

The Ministry of Education, Youth and Sports

**Decision**  
**on the provision of institutional support to the international cooperation project in the field of**  
**research and development within the framework of the Czech–Norwegian Research Programme CZ09**  
**File No. MSMT-23681/2015**

**Czech Republic – Ministry of Education, Youth and Sports**

ID No.: 00022985

Registered office: Karmelitská 7, 118 12 Praha 1,

Represented by: Ing. Jiří Burgstaller, DiS., Director of the Department of Strategic Programs and Projects

(hereinafter the “**Provider**”),

Pursuant to Section 14 of Act No. 218/2000 Coll., on Budgetary Rules (hereinafter the “**Budgetary Rules**”), and pursuant to Section 3(3)(b)(3), Section 4(2)(b), and Section 9(6)(c) of Act No. 130/2002 Coll., on the Support of Research and Development from Public Funds and on the amendments to some related Acts (the Act on the Support of Research, Experimental Development and Innovation ), as amended (hereinafter the “**Act**”),

hereby issues to the beneficiary,

**Name of the Beneficiary**

Legal status:

ID No.:

Registered office:

Account No.:

Statutory representative:

(hereinafter the “**Beneficiary**”),

this Decision on the provision of institutional support from the state budget to the international cooperation project in the field of research and development, ID code 7F14\_\_\_\_, and entitled “**TITLE**” (hereinafter the “**Project**”), co-financed by the Norwegian Finance Mechanism 2009–2014.

**Article 1**  
**The Project**

The subject-matter of the institutional support is the provision of a grant from the State budget for the purpose of supporting the research project entitled “**TITLE**” implemented as part of Czech–Norwegian Research Programme CZ09 (hereinafter the “**Programme**”), in accordance with the announcement of a Call under this programme, the Guide for applicants/beneficiaries, and the Guide for evaluators. The provision of the support and its use for the realisation of the Project is governed by the Act and Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (hereinafter the “**Regulation**”), the Programme Agreement between the Norwegian Ministry of Foreign Affairs and the Czech Ministry of Finance on the funding of the “Czech–Norwegian Research Programme” (hereinafter the “**Programme Agreement**”) and the Regulation on the implementation of the Norwegian Financial Mechanism 2009-2014 (hereinafter the “**NFM Regulation**”).

- 1) The subject-matter, scope, purpose and objectives of the Project, as well as expected outcomes obtained by the Beneficiary and the manner in which such performance is verified are specified in Appendix 1 hereto.
- 2) The institutional support shall not be used contrary to the Act, the Regulation, the NFM Regulation, the Programme Agreement, relevant call for proposals, or the terms and conditions set out herein, and only project activities specified in Appendix 1 may be funded.

- 3) “PI full name” is the individual responsible for the professional standards of the project and appointed by the Beneficiary as a person responsible for communication between the Provider and the Beneficiary, i.e. the Project Principal investigator.

## Article 2 Implementation of the Project

- 1) This Decision shall enter into force on the date of its issuance.
- 2) The Beneficiary shall implement the Project specified in Appendix 1 in accordance with this Decision on the provision of institutional support as well as the terms and conditions set out herein, and shall meet all obligations arising from this Decision.
- 3) The Beneficiary shall begin Project implementation in accordance with the time schedule of the Call for proposals, at earliest on July 8, 2015, but no later than 60 calendar days from the date of issuance of this Decision. The Project must be completed by **month, day, 2017**. The Beneficiary shall inform the Provider in writing of the starting date for Project implementation.

## Article 3 Institutional Support for the Project

- 1) The eligible costs<sup>1</sup> of the Project borne by the Beneficiary are \_\_\_\_ CZK.- (in words: \_\_\_\_Czech crowns) and are defined by Section 2(2)(1) of the Act, Section 25(3) of the Regulation, Chapter 7 of the NFM Regulation, the terms and conditions of the Call for proposals, and the itemized list contained in Appendix 2 hereto. The methodology of calculating indirect costs is defined in Part 5.4 of Appendix 12 to the NFM Regulation.
- 2) The aggregate sum of the institutional support provided by the Provider to the Project is \_\_\_\_CZK.- (in words: \_\_\_\_Czech crowns). The method of its breakdown into annual spending, distribution to other Project participant(s), and itemization is contained in Appendix 2 hereto.
- 3) The aggregate sum of the institutional support provided by the Provider from the Fund for bilateral cooperation at the programme level for Czech-Norwegian cooperation is \_\_\_\_CZK (\_\_\_\_Czech crowns).
- 4) The institutional support will be disbursed by the Provider to the Beneficiary in instalments, by direct transfers from the account of the Provider to that of the Beneficiary.
- 5) The Beneficiary shall implement the Project specified in Appendix 1 hereto in accordance with the terms and conditions set out in this Decision, in the relevant call for proposals, and in the applicable legislation, including the Acts referred to in Article 1 above.
- 6) The Beneficiary is not entitled to use the financial resources provided by the Provider for purposes other than to cover the eligible costs of the Project in accordance with their time schedule and implementation deadlines referred to in Articles 2 and 3 hereof.
- 7) The institutional support for the first year of the Project implementation will be provided to the Beneficiary within 60 calendar days from the date of issuance hereof, unless disbursements from the State budget are curbed by special legislation under a provisional State budget. For projects that last several years, the Provider shall start to provide the support within 60 calendar days from the beginning of second and further years of implementation, provided that the Beneficiary has met all its obligation arising hereunder and has uploaded into the Research, Experimental Development, and Innovation Information System (hereinafter the “IS VaVaI”) all information concerning the implementation of the Project pursuant to the Act and Appendix 9 to the NFM Regulation or, as the case may be, uploaded information concerning the implementation of the Project into any European information systems if so required by the Provider in a given year pursuant to the Regulation.
- 8) The Provider shall not disburse to the Beneficiary subsequent annual instalments of the support specified in Appendix 2 hereto unless the Beneficiary meets the terms and conditions set out herein.
- 9) In cases where the Beneficiary also provides funding to other Project participants from abroad within the Project implementation period, such payments shall be converted into a specific foreign currency using the exchange rate valid on the day of the electronic transfer of the funds from the account of the Beneficiary to that of the foreign participant. The foreign participant (beneficiary) must be able to prove receipt of the specific amount of money, e.g. by a bank statement.

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<sup>1</sup> Eligible costs represent the costs approved pursuant to Section 2 of the Act.

#### Article 4 Changing the Amount of the Eligible Costs and Changing the Level of Support

- 1) The Provider shall disburse to the Beneficiary the respective annual portions of the support provided the Beneficiary has met its previous obligations related to the Project implementation, and in particular has submitted periodical reports, a statement of expenditure actually incurred, and/or other evidence and materials concerning the Project, and such materials have been approved or are deemed to have been approved.
- 2) The amount of the eligible costs and the related support may not be changed by more than 50% during the Project implementation period. The amount of eligible costs may not exceed the total amount of support as stated in this Decision.
- 3) The change referred to in the Article 2 will be made by the Provider's decision issued within 60 calendar days from the date on which the request for the change was considered. The Beneficiary is not legally entitled to the change of the amount of the eligible costs and support.
- 4) A change to the itemized list of the eligible costs contained in Appendix 2 is not subject to the issue of the Provider's decision on the change provided, such a change has no impact on the total eligible costs of the Project or the support; nevertheless, the Provider must approve it in advance. The Beneficiary is entitled to apply for such a change by November 15 of a given calendar year at the latest. In case of a change to the itemized amounts of the eligible costs, the Provider's approval is not necessary if the aggregate sum of the changed itemized costs in a budget allotted to each individual participant is not in excess of CZK 60,000 in any single calendar year. Indirect costs must not be increased. Any change of the amount of personnel costs must be always approved. Any change of the amount of capital costs must be always approved.
- 5) In order to prevent double funding, the Beneficiary is not entitled to draw other funds or support to cover the same costs during the Project implementation period, whether from the Provider's budget; other public funds; funds from the State budget covered by EU funds, by the EEA and Norway Grants 2009–2014 or other foreign sources.

#### Article 5 Beneficiary's Duties

- 1) The Beneficiary shall meet all obligations stemming from the applicable legislation, in particular from: the Regulation; Act No. 563/1991 Coll., on Accountancy, as amended (hereinafter the "**Accounting Act**"); the Budgetary Rules; Act No. 320/2001 Coll., on Financial Control in Public Administration and on the amendment to certain acts, as amended (hereinafter the "**Financial Control Act**"); Act No. 255/2012 Coll., on Inspection, as amended (hereinafter the "**Code of Inspection**"); the Act; Act No. 137/2006 Coll., on Public Procurement, as amended; and Act No. 89/2012, the Civil Code.
- 2) When implementing the Project, the Beneficiary shall also abide by the following documents:
  - a) the NFM Regulation;
  - b) the Methodology of financial flows, control, and certification of programmes funded from EEA Financial Mechanisms and Norwegian Finance Mechanism in the programming period 2009–2014;
  - c) the Directive of the National Contact Point concerning eligible costs under EEA Grants and Norway Grants;
  - d) the Directive of the National Contact Point concerning small-scale public tenders funded from EEA Grants and Norway Grants.
- 3) The Beneficiary is not authorised to use the institutional support for any purpose other than that for which the Provider has provided it. The Beneficiary shall keep a separate ledger for the institutional support pursuant to the Accounting Act, in order to keep record of actually incurred costs and of costs covered by the institutional support. The Beneficiary shall choose a suitable bookkeeping method permitted by the Accounting Act, to enable it to prove the amount of actually incurred eligible costs and funds actually drawn from the support.
- 4) The Beneficiary shall settle (account for) the institutional support in accordance with the Budgetary Rules and Government Regulation No. 52/2008 Coll., on principles and terms of the financial settlement of the transactions within the State budget, State financial assets and National Fund, in the manner and by the deadlines specified by the Provider. The Beneficiary shall further:
  - a) adopt necessary measures to ensure that all works that are part of the Project are carried out properly;

- b) notify the Provider that the implementation of the Project has actually started;
  - c) ensure contacts with the Project Principal Investigator;
  - d) submit to the Provider reports on the progress of the Project implementation as per Article 6 hereof;
  - e) properly file and keep signed originals of all decisions, agreements and other documents related to the Project implementation as required by the applicable legislation, for at least 10 years from 1 January of the year following the year in which the Financial Mechanism Office has approved the Czech–Norwegian Research Programme final report;
  - f) take part in meetings convened for the purpose of controlling, monitoring, and evaluating the Project, its outcome, and drawing funds from the Project budget;
  - g) submit to the Provider any and all required evidence of adherence to the terms and conditions set out herein;
  - h) inform the Provider in writing of any changes that may have occurred during the effective period of this Decision concerning the legal status of the Beneficiary and/or other Project participant(s), information and documents proving the qualification of the Beneficiary and/or other Project participant(s), or other information that may have an impact on the Project implementation, always within 7 calendar days from the occurrence of such a change;
  - i) thoroughly adhere to internal accounting principles and policy in accordance with the applicable legislation, and corresponding to prices that are usual for that place and time;
  - j) ensure that its internal accounting and controlling procedures allow for direct comparison of costs and revenues declared in respect of the Project in accordance with respective financial statements, accounting books and ledgers.
- 5) The Provider may use the assistance of independent consultants appointed as per Article 8 hereof for the purpose of the undertakings referred to under paragraph 4(f).
  - 6) Should the institutional support be used contrary to the terms and conditions set out by in the applicable legislation and this Decision, this shall be deemed a breach of budgetary discipline within the meaning of Section 44 of the Budgetary Rules and steps will be taken pursuant to Section 44(a) thereof.
  - 7) The portions of the support set aside for the other Project participant(s) in successive calendar years are specified in Appendix 2. The Beneficiary shall distribute the portions of the support to the other Project participant(s) within 15 calendar days (at the latest) from the date on which it receives the support from the Provider.
  - 8) The Beneficiary shall ensure that any Agreement on participation in Project implementation (Partnership Agreement) contains clauses that give the Beneficiary the same right to control the other Project participant(s) with respect to the Project as the Provider has in relation to the Beneficiary, and that the other Project participant(s) adhere(s) to preconditions for the provision and drawing of the Project-related support set out herein, in the Act, the Regulation, and the NFM Regulation.
  - 9) Whenever publishing any information related to the Project, the Beneficiary shall always state the Project code and the fact that it has been co-funded by the Norway Grants and the Provider under Czech–Norwegian Research Programme CZ09. The text of the standardised acknowledgement is available in the Communication and Design Manual in Appendix 4 of the NFM Manual.
  - 10) The Beneficiary shall ensure that non-eligible costs are borne and covered by the Project participant that has actually incurred them.

## **Article 6**

### **Monitoring Project Implementation; the Method and Plan for Assessing the Outcomes achieved**

- 1) Pursuant to Section 13 of the Act, and in accordance with the Regulation and Appendix 12 to the NFM Regulation, the Provider shall carry out regular annual monitoring of Project implementation, shall evaluate the fulfilment of its objectives, and assess the outcomes achieved. To this end, the Beneficiary shall submit the following reports to the Provider for approval:
  - a) interim periodical reports concerning the progress of Project implementation, i.e. reports on work progress, expenditures incurred, any deviations from the work schedule, and outcomes achieved during the previous period of time (i.e. calendar year);
  - b) interim non-periodical reports concerning the achievement of the Project's partial results, i.e. reports on separate outcomes with respect to which steps were initiated to provide for their legal protection or publication or, as the case may be, that will be used commercially as proprietary information, depending on their nature;

- c) a final report covering all works, objectives, outcomes, results and conclusions, including a summarisation of each of the aforementioned items;
  - d) edited interim periodical reports and final report in a form that is suitable for publication by the Provider and the Beneficiary; (in the event the interim non-periodical reports and final reports need no further editing, they may be published and disseminated in their original form);
  - e) if necessary, other reports containing information as requested by the Provider.
- 2) The Beneficiary shall follow the Provider's directives with respect to the content and structure of the reports and deadlines for their submission. Reports and documents concerning the Project's eligible costs required to be submitted hereunder shall be submitted by the Beneficiary to the Provider in one hard copy and in electronic form.
  - 3) The interim periodical reports concerning the progress of Project implementation and relevant documents concerning the Project's eligible costs should always cover a period of one calendar year of Project implementation, starting from the calendar year in which the implementation is due to start pursuant to this Decision, unless the Provider exceptionally asks the Beneficiary to submit an extra interim report at any other time. Each interim periodical report concerning the progress of the Project should always be submitted by 31 January of the following calendar year (at the latest).
  - 4) The Beneficiary shall organize an interim external examination at its own expense and annually submit to the Provider interim reports concerning the progress of the Project with at least two external reviewer reports attached (issued by at least two independent external examiners who are not employed by the Beneficiary or by the same employer), an annual statement of funds spent or allotted for the Project implementation, and an explanation of why and how they were drawn and spent.
  - 5) On completion of Project implementation, the Beneficiary shall organize a final external examination (also attended by the Provider's representatives, if the latter so wishes) and submit to the Provider a final report on Project implementation ready for publication, with at least two external reviewer reports attached (issued by at least two independent external examiners who are not employed by the Beneficiary or by the same employer), a financial calculation for the period of time from the beginning of the given calendar year to the date of Project completion, including the support provided, an explanation of why and how all the funds were drawn and spent for the Project, and minutes of the final external examination proceedings. All the aforementioned documents should be submitted to the Provider in writing (1 hard copy) and in electronic form within 14 days of the date on which the final external examination took place (by 31 July 2017 at the latest).
  - 6) The final report on Project implementation and relevant documents concerning the Project's eligible costs should cover the entire period of Project implementation. The Beneficiary shall submit the final report to the Provider either after completion of Project implementation by the deadline set out in Article 5 hereof, or after completion of the project's activities in the event the Project is terminated prematurely.
  - 7) The Project participant from Norway accounts for its share in Project costs in periodic and final reports in a separate financial report, audited by a certified auditor pursuant to article 5.3 of Appendix 12 documenting that expenses are actually incurred in accordance with the NFM Regulation and national legislation. This does not exempt the Norwegian partner from the obligation to archive individual documents related to the Project. The Beneficiary or Project participant from the Czech Republic shall abide by the relevant sections of the Accounting Act, the Financial Control Act and other applicable law.
  - 8) If the Project implementation is completed before the deadline specified under paragraph 2(3) hereof, the provisions of paragraph 6(6) concerning the final report on Project implementation and the relevant documents concerning the Project's eligible costs shall apply *mutatis mutandis* to the period of time until the Project's premature termination date.

## Article 7

### Additional Duties of the Beneficiary

- 1) The Beneficiary agrees that its company name, address of its registered office, grant title, the amount of the provided support, and edited final report on the Project implementation, as well as other information about the Project required by the Act, the Regulation and the NFM Regulation may be published via national and international information systems.
- 2) The Beneficiary shall adhere to the support intensity rules, i.e. shall respect the maximum amount of State aid expressed as a percentage of the Project eligible costs, as set out in this Decision and its Appendices and in accordance with the relevant provisions of the Act and the Regulation. At the same time, the Beneficiary shall ensure that the other recipients of the support also adhere to the support intensity rules.

- 3) The Beneficiary shall handle the funds disbursed under the institutional support properly, efficiently, economically, and effectively, in accordance with the applicable legislation.
- 4) The Beneficiary shall inform the Provider without delay if any irregularity is suspected during the course of the Project implementation. An irregularity means a breach of any provisions of the:
  - a) Law of the European Union;
  - b) Law of the Czech Republic;
  - c) Legal framework of the Norway Grants 2009–2014;that may have an impact on any stage of the implementation, or may endanger it, e.g. due to non-eligible or excessive costs.

#### **Article 8 Consultants**

- 1) The Provider may appoint consultants who can assist the Provider in controlling and monitoring the Project in accordance with this Decision.
- 2) The Provider shall bind the consultants in writing to maintain the confidentiality of any information provided to them and to refrain from misusing such information for their own benefit or that of third parties.
- 3) The Provider shall inform the Beneficiary of the appointment of the consultants and make it possible for the Beneficiary to raise complaints against them. The Provider shall consider the Beneficiary's complaints and shall replace an appointed consultant by another individual if it finds the complaints well founded.

#### **Article 9 Outcomes of the Project and Their Exploitation**

- 1) The rights over outcomes resulting from the Project and the manner of their use by the Beneficiary are governed by the Act, the Regulation, Appendix 12 to the NFM Regulation, and the Agreement on participation in Project implementation (the Partnership Agreement).
- 2) Any costs related to the assignment of the access rights are borne by the assignee.
- 3) The Beneficiary shall publish complete, truthful, and timely information concerning the Project and its outcomes in the form and scope and in the manner prescribed by the Provider in compliance with the Act, the Regulation, the NFM Regulation and this Decision.

#### **Article 10 Withdrawal of the Support**

The Provider is entitled to initiate proceedings to withdraw the institutional support any time after the issuance of this Decision in justifiable cases in accordance with Section 15 of the Budgetary Rules and the NFM Regulation.

#### **Article 11 Inspections**

- 1) The Provider is entitled to control and inspect the fulfilment of Project objectives and use of the support, as well as the effectiveness of the eligible expenditures in accordance with this Decision.
- 2) The Provider is entitled to make such an inspection at any time during the Project implementation period and, subsequently, for the period of time of 10 years starting from the 1 January of the year following the year in which the Financial Mechanism Office has approved the final programme report.<sup>2</sup>
- 3) Financial control and inspection are performed in compliance with the Financial Control Act and the Code of Inspection. The Beneficiary shall provide the inspectors with any necessary assistance during the inspections, in particular to allow them free access to individuals participating in the Project implementation at the Beneficiary's premises, to any and all documents, computer records and equipment that form part

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<sup>2</sup> Pursuant to Section 44(a)(9) of Act No. 218/2000 Coll., on Budgetary Rules, a levy and penalty may be charged for the period of time of 10 years starting from the 1 January of the year following the year in which budgetary rules were breached.

of the Project. The Beneficiary's duties with respect to the inspections are described in the aforementioned acts.

- 4) The Beneficiary shall make accessible any and all documents concerning the Project and allow access to all authorized entities for the purpose of inspections, particularly to the Certifying and Auditing Authority of the Ministry of Finances, the Supreme Audit Office of the Czech Republic, agents of the Financial Mechanism Office, the EFTA Board of Auditors, the Office of the Auditor General of Norway, the Financial Mechanism Committee, the Ministry of Foreign Affairs of the Czech Republic, or persons appointed by them.
- 5) The Beneficiary shall inform the Provider without delay of all cases of Project inspections and/or monitoring performed by third parties, as well as of their outcomes and any corrective measures proposed.
- 6) The Beneficiary shall notify the entity that performed an inspection and/or monitoring and required any corrective measures that such measures have been adopted and implemented. A copy of the notification must be sent to the Provider.

## **Article 12**

### **Providing Information and Data Concerning the Project**

- 1) The Beneficiary shall make public complete, truthful and updated information concerning the Project, findings obtained, and other Project outcomes.
- 2) The Beneficiary shall fulfil its duty to inform as per the foregoing paragraph 1 in particular (but not limited to) through the mediation of the Provider to whom the Beneficiary will provide information concerning the Project, findings obtained and other Project outcomes to be published via the IS VaVaI system in the form and by the deadlines prescribed by the Provider in accordance with the Act and the Regulation.
- 3) The Beneficiary shall provide the Provider with information and data to be uploaded into the IS VaVaI system in the form prescribed by the Provider. The Provider shall forward the information and data concerning the project co-financed from its funds to the IS VaVaI system operator within 50 calendar days from:
  - a) the effective date of this Decision, or
  - b) the beginning of the current calendar year (applicable to projects initiated in previous years and implemented during the current calendar year).
- 4) Should the information and/or data provided pursuant to the above paragraph 3 change during the relevant calendar year, the Provider shall forward the updated information and/or data to the IS VaVaI system operator within 30 calendar days (at the latest) from the date on which the change occurs or is reported to the Provider.
- 5) The Beneficiary shall publish the outcomes of the Project in accordance with the legislation, and always meticulously refer to the Project ID code assigned by the IS VaVaI system in any published information concerning the Project, and also highlight the fact that the Project has been co-funded by the Norway Grants 2009–2014 and by the Provider as part of R&D institutional support.
- 6) If the main objective to be attained through the implementation of the Project is subject to protection as a trade secret, other secret, confidential information pursuant to specific law, or a piece of information that, if disclosed, might put at risk certain operations pursued by intelligence services, the Beneficiary must provide the information concerning the Project, findings obtained, and other Project outcomes in a form that may be made public. If the main objective to be attained through the implementation of the Project, or through another research, development and innovation activity is subject to confidentiality under a special law, the Provider and the Beneficiary shall exclude such confidential information when providing information on the performance of the research, experimental development, and innovation activity, and the outcomes thereof.

## **Article 13**

### **Proprietary Rights over Tangible Assets**

The Beneficiary is the owner of the tangible assets necessary for the implementation of the Project and purchased using the funds disbursed to him under the institutional support, or created by the Beneficiary while implementing the Project. However, the Beneficiary is not authorised to dispose of such assets in favour of third parties without the Provider's consent for five years following Project completion; i.e., the Beneficiary is not allowed, without reservation, to alienate, let out, lend, loan for consumption, or pledge such assets without the Provider's consent.

## **Article 14**

### **Liability for Damage**

The Provider shall not be held liable for Beneficiary's activity or inactivity, nor can it in any manner be held liable for flaws and/or deficiencies of products or services that will result from the findings obtained within the framework of the Project.

## **Article 15**

### **Regulation of Proprietary Rights over the Project Outcomes and Their Use**

- 1) The institutional support cannot be provided unless proprietary rights and the right of enjoyment of Project outcomes, their use, and their availability between the Provider and the Beneficiary, between the Beneficiary and other Project participant(s), between the Beneficiary and third parties participating in the Project and, if there are several beneficiaries, between them, are properly regulated.
- 2) All rights over the Project outcomes pertain to the Beneficiary. The rights of respective authors of the outcomes and owners of related copyright are regulated under a special law.
- 3) The following rules apply to the use of the Project outcomes:
  - a) in the case of R&D activities with 100 per cent of eligible costs funded from public sources, the Beneficiary shall make the Project outcomes available to all interested parties under equal terms and conditions as set out in the agreement on the use of the Project outcomes;
  - b) in the case of R&D activities with 50 to 100 per cent of eligible costs funded from public sources, the Beneficiary shall make the Project outcomes available to all entities that contributed to the support from private sources under equal terms and conditions as set out in the agreement on the use of the Project outcomes;
  - c) in the case of R&D activities with less than 50 per cent (incl.) of eligible costs funded from public sources, the manner and deadlines of which and by which the outcomes should be used must be explicitly specified in the agreement on the use of the Project outcomes;
  - d) in the case that the R&D outcomes funded from a pool of public and other sources are not used in the manner and by the deadlines set out in the agreement on the use of the Project outcomes, the Beneficiary shall make the outcomes available to all interested parties under standard and non-discriminatory terms and conditions.
- 4) If any third parties are entitled to the rights over the Project outcomes, the Beneficiary must take appropriate steps or enter into appropriate agreements in order to ensure that such rights are exercised in accordance with the Beneficiary's own obligations arising from this Decision.
- 5) The Beneficiary shall ensure that the outcomes that are in its ownership, and can be utilised, are appropriately and efficiently protected. At the same time, the Beneficiary shall utilise the outcomes that are in its ownership, or allow for their utilisation, in accordance with the Provider's interests and while respecting intellectual property rights and confidentiality obligations.
- 6) If the Beneficiary assigns the proprietary rights over the Project outcomes to third parties, it must take appropriate steps or enter into appropriate agreements in order to ensure that its obligations are transferred to the new holder, thus protecting the Provider's interests arising from this Decision.
- 7) For the purpose of this Decision, utilisation means the direct or indirect use of the outcomes for scientific or commercial purposes. Commercial use means the direct or indirect use of the outcomes for the purpose of developing a product or technology and its placement on the market, or the development and provision of a service. The Beneficiary shall secure proprietary rights over outcomes that are subject to utilisation under the aforementioned agreement.
- 8) A Beneficiary receiving institutional support intended for funding the implementation of an applied research project within the meaning of Section 2(1)(b) of the Act, which may also involve industry-oriented research and experimental development, as envisaged in Sections 2(85) and 2(86) of the Regulation, and a user of the outcomes shall enter into an agreement for the utilisation of the Project outcomes, and the Beneficiary shall submit that agreement to the Provider prior to completion of Project implementation. The agreement must cover a period of at least three years from completion of Project implementation. When drafting the agreement for the utilisation of the Project outcomes, it is important to respect the manner in which this Decision governs the proprietary rights and the right of enjoyment of Project outcomes.
- 9) Particulars of the agreement for the utilisation of the Project outcomes are stipulated in Section 11 of the Act.



- 10) If a patented invention is an outcome of a project funded from public sources, it shall be subject to the relevant provision of Act No. 527/1990 Coll., on Inventions, Industrial Designs and Rationalization Proposals, as amended, concerning corporate inventions.
- 11) Outcomes that are suitable for publication and, at the same time, cannot be protected pursuant to a special law and are not subject to protection as a business secret, other secret, or confidential information pursuant to a special law or intergovernmental legal instruments relating to the Programme, or a piece of information that, if disclosed, might put at risk certain operations pursued by intelligence services, must be made public and disseminated by the Beneficiary through conferences, publications, and/or open-access information channels, via free software, or software with an open source code.

#### **Article 16**

##### **Breach of the Decision on the provision of the Institutional Support**

- 1) Should the Beneficiary breach any of its duties arising from this Decision, or should the Provider have a justifiable suspicion that the Beneficiary has provided an untrue statement, the Provider is entitled to suspend the support.
- 2) If the Beneficiary uses the institutional support for other purpose than that for which the Provider has provided it, or under a different time schedule, or contrary to the terms and conditions set out by law and/or this Decision, this shall be deemed to be an unauthorised use of funds disbursed from the state budget and a breach of budgetary discipline. Any unauthorised use or withholding of a grant is deemed to be a breach of budgetary discipline within the meaning of Section 44(1) of the Budgetary Rules.
- 3) If any material financial impropriety or discrepancy in information or documents concerning the use of the support is discovered, or the Beneficiary provides an untrue statement, this shall be deemed to be a breach of budgetary discipline.
- 4) If any of the following events occurs after the date of issue of this Decision:<sup>3</sup>
  - a) State budget funds are blocked;
  - b) statements and information on the basis of which the institutional support has been provided are found to be incomplete or untruthful;
  - c) this Decision is found to have been issued contrary to the Act or EU law;
  - d) the Provider learns that the purpose for which the grant (support) has been provided cannot be attained duly and in time, unless a breach of the budgetary rules has already been detected;
  - e) the European Commission has issued a decision for the refund or temporary refund of the State aid;
  - f) it was found that illegal work was made possible;

the Provider may initiate appropriate proceedings in order to withdraw the support.

The Provider may withdraw any funds disbursed during the 12 months preceding the discovery of such an occurrence. Should the support only be withdrawn only because the disbursement of State budget funds has been blocked, the Beneficiary is not required to refund the portion of the support it has already received and used to cover eligible costs of the Project.
- 5) If the Beneficiary is sentenced for a felony referred to in Section 14(a) of the Act, the Provider may partly change or completely reverse this Decision on the provision of institutional support.
- 6) If the Beneficiary breaches its duties arising under this Decision, the Provider may exclude any project proposal submitted by the Beneficiary from a public tender in the field of research, development and innovation for 3 years starting from the date on which the breach in question has been proven or admitted by the Beneficiary in writing.

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<sup>3</sup> See Section 15 of the Budgetary Rules.

### **Article 17**

#### **Publicity**

The Beneficiary shall provide for Project publicity in compliance with the NFM Regulation and by additional means, as appropriate. The Beneficiary shall also bind its partners contractually to provide for publicity of the Project in compliance with the NFM Regulation.

### **Article 18**

#### **Amendments to the Decision**

- 1) This Decision may only be amended in the cases specified in the Act and in Budgetary Rules.
- 2) The Decision as per Article 1 must not be issued later than two months before the completion of Project implementation.

### **Article 19**

#### **Final Provisions**

- 1) This Decision is not governed by Act No. 500/2004 Coll., the Administrative Code, as amended, no remonstrance can be applied, and it is exempt from judicial review pursuant to Act No. 150/2002 Coll., the Code of Administrative Justice, as amended.
- 2) This Decision is issued in 2 counterparts, of which the Provider and the Beneficiary shall each receive one counterpart.
- 3) The following Appendices shall form an integral part hereof:
  - a. Appendix 1 – Approved Draft Project
  - b. Appendix 2 – List of the Project's eligible costs and institutional support funds actually drawn in individual years.

Prague, dated

On behalf of the Provider: Ing. Jiří Burgstaller, DiS.  
Director of the Department of Strategic Programs and Projects

(Signature, stamp)