

# **Agreement on donor project**

between

## **the Czech Republic – Ministry of the Interior of the Czech Republic**

Nad Štolou 936/3, 170 00 Prague, Czech Republic



Represented by Mr Petr Vokáč, Deputy Minister, Section of Legislation, State Administration and Self-Government, náměstí Hrdinů 1634/3, 140 21, Prague, Czech Republic

hereinafter referred to as the “**Project Promoter**”

and

## **the Organisation for Economic Co-operation and Development**

2, rue André Pascal, 75775 Paris Cedex 16, France,

Represented by  Director of the Directorate for Public Governance and  Head of the Voluntary Contributions Management Division in the Programme, Budget and Financial Management Service, Executive Directorate

hereinafter referred to as the “**OECD**”

hereinafter referred to individually as a “Party” and collectively as the “Parties”

## **for the implementation of the Project**

***“Evaluation of the public administration performance in the Czech Republic and recommendations for the future strategic development”***

IT IS AGREED AS FOLLOWS:

## **Article 1 – Scope and objectives**

1. This Agreement (hereinafter referred to as the “Agreement”) defines the rights and obligations of the Parties in connection with the implementation of the Project, as described in Annexes 1, 2, 3 and 4 (hereinafter referred to as the “Terms of Reference”, “Work Plan (List of Activities)”, “Budget” and “Templates”).

This Agreement does not create rights and obligations under international law.

The Project as described in this Agreement is included in the outputs of the OECD’s Programme of Work and Budget (PWB) for 2021-2022.

2. The Project Promoter is bound to comply with the legal framework of the EEA/Norwegian Financial Mechanism 2014-2021 in the implementation of the Project, as applicable.

The Parties agree that the OECD rights and obligations under this Agreement shall be interpreted to take account of the fact that it is subject to its own legal frameworks. Nothing in this Agreement shall be interpreted in a manner which breaches the underlying legal framework of the OECD or its rules and practices. In particular, no provision of this Agreement shall be construed as an acknowledgement by the OECD that the EEA and/or Norwegian Financial Mechanisms 2014-2021 may govern the OECD or may bind it.

3. Any Annexes to this Agreement constitute an integral part of the Agreement. In case of inconsistencies between the Annexes and the Agreement, the latter shall prevail.

## **Article 2 – Entry into force and duration**

1. This Agreement shall enter into force on the date of the last signature by the Parties. It shall remain in force until both Parties have discharged in full their obligations towards each other as defined in this Agreement.

2. The continuation of the Project beyond 2022 is subject to the inclusion of the related outputs in the OECD’s future Programme(s) of Work and Budget.

## **Article 3 – Main roles and responsibilities of the Parties**

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

2. The Parties shall carry out their respective obligations with efficiency, transparency and diligence. They shall keep each other informed about all matters of importance to the overall implementation of the activities to be performed. They shall act in good faith in all matters and shall, at all times, act in the interest of the Project.

3. The Parties shall ensure that the Project is carried out by qualified personnel, which shall carry out their work with the highest professional standard. While carrying out the Project under this Agreement, the personnel and entities engaged by a Party shall comply with the regulations which are applicable to said Party.

4. Whenever in the performance of this Agreement a Party's personnel is on the premises of the other Party, or at any other location in the other Party's country on request of such Party, that Party shall ensure that such premises and locations comply with all health, safety and environmental regulations and standards which are directly applicable to it. The Parties shall take all necessary precautions to prevent the occurrence of any injury to persons or damage to the property of the other Party in connection with the implementation of the Project.

5. Each Party shall appoint a Project Manager who shall have operational responsibility for the implementation of the Project as well as serve as contact point for all exchanges of communication, documentation and materials between the Parties.

#### **Article 4 – Obligations of the Project Promoter**

1. The Project Promoter is responsible for the successful implementation of the Project towards the Programme Operator. The Project Promoter is responsible for the performance of the obligations and tasks assigned to it in accordance with this Agreement.

2. The Project Promoter undertakes to, *inter alia*:

- (a) promptly inform the OECD on all circumstances that may have a negative impact on the correct and timely implementation of any of the Project's activities which are under the OECD's responsibility, and of any event that could lead to a temporary or final discontinuation or any other deviation of the Project;
- (b) provide the OECD with access to all available documents, data, and information in its possession that may be necessary or useful for the OECD to fulfil its obligations under this Agreement; the Parties will consult and agree which documents shall be translated into English;
- (c) transfer to the OECD's nominated bank account all payments due by the set deadlines;
- (d) ensure that the OECD promptly receives all assistance it may require for the performance of its tasks.

#### **Article 5 – Obligations of the OECD**

1. The OECD is responsible for the performance of the activities and tasks assigned to it in accordance with this Agreement and Annexes 1, 2, 3 and 4 (hereinafter referred to as the "Terms of Reference", "Work Plan (List of Activities)", "Budget" and "Templates").

2. In addition to the above obligations, the OECD shall:

- (a) promptly inform the Project Promoter on relevant circumstances that may have an impact on the correctness, timeliness and completeness of its performance;
- (b) keep all supporting documents regarding the Project, including the incurred expenditure, according to the OECD's normal routines for audit purposes (OECD internal audit and external audit);
- (c) effectively participate in promoting the objectives, activities and results of the Project through the implementation of the activities set in Annex 2 "Work Plan (List of Activities)";
- (d) upon request, provide informal quarterly updates to the Project Promoter PGR coordinator about the progress on the OECD work under the Agreement. The information requested by the Project Promoter shall be reasonable and relevant. The OECD shall use its reasonable endeavour to provide available information within 15 working days. This Article shall not be used to impose additional reporting requirements or to carry out a desk review, verification or audit.

**Article 6 – Project budget and eligibility of expenditures**

1. The detailed total Project budget, as well as the allocation of the budget amongst the cost categories within the OECD is fixed in Annex 3.
2. The OECD undertakes to use the Project Grant Share only for eligible expenditures in the amount and to the extent according to this Agreement and in compliance with the OECD Financial Regulations and other relevant rules, policies and procedures.
3. The Project Grant provided to the OECD shall be for an amount of EUR 10,000,000. In the event the expenditures are lower than the initial Budget share of the OECD, the OECD should only claim for the expenditure that have effectively occurred. Should the expenditure exceed the initial Budget share of the OECD, the OECD should not claim for any additional funding from the Project Promoter, whose contribution will be limited to EUR 10,000,000.
4. Categories of the OECD's eligible expenditures to be funded under this Agreement are as follows:
  - Staff costs
  - Staff chargeback
  - Expert fees
  - Mission costs – OECD Staff
  - Mission costs – Experts
  - Events/conferences (interpretation, etc.)
  - Miscellaneous costs (mobility workspace service charge, publication costs, translation, etc.)

- OECD Grant administration charge (5.3%)

5. Indirect costs (OECD Grant administration charge) shall be claimed by the application of a flat rate established in accordance with the OECD Financial Regulations and other relevant rules and policies.

6. The Parties have agreed to incur the expenditures from the Project Grant as of **1<sup>st</sup> April 2021 to 30<sup>th</sup> November 2023**. The expenditure period can be extended if need be, but no later than 30 April 2024, this date being the last eligibility date (hereinafter referred to as the "Eligibility Period").

### **Article 7 – Financial management and payment arrangements**

1. Payment of the project grant to the OECD shall take the form of two payments in advance of each phase of the project in accordance with Annex 3.

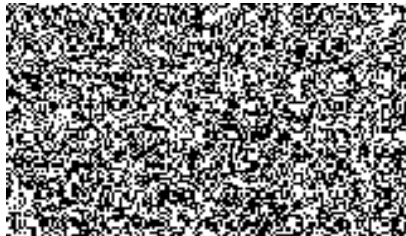
2. The first advance payment will cover the first phase of the project and will represent 74% (seventy-four per cent) of the total amount of the OECD grant. It shall be paid within 30 days of receipt of the current Agreement, duly signed by all Parties, together with an invoice.

3. The second advance payment will be made at the end of Phase I, expected to have a 19 months duration. It will cover the second phase of the project, representing the rest of 26% (twenty-six per cent) from the total amount of the OECD grant. It shall be paid at the request of the OECD together with an invoice. The invoice will be submitted to the Project Promoter along with the Statement of expenditure for Phase I according to Article 9 below.

4. All amounts shall be denominated in Euro.

5. Payments to the OECD shall be made to the OECD's bank account denominated in Euro, identified as follows:

Bank:  
Beneficiary:  
Account:  
BLZ:  
SWIFT/BIC:  
IBAN:  
Address:



6. Payments shall be deemed to have been made on the date on which the Project Promoter's account is debited.

### **Article 8 – Proof of expenditure**

1. Costs incurred by the OECD shall be supported by receipted invoices or alternatively by accounting documents of equivalent probative value in accordance with OECD Financial Regulations and other relevant rules, policies and procedures.
2. Supporting documents justifying the costs incurred shall be kept by the OECD according to the OECD's normal routines for audit purposes (OECD internal audit and external audit).
3. The Statement of expenditure accompanying the invoice referred to in Article 7 above signed by the OECD Head of Accounting, confirming that the claimed expenditures are in accordance with the principles and rules set forth in this Agreement and that the financial data contained in the report is in accordance with the OECD financial records shall be seen as sufficient proof of expenditure.
4. Indirect costs claimed by the application of a flat rate do not need to be supported by accounting documents.

#### **Article 9 – Progress and financial reports**

1. During the implementation of the Project, the OECD shall within 3 month of the end of Phase I and within 3 months of the end of Phase II, submit to the Project Promoter a progress report, covering activities undertaken for each of the phases.
2. A financial report will be provided to the Project Promoter, showing how the funds are used and covering costs actually incurred every 12 months. The Financial reports shall be signed by the Director of the concerned OECD Directorate and the OECD Head of Accounting, confirming that the claimed expenditures are in accordance with the principles and rules set forth in this Agreement.
3. The OECD will certify, through its progress and financial reports, that the funds have been used in accordance with the intended purpose and that the financial data contained in the report is in accordance with the OECD financial records. It will further certify that all the expenditures have been incurred in accordance with the OECD Financial Regulations.
4. The template for the these progress and financial reports is appended to this Agreement (Annex 4).

#### **Article 10 – Audits**

1. The expenditure will be recorded in the accounts of the OECD, which are subject to the internal and external auditing procedures in accordance with the OECD's standard audit provisions.

2. Should the audit report of the external auditor of the OECD to its Audit Committee contain observations relevant to the activities under this Agreement, a copy of the relevant sections of such report, together with the OECD's comments thereon, shall be made available to the Project Promoter within the limits of the OECD's rules and procedures.

### **Article 11 – Procurement**

Any procurement of goods or services by the OECD shall follow the procurement regulations of the OECD, including international competitive bidding when relevant.

### **Article 12 - Conflict of interest**

The Parties shall take all necessary measures to prevent or end any situation that could compromise the impartial and objective performance of the Agreement. Such conflict of interests could arise in particular as a result of economic interest, political or national affinity, family or emotional ties, or any other relevant connection or shared interest.

### **Article 13 - Confidentiality**

This Agreement will not be made publicly available without the prior written agreement of the Parties, except to the Parties' respective auditors. This does not, however, limit in any way the right of either Party to disclose the existence, subject matter, or amount of any contribution provided by the Project Promoter to the OECD under this Agreement.

### **Article 14 - Intellectual property rights**

All outputs produced by the OECD and/or provided by the OECD to the Project Promoter within the framework of the activities funded under this Agreement, in whatever form, shall be the sole property of the OECD.

Subject to the rights of third parties, and also subject to the rules and policies of the OECD on classification and declassification of documents, if applicable, the OECD grants the Project Promoter the non-exclusive right to:

1. share and embed on its website a downloadable Czech version of the PGR report.
2. copy, use and distribute, for non-commercial purposes, other final outputs produced within the framework of the activities funded under this Agreement, as well as and paper copies of publication(s) produced within the framework of the activities funded under this Agreement.

The non-exclusive rights granted to the Project Promoter under 1 and 2 above are valid from the date of signature of the confirmation of receipt of a copy of the Czech version of

the PGR report. The confirmation will be signed by both Parties and will read “*On [DATE] the Organisation for Economic Co-operation and Development provided a copy of the downloadable pdf version of the OECD Public Governance Review of the Czech Republic in Czech to the Ministry of the Interior of the Czech Republic – Department for Strategic Development and Coordination of Public Administration*”.

In all cases, unless otherwise instructed by the OECD, the Project Promoter shall acknowledge OECD’s ownership over the work.

### **Article 15 – Irregularities, fraud, corruption or other illegal activity**

Both Parties shall take measures to prevent, detect and correct irregularities fraud, corruption or other illegal activity when implementing the Project. If at any stage one of the Parties should become aware of, or suspect that, irregularities, fraud, corruption or other illegal activity have occurred, they shall promptly investigate the matter and, if the investigation demonstrates that an irregularity occurred, shall inform the other Party and take all reasonable measures in accordance with its rules and policies to ensure the situation ceases and does not happen again.

### **Article 16 – Termination**

1. In the event of material breach of the Agreement by the OECD which has not been remedied within a period agreed with the Project Promoter, including, inter alia, where it is documented that all or part of any funds provided by the Project Promoter under this Agreement has not been used in accordance with the Agreement and/or that the OECD has knowingly engaged in fraud, corruption or other illegal activity, the Project Promoter may, following consultation with the OECD, terminate the Agreement, and claim repayment of the funds used in a manner inconsistent with the provisions of this Agreement.

2. In case of termination of the Agreement for whatever reasons, the Project Promoter will nevertheless cover any expenses incurred or irrevocably committed in good faith and in accordance with this Agreement by the OECD up to the effective date of termination, as well as any reasonable expenses incurred thereafter by the OECD as a result of having to terminate its commitments, provided however that this shall in no case exceed the total amount to be paid to the OECD under this Agreement in accordance with article 6. This paragraph shall not apply in case the OECD has knowingly engaged in fraud, corruption or other illegal activity.

### **Article 17 - Assignment**

Neither Party shall have the right to transfer their rights and obligations under this Agreement without the prior consent of the other Party.





## **Article 18 – Amendments**



Any amendment to this Agreement, including its Annexes, shall be the subject of a written agreement concluded by the Parties.

## **Article 19 – Notices and language**



1. All notices and other communications between the Parties shall be made in writing and be sent to the following addresses:

For the Project Promoter:

 (Project Manager)  
Head of the Unit for Coordination of Public Administration and International Relations  
Department for Strategic Development and Coordination of Public Administration  
Ministry of the Interior of the Czech Republic  
Address: náměstí Hrdinů 1634/3, 140 21, Prague, Czech Republic  
Email: 

 (PGR Coordinator)  
Ministry Expert in the Department for Strategic Development and Coordination of Public Administration  
Ministry of the Interior of the Czech Republic  
Address: náměstí Hrdinů 1634/3, 140 21, Prague, Czech Republic  
Email: 

For the OECD:

  
Head of the Public Governance Reviews Unit  
Public Governance Reviews and Partnerships Division  
Public Governance Directorate (OECD)  
Address: 2 rue André Pascal, 75016 – Paris, France  
Email : 

2. The language governing the execution of this Agreement is English. All documents, notices and other communications foreseen in the framework of this Agreement shall be in English.

## **Article 20 – Governing law and settlement of disputes**

1. Notwithstanding anything to the contrary, this Agreement shall be exclusively governed by its own terms. No other agreement, rules or regulation will apply.

2. Any dispute, controversy or claim arising out of or relating to the interpretation, application or performance of the Agreement, including its existence, validity or termination, shall be settled through negotiations between the Parties.

**Article 21 – Privileges and Immunities**

Nothing in the Agreement shall be construed as a waiver of the privileges and immunities that the OECD enjoys as an international organisation.

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This Agreement has been prepared in two originals, of which each Party has received one.

Signed by:

**For the Project Promoter:**

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**Mr. Petr Vokáč**  
Deputy Minister  
Section of Legislation, State Administration and Self-Government  
Ministry of the Interior of the Czech Republic

Date:

**For the OECD:**

OECD Signatory 1

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Director  
Public Governance Directorate

Date:

OECD Signatory 2

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Head of the Voluntary Contributions Management Division  
Programme, Budget and Financial Management Service  
Executive Directorate

Date: