated to the Director General of Section 07.

The Director of European Funds Department acts as the Head of the Paying Authority.

The roles and responsibilities of the Paying Authority are set out in the Regulations.

## **2.4. Audit Authority**

The Audit Authority is **the Audit Authority Department of the Ministry of Finance of the Czech Republic**.

The Audit Authority Department within Section 04 – Financial Management and Audit of the Ministry of Finance is directly subordinated to the Director General of Section 04.

The Director of Audit Authority Department acts as the Head of the Audit Authority.

The Audit Authority Department is independent and functionally separated from the Paying Authority and the National Coordination Unit.

The roles and responsibilities of the Audit Authority are set out in the Regulations.

### 3. Parameters of cooperation

#### 3.1. Thematic allocation

<b>Specific objective &amp; thematic area</b>	<b>Indicative Swiss allocation of the Contribution [in CHF millions]</b>	<b>Indicative Czech allocation of the Contribution [in CHF millions]</b>
<b>1. Promoting economic growth and social dialogue, reducing (youth) unemployment</b>		
(i) Vocational and professional education and training		
(ii) Research and innovation	13.0	2.29
(iii) Financing for micro, small and medium-sized enterprises		
<b>2. Managing migration and supporting integration. Increasing public safety and security</b>		
(iv) Providing support to migration management and promoting integration measures	14.0	2.47
(v) Improving public safety and security		
<b>3. Protecting the environment and the climate</b>		
(vi) Energy efficiency and renewable energy		
(vii) Public transport		
(viii) Water and waste-water management		
(ix) Waste management		
(x) Nature conservation and biodiversity	38.4	6.78
<b>4. Strengthening of social systems</b>		
(xi) Health and social protection	10.0	1.76
(xii) Minorities and socially disadvantaged groups		
<b>5. Civic engagement and transparency</b>		
(xiii) Civic engagement and transparency		
<b>6. Technical support</b>		
(xiv) Technical Assistance Fund	1.15	0
(xv) Support Measure Preparation Fund	0.35	0
<b>Total Allocation</b>	<b>76.9</b>	<b>13.3</b>

Any unused balances in all the Support Measures of the Swiss-Czech Cooperation Programme may be transferred to any other approved Support Measure provided the feasibility is ensured

until the end of the eligibility period, by mutual decision (e.g. confirmed in the minutes of meetings or by correspondence) between the competent authorities mentioned in Article 6 of the Framework Agreement in the course of the implementation of the Swiss-Czech Cooperation Programme. For the consequent modification of the Support Measure, Article 4.12 of the Regulations shall apply.

### 3.2. Geographical allocation

The less-favoured regions shall receive at least 50% of the Contribution:

- Střední Čechy
- Jihozápad
- Severozápad
- Severovýchod
- Jihovýchod
- Střední Morava
- Moravskoslezsko

### 3.3. Pre-specified parameters per thematic area

#### (i) Research and innovation

##### Directly selected or pre-identified Support Measures

Support Measure name	Czech–Swiss Research Infrastructure Initiative
Support Measure type	Programme
Objectives	Contribute to the economic growth and competitiveness of the Czech Republic by strengthening its position in the European research infrastructure landscape and extending its international scientific research network, in particular thanks to cooperation with Swiss partners
Strategic Focus	Boost the scientific research in the Czech Republic by promoting Czech-Swiss bilateral cooperation initiatives within research infrastructures. Focus will be on:  a) facilitating the integration of ELI Beamlines into the international networks, its promotion and attracting researchers to perform their research in this research facility;  b) an open call for the financing of partnership initiatives between national nodes of distributed

	infrastructures in which Switzerland and Czech Republic participate either as member or observer. At least 70% of the budget for the research Programme will be dedicated to b).	
Swiss indicative Commitment	13.0 million CHF	
Project or Programme Operator	Ministry of Education, Youth and Sports	
Swiss Support Measure Partner(s)	Swiss Partners may consist of Swiss research institutions, nodes of distributed research infrastructure	
Other specificities related to the Support Measure		

**(ii) Providing support to migration management and promoting integration measures**

**Directly selected or pre-identified Support Measures**

Support Measure name	Assisting Migrants to Integrate into the Czech Republic	
Support Measure type	Programme	
Objectives	The aim of the Programme is to improve the economic and social integration of migrants and to support vulnerable persons through activities aimed at strengthening the adaptation of foreign nationals in new conditions and promoting social cohesion of society.	
Strategic Focus	<p>The Programme focuses on the following two areas:</p> <p>Social area: Activities of a non-economic nature that will be aimed at involving migrants and asylum seekers into the economic, social, labour and community life of the society.</p> <p>Employment: Focus on strengthening economic self-sufficiency, with particular emphasis on maximising the use of the qualification potential of foreign nationals so that they find employment appropriate to their education and qualifications.</p> <p>The Programme aims to contribute to the systemic change by involving all relevant actors in the field.</p>	
Swiss indicative Commitment	14.0 million CHF	
Project or Programme Operator	Ministry of Labour and Social Affairs	

Swiss Support Measure Partner(s)	Swiss Partners may consist of Competent Swiss authorities, NGOs and other competent organisations in Switzerland
Other specificities related to the Support Measure	

### (iii) Nature conservation and biodiversity

#### Directly selected or pre-identified Support Measures

Support Measure name	Sustainable tourism and enhancing biodiversity	
Support Measure type	Programme	
Objectives	<p>The Programme aims to address two main causes of biodiversity decline, namely human interference with ecosystems (e.g. landscape fragmentation) and over-exploitation of ecosystems (e.g. excessive tourism). Through the Programme, a reduction of the pressure on ecosystem functions and services in the landscape, especially in nature valuable sites, shall be achieved.</p>	
Strategic Focus	<p>The Programme consists of two main pillars:</p> <p>(i) Enhancing biodiversity:</p> <p>Programme Components (projects) focus on landscape and river network fragmentation to enhance connectivity of species populations, favourable status of ecosystems and their functions, as well as landscape permeability and stability.</p> <p>(ii) Sustainable Tourism:</p> <p>Programme Components (projects) focus on systematic changes to management of visitor flows on nature wealth and ecosystem services in selected localities.</p> <p>For both pillars, awareness and education programmes may contribute to the overall aim of the Support Measure.</p>	
Swiss indicative Commitment	38.4 million CHF	
Project or Programme Operator	Ministry of Environment	
Swiss Support Measure Partner(s)	Swiss Partners may consist of competent Swiss authorities, academia, NGOs and other competent organisations in Switzerland	

Other specificities related to the Support Measure	Through a call for smaller Programme Components, civil society actors shall be involved to contribute to the Objective of the Programme.
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#### (iv) Health and social protection

##### Directly selected or pre-identified Support Measures

Support Measure name	Home care Programme	
Support Measure type	Programme	
Objectives	Increasing the quality of care provided by formal and informal caregivers in the patient's own social environment	
Strategic Focus	<p>To support 1) formal care by increasing the quality and safety of healthcare, especially nursing, provided as well as 2) informal care through the support of informal caregivers, including the creation of support programs taking into account the health and social limits of care provided in one's own social environment.</p> <p>The Programme aims to contribute to systemic and sustainable change by involving all relevant actors in the field, connect the individual dimensions of patient care in their social environment, take into account the health and social dimension of care, and combine the development of technologies and theoretical and methodological concepts with their direct implementation in the field. It builds on the Strategy for the Development of Health Care in the Czech Republic until 2030 (Health 2030) as well as the National Strategy for the Development of Social Services 2016 – 2025.</p>	
Swiss indicative Commitment	10.0 million CHF	
Project or Programme Operator	Ministry of Health	
Swiss Support Measure Partner(s)	Swiss Partners may consist of Competent Swiss authorities, NGOs and other competent organisations in Switzerland	
Other specificities related to the Support Measure		



#### 4. The Czech Party's specific rules and procedures

The Swiss Party and the Czech Party agree that in the event of a conflict between the Regulations and these specific provisions, the present specific provisions shall prevail.

The following specific provisions apply in derogation / modification / complement / specification of the Regulations:

The **Article 1.3 Definitions, letter a)** of the Regulations shall be deleted:

*“Advisory Committee”*: a committee established by the Partner State in a thematic area to assess and validate the selection of proposals for Projects or Programme Components identified by calls for proposals;

The following text replaces **Article 1.3 Definitions, letter f)** of the Regulations:

“Country-Specific Set-Up”: the thematic and geographical allocations of the Contribution and specific rules as well as the attribution of responsibilities and tasks to entities involved in implementation of the Swiss-Czech Cooperation Programme and in Support Measures respectively (as defined in the Framework Agreement), **issued by the Swiss Party**;

The following text replaces **Article 1.3 Definitions, letter l)** of the Regulations:

“Partnership Agreement”: an agreement between the Executing Agency and the Swiss Support Measure Partner(s) governing the cooperation between the parties in the implementation of a particular Support Measure **or an agreement between the Programme Component Operator and the Swiss Support Measure Partner(s) governing the cooperation between the parties in the implementation of a particular Programme Component**;

The following text replaces **Article 1.3 Definitions, letter o)** of the Regulations:

“Programme Component”: an **indivisible** series of activities carried out with the support of the Contribution, which is aimed at achieving agreed objectives and outcomes for the respective Programme **and as part of the Programme, it is selected through a call for proposals or by way of direct selection**;

The following text replaces **Article 1.3 Definitions, letter w)** of the Regulations:

“**Support Measure Set-Up**”: the specific rules and allocation decided upon by the Swiss Party with regard to a specific Support Measure. For the purposes of the implementation of the Framework Agreement, any reference to “Support Measure Agreement” contained in the Regulations and in any operational procedures and guidelines shall be interpreted as referring to **Support Measure Set-Up**;

The following text replaces **Article 1.3 Definitions, letter y)** of the Regulations:

“Support Measure Steering Committee”: a committee established by **the Programme Operator** responsible for overseeing and steering the implementation of a Support Measure;

The following text replaces **Article 1.3 Definitions, letter aa)** of the Regulations:

“Swiss Support Measure Partner”: an individual or legal entity, who or which is familiar with the relevant Swiss experiences or approaches and is actively involved in and effectively contributing to the implementation of a Support Measure **or Programme Component**;

The following article replaces **Article 2.2 Objectives** of the Regulations:

1. In view of achieving the overall objective set out in Article 2.1, Support Measures, with the exception of Technical Support, shall contribute to one or several of the following objectives (as defined in the Framework Agreement):
  - a) promoting economic growth and social dialogue, reducing (youth) unemployment;
  - b) managing migration and supporting integration. Increasing public safety and security;
  - c) protecting the environment and the climate;
  - d) strengthening of social systems;
  - e) civic engagement and transparency.
2. The achievement of the objectives shall be monitored and measured against the indicators mutually agreed between the Partner State and Switzerland. For each objective, Switzerland will define core indicators valid for the entire second Swiss Contribution.
3. **The Programme Operators shall make significant and sustained efforts to achieve the expected outcomes as set out in the Support Measure Set-Up. Switzerland does not endorse imposing financial or other penalties for not reaching final outcome indicators targets, as outcomes are not under the direct control of a Support Measures.**

The following paragraph replaces **Article 3.3 National Coordination Unit, Paragraph 7** of the Regulations:

**The Executing Agency shall ensure that the Support Measure under the Cooperation Programme is coordinated** with the programmes of other donors **implemented in the same thematic areas** as well as with the national strategies and their implementation.

The following paragraph replaces **Article 3.5 Paying Authority, Paragraph 1** of the Regulations:

The Paying Authority shall exert appropriate financial control over the Cooperation Programme applying the standards and procedures of the Partner State for public funds. It shall, in particular, **control that** the NCU, Intermediate Bodies and Executing Agencies also apply the standards and procedures of the Partner State for public funds **and the Contribution**.

The following paragraph replaces **Article 3.5 Paying Authority, Paragraph 3** of the Regulations:

For the execution of payment transactions, the Paying Authority shall after the signing of the Framework Agreement, **keep** a separate bank account, to which Switzerland shall transfer reimbursements from the Contribution.

The following paragraph replaces **Article 4.1 Identification of Support Measures and Executing Agencies, Paragraph 4** of the Regulations:

Programme Components **with a budget above the threshold stated in the Support Measure Set-Up** that are selected after **the entry into force of the Support Measure Set-Up** are approved by the Support Measure Steering Committee if not otherwise specified in the **Support**

**Measure Set-Up. Programme Components with a budget below or equal to the threshold stated in the Support Measure Set-Up are approved by the Programme Operator if not otherwise specified in the Support Measure Set-Up.**

The following paragraph replaces **Article 4.2 Identification of Swiss Support Measure Partners, Paragraph 4** of the Regulations:

Together with the second-stage Support Measure proposal (see Article 4.7), a draft Partnership Agreement shall be submitted. **The Programme Operator shall verify that the Partnership Agreement at the level of a Programme Component complies with Article 4.10.** The NCU shall verify that the Partnership Agreement **at the level of a Programme** complies with Article 4.10.

The following paragraph replaces **Article 4.4 Stakeholder consultations, Paragraph 4** of the Regulations:

**The stakeholder consultations shall be organized by the Programme Operators.**

The **Article 4.5 Advisory Committee** of the Regulations shall be deleted:

1. *The Partner State shall arrange a transparent and fair selection process for Projects or Programme Components. For this purpose, Advisory Committees may be established.*
2. *The purpose of the Advisory Committees is to assess and validate the selection of proposals for Projects or Programme Components identified with calls for proposals conducted in accordance with Article 4.6.*
3. *The aforementioned purpose of the Advisory Committees shall be achieved by assessing and validating*
  - a) *ex ante the call for proposals documentation, including the selection criteria; and*
  - b) *ex post the selection process conducted.*
4. *The Advisory Committees shall be composed of a limited and meaningful number of representatives from the NCU, either the relevant Intermediate Bodies or Programme Operators, relevant ministries, regional and local authorities, academic institutions, as well as civil society and private sector organisations. The composition of the Advisory Committees shall allow a balanced, complementary and diversified representation of the various interests in a thematic area. Before formalising the membership of the Advisory Committees, the SCO shall be consulted on the composition of the Advisory Committees.*
5. *The NCU shall convene, conduct and chair Advisory Committees.*
6. *The SCO, or any third party appointed by it, shall have the right to participate as an observer in the meetings of the Advisory Committees.*

The following paragraph replaces **Article 4.6 Call for Proposals, Paragraph 1** of the Regulations:

**The Partner State shall arrange a transparent and fair selection process for Projects or Programme Components.** In accordance with Article 4.1 paragraphs 3 and 5, the NCU may organise calls for Project proposals and Programme Operators may organise calls for Programme Component proposals.

The new paragraph is inserted into **Article 4.6 Call for Proposals** of the Regulations as **Paragraph 7**:

**The Programme Operator shall verify that the selection process has been conducted in accordance with the Regulations. Following such verification, the Programme Operator shall notify the Support Measure Steering Committee of the positive appraisal of the selection process. The Support Measure Steering Committee shall assess and validate ex post the selection process conducted.**

The following article replaces **Article 4.8 Support Measure Agreement** of the Regulations:

#### **Article 4.8 Support Measure Set-Up**

1. The **Support Measure Set-Up stipulates the specific rules and allocation decided upon Switzerland with regard to a specific Support Measure**. The NCU is responsible for preparing the draft **Support Measure Set-Up** based on the template **pursuant to Article 2 paragraph 2 of the Framework Agreement**, and shall take into account the contents of the approved Support Measure proposal and any conditions put forward by Switzerland.
2. The **Support Measure Set-Up** shall set out the terms and conditions governing the Support Measure, i.e. the duration of the Support Measure and the budget allocation, including the financial allocation provided by Switzerland and by national, regional or local authorities of the Partner State. It shall also define the specific roles and responsibilities of national authorities, Executing Agencies and any other entities (including, where applicable, Swiss Support Measure Partners) involved in the implementation of the Support Measure.
3. The NCU and the SDC, or SECO, as the case may be, shall strive to finalise the draft **Support Measure Set-Up** within two months after the final approval of the Support Measure by Switzerland. The NCU shall send a draft of the **Support Measure Set-Up** to Switzerland ideally together with the Support Measure proposal in the second stage, but not later than one month later.
4. The Partner State and Switzerland shall ensure that their respective approval processes are conducted efficiently.

The following paragraph replaces **Article 4.9 Support Measure Implementation Agreement, Paragraph 2** of the Regulations:

The Support Measure Implementation Agreement shall set out the terms and conditions of grant assistance as well as the roles and responsibilities of the respective parties. It shall, in particular, include provisions that ensure that the Executing Agency undertakes to comply fully with the provisions constituting the legal framework of the Cooperation Programme, as set out in **Article 2** of the Framework Agreement, which are relevant for the implementation of the Project or Programme, including any obligation that continues to apply after the Project or Programme has been completed. An explicit reference to these Regulations shall be included. It may also contain provisions that refer to any Swiss Support Measure partnership or the involvement of Swiss experts, if relevant.

The following paragraphs replace **Article 4.10 Partnership Agreements with Swiss Support Measure Partners(s), Paragraph 1 and Paragraph 2** of the Regulations:

1. If a Support Measure **or Programme Component** is implemented in partnership with Swiss Support Measure Partner(s), as defined in Article 1.3aa) and identified in accordance with Article 4.2, the Executing Agency or the Programme Component Operator shall sign a Partnership Agreement with the Swiss Support Measure Partner(s).
2. The Partnership Agreement shall contain, inter alia, the following:

- a) provisions setting out the roles and responsibilities of the Executing Agency or the Programme Component Operator and the Swiss Support Measure Partner(s);
- b) provisions setting out the financial arrangements, including, but not limited to, which expenditures the Swiss Support Measure Partner(s) can be reimbursed from the Support Measure budget **or Programme Component budget** and how eligible expenditures incurred by the Swiss Support Measure Partner(s) will be effectively verified and reimbursed by the **Programme Operator in case of a Programme** or the Programme Component Operator **in case of a Programme Component**. Eligibility of expenditures for relevant travel, accommodation and subsistence allowances for Swiss Support Measure Partner(s) and the verification thereof shall be in line with the Swiss Support Measure Partners' respective directive and/or common Swiss practice;
- c) currency exchange rules for such expenditure and the reimbursement thereof. The Swiss Support Measure Partner(s) shall not bear any exchange rate risks;
- d) specific audit provisions;
- e) a detailed budget;
- f) provisions setting out the reporting obligations of the Swiss Support Measure Partner(s) towards the Executing Agency or the Programme Component Operator;
- g) provisions stipulating the applicable law and place of jurisdiction. Unless otherwise agreed in the Partnership Agreement, Swiss law shall apply and the place of jurisdiction for any dispute or claim arising out of or in connection with the Partnership Agreement shall be Switzerland. The parties shall, before going to court, try to settle disputes or claims by amicable manner or with the assistance of the NCU and the SDC/SECO.

The following article replaces **Article 4.11 Support Measure Steering Committee** of the Regulations:

1. For each Support Measure, with the exception of the Technical Support, **the Executing Agency** shall, in principle, establish a Steering Committee. The Support Measure Steering Committee shall:
  - a) supervise the progress of implementation and make suggestions for improvements;
  - b) approve the Programme Components **with a budget above the threshold stated in the Support Measure Set-Up** in accordance with Articles 4.1, **unless otherwise stipulated in the Support Measure Set-Up**;
  - c) approve in accordance with Article 4.12 paragraphs 5 and 6 **and 7 and 11**, any modifications to the Support Measure based on the proposal by the Executing Agency;
  - d) **assess and validate ex-ante the calls for proposals documentation, including the selection criteria**;
  - e) **validate ex post the selection process conducted**;
  - f) comply with any other tasks assigned in the **Support Measure Set-Up**.
2. In general, the Support Measure Steering Committee shall be composed of the following members:
  - a) **the Executing Agency as Chair and as Secretary**
  - b) the NCU;
  - c) the SCO;
  - d) if appropriate, any other **thematically relevant entities** from the Partner State and/or from Switzerland.

3. The exact composition of the Support Measure Steering Committee and the voting rights of its members shall be defined in the relevant **Support Measure Set-Up**, taking into account that
  - a) **the Executing Agency, the NCU and the SCO shall have the right to vote;**
  - b) the NCU and the SCO shall have the right to veto any decision taken by the Support Measure Steering Committee.
4. The **Support Measure Set-Up** shall define the quorum of the Support Measure Steering Committee.
5. Each member of the Support Measure Steering Committee with voting right shall have one vote. The Support Measure Steering Committee shall strive for reaching consensus. Otherwise, a simple majority shall be necessary for decisions. In case the votes are even, the chair has a casting vote.
6. The Support Measure Steering Committee shall meet at least once a year. Additional meetings may be held, if deemed necessary or useful, at the request of at least one member of the Support Measure Steering Committee. In-between Steering Committees, a written procedure may be employed to conduct a Support Measure Steering Committee meeting.
7. The Secretary of the Support Measure Steering Committee shall:
  - a) organise meetings of the Support Measure Steering Committee. Invitations, including the preliminary agenda and relevant documents, shall be sent no later than ten working days prior to the meeting to all members of the Support Measure Steering Committee;
  - b) draft minutes of the meetings recording the decisions of the Support Measure Steering Committee, consult all members on the draft and distribute the finalised minutes no later than 20 working days after the meeting to all members of the Support Measure Steering Committee.

The following article replaces **Article 4.12 Modification of Support Measures** of the Regulations:

1. Support Measures may be modified, in particular, in one or more of the following cases:
  - a) in order to respond to unforeseen relevant events in the Partner State;
  - b) in order to mitigate risks and/or difficulties in implementation;
  - c) in order to contribute to enhance the impact of the Support Measure.
2. With reference to paragraph 1c), the scope of a Support Measure may only be extended if the additional scope is relevant and in line with the objectives of the Support Measure. In order to allow the additional scope to be implemented, the additional impact must be significant, additional management cost must be proportionate to the additional impact and it must be feasible to implement the additional scope before the end of the period of eligibility of expenditures as defined in Article 4 paragraph 3 of the Framework Agreement.
3. The Executing Agency shall describe and justify the modification as well as the likely impact on the budget, risks, outputs and outcomes of the Support Measure.
4. Any modification of a Support Measure is subject to prior approval first by the Partner State and then by Switzerland, unless
  - a) the **Support Measure Set-Up** explicitly stipulates otherwise; or
  - b) the modification lies in the competence of the Support Measure Steering Committee in accordance with paragraphs 5 or 6 **or 7 or 11**; or
  - c) **the modification lies in the competence of the Programme Operator in accordance with paragraphs 8 or 9 or 10.**

5. The Support Measure Steering Committee is entitled to modify Projects, provided that the following conditions are cumulatively met:
  - a) the modification shall not contradict with the agreed outputs and outcomes of the Project;
  - b) the modification must not change the duration of the Project;
  - c) funds reallocated between different budget items due to the modification must be less than 25 % of the budget for the Project and less than CHF one million. Modifications may not be split with the intention of circumventing this restriction;
  - d) the modification must not be a consequence of any Irregularity, as defined in Chapter 11.
6. The Support Measure Steering Committee is entitled to modify Programme Components **with a budget above the threshold stated in the Support Measure Set-Up**, provided that the following conditions are cumulatively met:
  - a) the modification shall not contradict with the agreed outputs and outcomes of the Programme;
  - b) the modification must not change the duration of the Programme;
  - c) the financial consequences of the modification must be within the following limits:
    - (i) for reallocations within one Programme Component: funds reallocated between different budget items must be **more than 10 %** of the initial budget of the Programme Component;
    - (ii) for reallocations among Programme Components: no Programme Component may receive reallocated funds of more than 25 % of its initial budget or of more than CHF one million;
    - (iii) modifications may not be split with the intention of circumventing this restriction;
  - d) the modification must not be a consequence of any Irregularity, as defined in Chapter 11.
7. With regard to Programmes, the Support Measure Steering Committee may, in accordance with paragraph 6, decide to change the duration of Programme Components **with a budget above the threshold stated in the Support Measure Set-Up**.
8. **Unless otherwise stipulated in the Support Measure Set-Up, the Programme Operator is entitled to modify Programme Components with a budget above the threshold stated in the Support Measure Set-Up, provided that the following conditions are cumulatively met:**
  - a) **the modification shall not contradict with the agreed outputs and outcomes of the Programme;**
  - b) **the modification must not change the duration of the Programme;**
  - c) **the financial consequences of the modification must be within the following limits:**
    - (i) **for reallocations within one Programme Component: funds reallocated between different budget items must be less than or equal to 10 % of the initial budget of the Programme Component;**
    - (ii) **modifications may not be split with the intention of circumventing this restriction;**
  - d) **the modification must not be a consequence of any Irregularity, as defined in Chapter 11.**
9. **Unless otherwise stipulated in the Support Measure Set-Up, the Programme Operator is entitled to modify Programme Components with a budget below or equal to the threshold stated in the Support Measure Set-Up, provided that the following conditions are cumulatively met:**
  - a) **the modification shall not contradict with the agreed outputs and outcomes of the Programme;**

- b) **the modification must not change the duration of the Programme;**
  - c) **the modification must not be a consequence of any Irregularity, as defined in Chapter 11.**
10. **With regard to Programmes, the Programme Operator may, in accordance with paragraph 9, decide to change the duration of Programme Components with a budget below or equal to the threshold stated in the Support Measure Set-Up.**
  11. **With regard to calls for proposals, the Support Measure Steering Committee is entitled to:**
    - a) **change the duration of the call for proposals;**
    - b) **approve reallocations between calls for proposals based on the results of the calls.**
  12. **If the modification of a Programme Component is subject to approval by the Support Measure Steering Committee in accordance with paragraphs 6 or 7 or 11 the modification shall be formalised through the minutes of the Support Measure Steering Committee.**
  13. **If the modification of a Programme Component is formalised through the minutes of the Support Measure Steering Committee in accordance with paragraph 12 or approved by the Programme Operator in accordance with paragraphs 8 or 9 or 10, Switzerland shall be informed about the modification by means of the next Reimbursement Request under Article 8.2 paragraph 3 and the next Annual Support Measure Report under Article 4.13.**

The following paragraph replaces **Article 4.13 Annual Support Measure Report, Paragraph 3** of the Regulations:

The reporting period for the Annual Support Measure Report is one calendar year, with the exception of the first report. For **Support Measure Set-Ups that enter into force** in the first half of the year, the first report shall cover the period from the date on which the **Support Measure Set-Up enters into force** until the end of the calendar year concerned. For **Support Measure Set-Ups that enter into force** in the second half of the year, the first report shall cover the period from the date on which the **Support Measure Set-Up enters into force** until the end of the following year.

The following article replaces **Article 4.16 Suspension and Termination of a Support Measure Agreement** of the Regulations:

#### **Article 4.16 Suspension and Termination of a Support Measure Set-Up**

1. **The SECO or SDC may suspend or terminate a Support Measure Set-Up** if it considers that its aims can no longer be achieved or that the other **Partner** is not meeting its obligations, by giving the other **Partner** a **three-month** written notice **containing its justification**.
2. Prior to the notice on the suspension or termination, **SECO or SDC** shall enter into a dialogue **with the other Partner** to ensure that the decision is based on an objective appraisal **and to determine consequences of the suspension or termination**.
3. **The SECO or SDC, when suspending or terminating a Support-Measure Set-Up, shall indicate to the other Partner** any consequences of the suspension or termination. **Articles 4.14 and 4.15** shall be applied.

The following paragraph replaces **Article 5.3 Establishment and management of Technical Support, Paragraph 2** of the Regulations:



Using the template provided by Switzerland, the SDC or/and SECO shall **issue a Technical Support Set-Up** establishing the Support Measure Preparation Fund and the Technical Assistance Fund. The Technical Support referred to in Article 5.1 is managed by the NCU.

The following paragraph replaces **Article 5.4 Reporting on Technical Support, Paragraph 1** of the Regulations:

For the Technical Support, the NCU shall once a year, at the latest by the end of October, submit to the SCO for discussion and approval a detailed annual plan and budget for the following year. For the first year, this submission shall occur within one month after **the entry into force of the Technical Support Set-Up**. The NCU shall demonstrate the relevance, appropriateness and proportionality of the proposed expenditures.

The following paragraph replaces **Article 6.1 General principles regarding the eligibility of expenditures, Paragraph 1** of the Regulations:

1. Eligible expenditures from Support Measures are those incurred within the Support Measure, which cumulatively meet the following criteria:
  - a) they are incurred between (and inclusive) the first and final dates of eligibility of a Support Measure as specified in the **Support Measure Set-Up**;
  - b) they are connected with the subject of the Support Measure and they are indicated in the detailed budget of the Support Measure;
  - c) they are proportionate and necessary for the preparation and implementation of the Support Measure;
  - d) they incur within the period of eligibility as defined in the Framework Agreement;
  - e) they are solely used for the purpose of achieving the objective(s) of the Support Measure and its expected outcome(s), in a manner consistent with the principles of the economical conduct of business and effective use of financial resources;
  - f) they are identifiable and verifiable, in particular through being recorded in the accounting records of the **Programme Operator or the Programme Component Operator**, determined according to the applicable accounting standards of the country where the **Programme Operator or the Programme Component Operator** is established and according to generally accepted accounting principles; and
  - g) they comply with the requirements of applicable tax and social legislation of the Partner State.

The following article replaces **Article 6.2 Eligible expenditures under Projects and Programme Components** of the Regulations:

1. The eligible expenditures for Projects and Programme Components are those expenditures that are identified by the Executing Agency **or the Programme Component Operator**, in accordance with its accounting principles and usual internal rules, as specific expenditures directly linked to the implementation of the Project or the Programme Component and which can therefore be booked to it directly. To be eligible, such expenditures shall have been foreseen in the Project and/or Programme component budget. The following expenditures are eligible, provided that they fulfil the criteria set forth in Article 6.1:
  - a) costs due to contracts awarded for the purpose of carrying out the Project or the Programme Component, provided that the awarding of the contracts complies with the applicable rules on public procurement and these Regulations;

- b) expenditures for the acquisition, construction, renovation and upgrades of buildings under the conditions set out in Articles 4.15 and 6.6 and to the extent explicitly authorized in the **Support Measure Set-Up**;
  - c) costs arising directly from requirements defined in the **Support Measure Set-Up** for Projects or Programme Components;
  - d) costs of consumables and supplies, provided that they are identifiable and assigned to **Projects or Programme Components**;
  - e) travel, accommodation and subsistence allowances for staff taking part in the Project or the Programme Component.
2. Costs for the staff assigned to implementing Projects or Programme Components, comprising actual salaries plus social security charges and other statutory costs included in the remuneration, are in principle eligible if the respective functions or tasks are incremental and demonstrably required for implementing **the Projects or Programme Components** and accordingly agreed with Switzerland in the budget of the **Support Measure Set-Up** or foreseen in the Programme Component budget.

The following paragraph replaces **Article 6.3 Eligibility of expenditures under the Support Measure Preparation Fund, Paragraph 2** of the Regulations:

The period of eligibility of expenditures incurred in the Support Measure Preparation Fund runs from the establishment of the Support Measure Preparation Fund under Article 5.3 paragraph 2 in principle until the **entry into force of the respective Support Measure Set-Up** or the date defined in the communication by Switzerland of the rejection of the respective Support Measure proposal.

The following paragraph replaces **Article 6.5 Eligibility of expenditures under the Technical Assistance Fund, Paragraph 3** of the Regulations:

The amount shall be fixed in the **Technical Support Set-Up issued by the SDC or SECO according to the rules established in Article 2 paragraph 2 of the Framework Agreement**.

The following paragraph replaces **Article 7.2 Role of Switzerland, Paragraph 1** of the Regulations:

1. During the approval procedure for Support Measures as stipulated in Article 4.7 and, where applicable, during the subsequent approval procedure for Programme Components and amendments to Support Measures resulting in additional procurements, Switzerland will select **a limited and well justified number of public procurements** for which:
  - a) Switzerland requests a copy of relevant parts of the tender documents (including draft contracts) for non-objection prior to the commencement of the procurement procedure. For such cases, the NCU shall submit the relevant parts of tender documents to the SCO for an assessment to be completed within **10** working days. As a result of this assessment, Switzerland may recommend adjustments to the tender documents. These recommendations may be taken into account and the SCO shall be informed accordingly;
  - b) a notice with basic information on the tender, based on the template provided by Switzerland, is requested for the announcement of the tender in Switzerland. The notice shall be submitted to the SCO no later than five working days before publication of the tender in order to allow an announcement of the tender in Switzerland shortly after the announcement of the tender in the Partner State;
  - c) Switzerland requests an English translation of the tender documents to be made available to bidders.

In its selection, Switzerland will focus on public procurements above 500'000 CHF, but could also include smaller public procurements for studies to be financed under the Support Measure Preparation Fund.

The following paragraph replaces **Article 8.2 Reimbursement of expenditures, Paragraph 4** of the Regulations:

Reimbursement Requests shall cover reimbursement periods. Apart from the first and the last reimbursement periods applying to a Support Measure, reimbursement periods last six months or integer multiples of six months. The reimbursement periods are January to June (01.01. to 30.06.) and July to December (01.07. to 31.12.). Unless the Support Measure starts on the first day of a reporting period, the first reimbursement period runs from the date of **entry into force of the Support Measure Set-Up** to the end of the following reimbursement period. The last reimbursement period runs from the end of the penultimate reimbursement period to the end of the Support Measure, unless the Support Measure ends on the last day of a reporting period.

The following paragraph replaces **Article 9.3 Audit strategy and reporting on audits, Paragraph 7** of the Regulations:

Together with the submission of the Support Measure Completion Report, the Audit Authority shall submit to Switzerland a closure declaration assessing the validity of the application for payment of the final balance **if relevant**.

The following paragraph replaces **Article 10.2 Monitoring missions, Paragraph 2** of the Regulations:

Without prejudice to the monitoring carried out by the NCU and the Executing Agencies, Switzerland, or any third party appointed by it, shall have the right to visit the Support Measures, conduct a comprehensive assessment, and shall be granted full access to all documents and information related to the Support Measures. The SCO shall inform the NCU about any planned monitoring mission **20 working days** in advance. The NCU shall, upon request, ensure that the representatives of Switzerland are accompanied by the relevant personnel and are provided with the necessary assistance.

The following article replaces **Article 11.4 Financial Corrections** of the Regulations:

1. In accordance with Article 11.2, in the event of an Irregularity, the NCU **or Executing Agency** shall clarify whether a withdrawal of funding from the relevant Support Measure (financial correction) is necessary. If it is necessary, the NCU **or Executing Agency** shall determine the amount of the financial correction, applying the principle of proportionality, taking into account specific circumstances and, in particular, the nature and gravity of the Irregularity identified. In this context, the NCU **or Executing Agency** shall also take into consideration the impact of the Irregularity on both the affected Support Measure and the Executing Agency, and the reputation of Switzerland.
2. Before the proposed financial correction is applied, it shall be proposed by the NCU to Switzerland. If Switzerland disagrees with the proposed financial correction, Switzerland shall enter into a dialogue with the NCU within one month of receiving the proposal. The NCU **and Executing Agency** shall take into account the concerns of Switzerland.
3. If the amount of the agreed financial correction has already been paid by Switzerland, the amount of the financial correction shall be deducted from the next Reimbursement Request for the Support Measure in question. If this is not possible, the Partner State shall repay the amount of the financial correction to Switzerland within three months **as soon as the cumulative amount of financial corrections reported and not repaid to Switzerland is**

equal or above the threshold 1'000 CHF. Until the submission of the Cooperation Programme Completion Report, all final financial corrections reported need to be repaid to Switzerland.

## **5. Final provisions**

The present Country-Specific Set-Up is communicated to the Czech Party before the signature of the Framework Agreement. It is part of the Legal Framework referred to in Article 2 of the Framework Agreement.

### **Waiver**

1. Switzerland may in specific cases and in response to exceptional or new circumstances, with written consent of the Czech Party, waive the application of any particular provisions of this Country-Specific Set-Up or any guidelines adopted by Switzerland (Article 2 of the Framework Agreement), where this is necessary for the achievement of the results of the Cooperation Programme and/or a particular Support Measure.
2. Prior the decision to apply a waiver, Switzerland will examine whether an amendment of the provision concerned in this Country-Specific Set-Up would be more appropriate.