EEA Financial Mechanism 2014-2021

Norwegian Financial Mechanism 2014-2021

PROGRAMME AGREEMENT

between

The Financial Mechanism Committee and the Norwegian Ministry of Foreign Affairs
Hereinafter referred to as the “Donors”

and

The Ministry of Investments, Regional Development and Informatization of the Slovak Republic,
hereinafter referred to as the “National Focal Point”,
representing Slovakia,
hereinafter referred to as the “Beneficiary State”

together hereinafter referred to as the “Parties”

for the financing of the Programme “Climate Change Mitigation and Adaptation”

hereinafter referred to as the “Programme”

Chapter 1
Scope, Legal Framework, and Definitions

Article 1.1
Scope

This programme agreement between the Donors and the National Focal Point lays down the rights and obligations of the Parties regarding the implementation of the Programme and the financial contribution from the EEA and the Norwegian Financial Mechanisms 2014-2021 to the Programme.

Article 1.2
Legal Framework

1. This programme agreement shall be read in conjunction with the following documents which, together with this programme agreement, constitute the legal framework of the EEA and Norwegian Financial Mechanisms 2014-2021:

(a) the Agreement between the Kingdom of Norway and the European Union on the Norwegian Financial Mechanism 2014-2021 (hereinafter referred to as the "Agreement") and Protocol 38c to the EEA Agreement on the EEA Financial Mechanism 2014-2021 (hereinafter referred to as "Protocol 38c";

(b) the Regulation on the implementation of the EEA Financial Mechanism 2014-2021 and the Regulation on the implementation of the Norwegian Financial Mechanism 2014-2021 (hereinafter referred to as the "Regulations") issued by the Financial Mechanism Committee in accordance with Article 10(5) of Protocol 38c and by the Norwegian Ministry of Foreign Affairs in accordance with Article 10(5) of the Agreement;

(c) the Memorandum of Understanding on the Implementation of the EEA Financial Mechanism 2014-2021 and the Memorandum of Understanding on the Implementation of the Norwegian Financial Mechanism 2014-2021 (hereinafter referred to as the "MoUs"), entered into between the Donors and the Beneficiary State; and

(d) any guidelines adopted by the Donors in accordance with the Regulations.

2. In case of an inconsistency between this programme agreement and the Regulations, the Regulations shall prevail.

3. The legal framework is binding for the Parties. An act or omission by a Party to this programme agreement that is incompatible with the legal framework constitutes a breach of this programme agreement by that Party.

Article 1.3
Definitions

Terms used and institutions and documents referred to in this programme agreement shall be understood in accordance with the Regulations, in particular Article 1.6 thereof, and the legal framework referred to in Article 1.2 of this programme agreement.

Article 1.4
Annexes and hierarchy of documents

1. Annexes attached hereto form an integral part of this programme agreement. Any reference to this programme agreement includes a reference to its annexes unless otherwise stated or clear from the context.

2. The provisions of the annexes shall be interpreted in a manner consistent with this programme agreement. Should the meaning of any provision of the said annexes, so interpreted, remain inconsistent with this programme agreement, the provisions of the annexes shall prevail, provided that these provisions are compatible with the Regulations.

3. Commitments, statements and guarantees, explicit as well as implicit, made in the preparation of the programme are binding for the National Focal Point and the Programme Operator unless otherwise explicitly stipulated in the annexes to this programme agreement.

Chapter 2
The Programme

Article 2.1
Co-operation

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

2. The Parties agree to provide all information necessary for the good functioning of this programme agreement and to apply the principles of implementation as set out in the Regulation.

3. The Parties shall promptly inform each other of any circumstances that interfere or threaten to interfere with the successful implementation of the Programme.

4. In executing this programme agreement the Parties declare to counteract corrupt practices. Further, they declare not to accept, either directly or indirectly, any kind of offer, gift, payments or benefits which would or could be construed as illegal or corrupt practice. The Parties shall immediately inform each other of any indication of

corruption or misuse of resources related to this programme agreement.

Article 2.2
Main responsibilities of the Parties

1. The National Focal Point is responsible and accountable for the overall management of the EEA and Norwegian Financial Mechanisms 2014-2021 in the Beneficiary State and for the full and correct implementation of this programme agreement. In particular, the National Focal Point undertakes to:

(a) comply with its obligations stipulated in the Regulations and this programme agreement;

(b) ensure that the Certifying Authority, the Audit Authority, the Irregularities Authority and the Programme Operator properly perform the tasks assigned to them in the Regulations, this programme agreement and the programme implementation agreement;

(c) take all necessary steps to ensure that the Programme Operator is fully committed and able to implement and manage the Programme;

(d) take the necessary measures to remedy irregularities in the implementation of the Programme and ensure that the Programme Operator takes appropriate measures to remedy irregularities in Projects within the Programme, including measures to recover misspent funds;

(e) make all the necessary and appropriate arrangements in order to strengthen or change the way the Programme is managed.

2. The Donors shall, subject to the rules stipulated in the legal framework referred to in Article 1.2 of this programme agreement, make available to the Beneficiary State a financial contribution (hereinafter referred to as "the programme grant") to be used exclusively to finance the eligible cost of the Programme.

Article 2.3
Objective and outcomes of the Programme

1. This programme agreement sets out the objective, outcome(s), outputs, indicators and targets for the Programme.

2. The National Focal Point shall ensure that the Programme Operator implements and completes the Programme in accordance with the objective, outcome(s), outputs, indicators and targets set for the Programme.

Article 2.4
Programme grant

1. The maximum amount of the programme grant, the programme grant rate, and the estimated eligible cost of the Programme shall be as specified in this programme agreement.

2. The Programme is supported by grants from both the EEA and the Norwegian Financial Mechanism. Nevertheless, this programme agreement may contain provisions applicable only to the support from the EEA Financial Mechanism and/or provisions applicable only to the support from the Norwegian Financial Mechanism.

3. The financial plan annexed to this programme agreement shall:

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

(b) contain a breakdown between the support from the EEA Financial Mechanism and the Norwegian Financial Mechanism;

(c) indicate the agreed advance payment, if any.

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

Article 2.5
Special conditions and programme specific rules

1. This programme agreement shall list any conditions set by the Donors with reference to paragraph 2 of Article 6.3 of the Regulations. The National Focal Point shall ensure compliance with these conditions and take the necessary steps to ensure their fulfilment.

2. The National Focal Point shall ensure compliance with any other programme specific rules laid down in this programme agreement.

Article 2.6
Programme implementation agreement

With reference to Article 6.8 of the Regulations and without prejudice to paragraph 2 thereof, the National Focal Point shall, before any payment is made to the Programme, sign a programme implementation agreement with the Programme Operator. The National Focal Point shall notify the Donors of such signing.

Article 2.7
Reporting

The National Focal Point shall ensure that the Programme Operator provides financial reports, annual programme reports and a final programme

report in accordance with Chapter 9 and Articles 6.11 and 6.12 of the Regulations as well as statistical reporting in accordance with guidelines adopted by the Donors.

Article 2.8
External monitoring

The external monitoring and audit referred to in Articles 11.1, 11.2, 11.3 and 11.4 of the Regulations shall not in any way relieve the National Focal Point or the Programme Operator of their obligations under the legal framework regarding monitoring of the Programme and/or its projects, financial control and audit.

Article 2.9
Modification of the Programme

1. Unless otherwise explicitly stipulated in this programme agreement, any modification of the Programme is subject to prior approval by the Donors.

2. Programme specific exceptions from paragraph 1, if any, are set in the annexes to this programme agreement.

3. Expenditures incurred in breach of this article are not eligible.

4. Should there be a doubt as to whether the proposed modifications require approval by the Donors, the National Focal Point shall consult the Donors before such modifications take effect.

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

Article 2.10
Communication

1. All communication to the Donors regarding this programme agreement shall take place in English and be directed to the Financial Mechanism Office (hereinafter referred to as the FMO), which represents the Donors towards the National Focal Point and the Programme Operator in relation to the implementation of the Programme.

2. To the extent that original documents are not available in the English language, the documents shall be accompanied by full and accurate translations into English. The National Focal Point shall bear the responsibility for the accuracy of the translation that it provides and the possible consequences that might arise from any inaccurate translations.

Article 2.11
Contact information

1. The contact information of the Programme Operator is as specified in this programme agreement.

2. The contact information for the Donors and the Financial Mechanism Office are:

Financial Mechanism Office
Att: Director
EFTA Secretariat
Rue Joseph II, 12-16
1000 Brussels
Telephone: +32 (0)2 286 1701
Telefax (general): +32 (0)2 211 1889
E-mail: fmo@efta.int

3. Changes of or corrections to the contact information referred to in this article shall be given in writing without undue delay by the Parties to this programme agreement.

Article 2.12
Representations and Warranties

1. This programme agreement and the awarding of the programme grant is based on information provided by, through, or on behalf of the National Focal Point to the Donors prior to the signing of this programme agreement.

2. The National Focal Point represents and warrants that the information provided by, through, or on behalf of the National Focal Point, in connection with the implementation or conclusion of this programme agreement are authentic, accurate and complete.

Chapter 3
Projects

Article 3.1
Selection of projects and award of grants

1. The National Focal Point shall ensure that the Programme Operator selects projects in accordance with Chapter 7 of the Regulations and this programme agreement.

2. Eligibility of project promoters and project partners is stipulated in Article 7.2 of the Regulations and, in accordance with paragraph 4 thereof, subject only to the limitations stipulated in this programme agreement.

3. Pre-defined projects shall be outlined in this programme agreement.

4. The National Focal Point shall take proactive steps to ensure that the Programme Operator complies fully with Article 7.5 of the Regulations.

Article 3.2
Project contract

1. For each approved project a project contract shall be concluded between the Programme Operator and the Project Promoter.

2. In cases where a project contract cannot, due to provisions in the national legislation, be made between the Programme Operator and the Project Promoter, the Beneficiary State may instead issue a legislative or administrative act of similar effect and content.

3. The content and form or the project contract shall comply with Article 7.6 of the Regulations.

4. The National Focal Point shall ensure that the obligations of the Project Promoter under the project contract are valid and enforceable under the applicable law of the Beneficiary State.

Article 3.3
Project partners and partnership agreements

1. A project may be implemented in a partnership between the Project Promoter and project partners as defined in paragraph 1(w) of Article 1.6 of the Regulations. If a project is implemented in such a partnership, the Project Promoter shall sign a partnership agreement with the project partners with the content and in the form stipulated in Article 7.7 of the Regulations.

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

3. The eligibility of expenditures incurred by a project partner is subject to the same limitations as would apply if the expenditures were incurred by the Project Promoter.

4. The creation and implementation of the relationship between the Project Promoter and the project partner shall comply with the applicable national and European Union law on public procurement as well as Article 8.15 of the Regulations.

5. The National Focal Point shall ensure that the Programme Operator verifies that the partnership agreement complies with this article. A draft partnership agreement or letter of intent shall be submitted to the Programme Operator before the signing of the project contract.

Chapter 4
Finance

Article 4.1
Eligible expenditures

1. Subject to Article 8.7 of the Regulations, eligible expenditures of this Programme are:

(a) management costs of the Programme Operator in accordance with the detailed budget in the financial plan;

(b) payments to projects within this Programme in accordance with the Regulations, this programme agreement and the project contract.

2. Eligible expenditures of projects are those actually incurred by the Project Promoter or project partners, meet the criteria set in Article 8.2 of the Regulations and fall within the categories and fulfil the conditions of direct eligible expenditure set in Article 8.3 of the Regulations, the conditions regarding the use of standard scales of unit costs set in Article 8.4 of the Regulations as well as indirect costs in accordance with Article 8.5 of the Regulations.

3. The first date of eligibility of expenditures in projects shall be set in the project contract in accordance with Article 8.13 of the Regulations. The first date of eligibility of any pre-defined projects shall be no earlier than the date on which the National Focal Point notifies the Donors of a positive appraisal of the pre-defined projects by the Programme Operator in accordance with paragraph 3 of Article 6.5 of the Regulations.

4. The maximum eligible costs of the categories referred to in paragraph 1 are set in this programme agreement. Programme specific rules on the eligibility of expenditure set in this programme agreement shall be complied with.

Article 4.2
Proof of expenditure

Costs incurred by Programme Operators, Project Promoters and project partners shall be supported by documentary evidence as required in Article 8.12 of the Regulations.

Article 4.3
Payments

1. Payments to the Programme shall be made when all relevant conditions for payments stipulated in this programme agreement and the Regulations have been fulfilled.

2. Payments to the Programme shall take the form of an advance payment, interim payments and payment of the final balance and shall be made in accordance with Articles 9.2, 9.3 and 9.4 of the Regulations.

3. Payments of the project grant to the Project Promoters may take the form of advance payments, interim payments and payments of the final balance. The level of advance payments and their off-set mechanism is set in this programme agreement.

4. The National Focal Point shall ensure that payments are transferred in accordance with paragraph 2 of Article 9.1 of the Regulations.

5. Chapter 9 of the Regulations shall apply to all aspects related to payments, including currency exchange rules and handling of interests on bank accounts.

Article 4.4
Transparency and availability of documents

The National Focal Point shall ensure an audit trail for financial contributions from the EEA and Norwegian Financial Mechanisms 2014-2021 to the Programme in accordance with Article 9.8 of the Regulations.

Article 4.5
Irregularities, suspension and reimbursements

The Donors have the right to make use of the remedies provided in the Regulations, in particular Chapter 13 thereof. The National Focal Point has a duty to take all necessary measures to ensure that the provisions in Chapter 12 and 13 of the Regulations regarding irregularities, suspension of payments, financial corrections and reimbursement are complied with.

Chapter 5
Final provisions

Article 5.1
Dispute settlement

1. The Parties waive their rights to bring any dispute related to the programme agreement before any national or international court, and agree to settle such a dispute in an amicable manner.

2. If a demand for reimbursement to the Donors is not complied with by the Beneficiary State, or a dispute related to a demand for reimbursement arises that cannot be solved in accordance with paragraph 1, the Parties may bring the dispute before Oslo Tingrett.

Article 5.2
Termination

1. The Donors may, after consultation with the National Focal Point, terminate this programme agreement if:

(a) a general suspension decision according to Article 13.6 of the Regulations or a decision to suspend payments according to paragraph 1(h) of Article 13.1 of the Regulations has not been lifted within 6 months of such a decision;

(b) a suspension of payments according to Article 13.1 of the Regulations, other than under paragraph 1(h), has not been lifted within one year of such a decision;

(c) a request for reimbursement according to Article 13.2 of the Regulations has not been complied with within one year from such a decision;

(d) the Programme Operator becomes bankrupt, is deemed to be insolvent, or declares that it does not have the financial capacity to continue with the implementation of the Programme; or

(e) the Programme Operator has, in the opinion of the Donors, been engaged in corruption, fraud or similar activities or has not taken the appropriate measures to detect or prevent such activities or, if they have occurred, nullify their effects.

2. This programme agreement can be terminated by mutual agreement between the Parties.

3. Termination does not affect the right of the Parties to make use of the dispute settlement mechanism referred to in Article 5.1 or the right of the Donors to make use of the remedies provided in Chapter 13 of the Regulations.

Article 5.3
Waiver of responsibility

1. Any appraisal of the Programme undertaken before or after its approval by the Donors, does not in any way diminish the responsibility of the National Focal Point and the Programme Operator to verify and confirm the correctness of the documents and information forming the basis of the programme agreement.

2. Nothing contained in the programme agreement shall be construed as imposing upon the Donors or the FMO any responsibility of any kind for the supervision, execution, completion, or operation of the Programme or its projects.

3. The Donors do not assume any risk or responsibility whatsoever for any damages, injuries, or other possible adverse effects caused by the Programme or its projects including, but not limited to inconsistencies in the planning of the Programme or its projects, other project(s) that might affect it or that it might affect, or public discontent. It is the full and sole responsibility of the National Focal Point and the Programme Operator to satisfactorily address such issues.

4. Neither the National Focal Point, the Programme Operator, entities involved in the implementation of projects, nor any other party shall have recourse to the Donors for further financial support or assistance to the Programme in whatsoever form over and above what has been provided for in the programme agreement.

5. Neither the European Free Trade Association, its Secretariat, including the FMO, its officials or employees, nor the Donors, the NMFA, the FMC, its members or alternate members, nor the EFTA States, can be held liable for any damages or injuries of whatever nature sustained by the National Focal Point or the Beneficiary State, the Programme Operator, Project Promoters or any other third person, in connection, be it direct or indirect, with this programme agreement.

6. Nothing in this programme agreement shall be construed as a waiver of diplomatic immunities and privileges awarded to the European Free Trade Association, its assets, officials or employees.

Article 5.4
Entry into force and duration

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

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

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

For the Donors

Signed in Oslo on 23/08/2019

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Niels Engelschiøn
Chairman of the Financial Mechanism Committee

For the National Focal Point

Signed in Bratislava on 23/09/2019

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Matus Sutaj Estok
Head of the Government Office of the Slovak Republic

Annex I to the Programme Agreement

Programme Operators and Partners	
Programme Operator:	Ministry of Environment of the Slovak Republic
Donor Programme Partner:	Norwegian Directorate for Civil Protection (DSB) Norwegian Environment Agency (NEA) Norwegian Water Resources and Energy Directorate (NVE)
IPO:	-
Other Programme Partner(s):	-

Programme Objective	Climate change mitigated and vulnerability to climate change reduced

PA	Outcome/Output	Expected programme results	Indicator	Disaggregation	Unit of measurement	Source of verification	Frequency of reporting	Baseline values	Baseline year	Target value
PA13	Outcome 1	Increased climate change resilience and responsiveness within targeted areas	Share of Slovak population benefiting from living in more climate change resilient and responsive urban areas	N/A	Percentage	Statistical data (Statistical Office of the Slovak Republic)	2021, 2025	0 %	N/A	13.5 %
			Estimated annual CO2 emissions reductions of supported entities (in tonnes)	Financial Mechanism	Annual number	Energy audit reports, Energy certificates	Annually (APR)	0	N/A	28,570
			Number of people self-reporting having more climate friendly behaviour	N/A	Cumulative number	Survey results	2021, 2025	0	N/A	15,800
	Output 1.1	Action plans for mitigation and adaptation implemented by local authorities in urban areas	Number of action plans completed	N/A	Cumulative number	Project Promoters´ records, Audio/video/print	Semi-annually (APR and September IFR)	0	N/A	9
			Number of climate change mitigation and adaptation measures implemented	N/A	Cumulative number	Project Promoters´	Semi-annually (APR and	0	N/A	142

						records, Audio/video/print	September IFR)			
	Output 1.2	Awareness raising activities on climate change mitigation and adaptation carried out by schools	Number of schools carrying out awareness raising campaigns	Financial Mechanism	Cumulative number	Project Promoters' records, Audio/video/print material	Semi-annually (APR and September IFR)	0	N/A	30
			Number of students participating in awareness raising campaigns	N/A	Cumulative number	Project Promoters' records, list of participants	Semi-annually (APR and September IFR)	0	N/A	7,600
			Number of physical climate change responsive measures carried out in schools	N/A	Cumulative number	Project Promoters´ records, Audio/video/print	Semi-annually (APR and September IFR)	0	N/A	86
	Output 1.3	Awareness raising activities on climate change mitigation and adaptation carried out	Number of awareness raising campaigns carried out	Financial Mechanism	Cumulative number	Project Promoters' records, Audio/video/print material	Semi-annually (APR and September IFR)	0	N/A	30
			Number of attendees reached by the campaigns	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	7,500
	Output 1.4	Climate change and environment education centre in Dropie supported for additional demonstration measures and	Number of new outdoor climate change mitigation and adaptation measures completed	N/A	Cumulative number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	7
			Estimated annual reduced energy/electricity consumption (in kWh)	N/A	Annual number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	66,521

		educational programmes	Number of students completing educational activities/courses	N/A	Cumulative number	Project Promoter's records, Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	1,200
			Number of local decision-makers and administrators completing workshops/courses	Financial Mechanism, Gender	Cumulative number	Project Promoters' records, Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	360
PA13	Outcome 2	Enhanced ability of targeted ecosystems to adapt to climate change	Improved environmental status of supported ecosystems	N/A	Binary	Survey results	2022, 2025	No	2017	Yes
			Estimated number of people benefiting from ecosystems improvement measures	N/A	Cumulative number	Statistical data (Statistical Office of the Slovak Republic), Survey results	2022, 2025	0	N/A	3,000
	Output 2.1	Restoration of degraded wetland ecosystems	Number of wetland ecosystems supported	N/A	Cumulative number	Project Promoters´ records, Audio/video/print	Semi-annually (APR and September IFR)	0	N/A	6
			Estimated area of wetland ecosystems restored (in m2)	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	600,000
			Number of awareness campaigns carried out	N/A	Cumulative number	Project Promoters' records, Audio/video/print material	Semi-annually (APR and September IFR)	0	N/A	6
PA13	Bilateral Outcome	Enhanced collaboration between beneficiary	Level of trust between cooperating entities in Beneficiary States and Donor States	N/A	Scale 1-7	Survey results	Annually (APR)	6.34	2022	4.5[1]

[1] Target is ≥4.5, and an increase on the baseline value

		and donor state entities involved in the programme	Level of satisfaction with the partnership	N/A	Scale 1-7	Survey results	Annually (APR)	6.5	2022	4.5[2]
			Share of cooperating organisations that apply the knowledge acquired from bilateral partnership	N/A	Percentage	Survey results	Annually (APR)	N/A	N/A	60 %
	Bilateral Output 1	Cooperation between Donor and Beneficiary State entities supported	Number of projects involving cooperation with a Donor project partner	N/A	Cumulative number	Copies of contracts concluded with Project Promoters, Partnership agreements between Project Promoters and project partners	Semi-annually (APR and September IFR)	0	N/A	36
			Number of training courses co-organised by donor state and beneficiary state entities	N/A	Cumulative number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	10

[2] Target is ≥4.5, and an increase on the baseline value

Conditions

General

1. For pre-defined project no. 1 (numbering under Section 5.1 of Annex II to the Programme Agreement), the National Focal Point shall ensure that the Programme Operator ensures that the appraisal foreseen in Article 6.5.3 of the Regulation is externalised and carried out by a legal entity independent of and unrelated to the Programme Operator.

2. The National Focal Point shall ensure that the Programme Operator ensures that project promoters:

- Keep any buildings purchased, constructed, renovated or reconstructed under the project in their ownership for a period of at least 5 years following the completion of the project and continue to use such buildings for the benefit of the overall objectives of the project for the same period;
- Keep any buildings purchased, constructed, renovated or reconstructed under the project properly insured against losses such as fire, theft and other normally insurable incidents both during project implementation and for at least 5 years following the completion of the project; and
- Set aside appropriate resources for the maintenance of any buildings purchased, constructed, renovated or reconstructed under the project for at least 5 years following the completion of the project. The specific means for implementation of this obligation shall be specified in the project contract.

Pre-eligibility

No costs shall be eligible under pre-defined project 1 (number under Section 5.1 of Annex II to the programme agreement) before a detailed description, budget and the target for energy savings under the pre-defined project has been submitted and the FMC has confirmed the grant to the project as described in Annex II to this programme agreement. A detailed overview of the financing from all funding sources and the timeline for the realisation of all the activities related to the centre shall also be provided.

Pre-payment

Not applicable

Pre-completion

Not applicable

Post-completion

Not applicable

Eligibility of costs - period	**First date**	**Final date**
Eligibility of costs	29/11/2016	30/04/2025
Grant rate and co-financing		
Programme eligible expenditure (€)		€ 21,430,588
Programme grant rate (%)		85.00 %
Maximum amount of Programme grant - EEA Financial Mechanism (€)		€ 5,425,000
Maximum amount of Programme grant - Norwegian Financial Mechanism (€)		€ 12,791,000
Maximum amount of Programme grant - Total (€)		€ 18,216,000

PA	Budget Heading	EEA Grants	Norway Grants	Total grant	Programme grant rate	Programme co-financing	Programme eligible expenditure	Advance payment
PA13	Programme management	€ 478,163	€ 1,051,957	€ 1,530,120	85.00 %	€ 270,021	€ 1,800,141	€ 85,000
PA13	Outcome 2 (EEA Grants)					n/a		€ 0
PA13	Outcome 2 (Norway Grants)		€ 3,985,709	€ 3,985,709	85.00 %	€ 703,360	€ 4,689,069	€ 0
PA13	Outcome 1 (EEA Grants)	€ 4,946,837		€ 4,946,837	85.00 %	€ 872,971	€ 5,819,808	€ 887,578
PA13	Outcome 1 (Norway Grants)		€ 7,753,334	€ 7,753,334	85.00 %	€ 1,368,235	€ 9,121,569	€ 1,392,343
Total		**€ 5,425,000**	**€ 12,791,000**	**€ 18,216,000**	**85.00 %**	**€ 3,214,588**	**€ 21,430,588**	**€ 2,364,921**

Retention of management costs	
Retention of management costs - Percentage of the management costs	10.00 %
Retention of management costs - Planned Euro value	€ 180,014

Climate Change Mitigation and Adaptation

Operational rules (Annex II)

1. **Programme summary**

This Annex sets out the operational rules for the programme. The programme agreement is based on the MoUs, the concept note, and comments made by the FMC. Commitments, statements and guarantees, explicit as well as implicit, made in the concept note, are binding for the National Focal Point and the Programme Operator unless otherwise explicitly stipulated in the annexes to this programme agreement.

The Programme Operator is the Ministry of Environment of the Slovak Republic. The Norwegian Water Resources and Energy Directorate (NVE), the Directorate for Civil Protection (DSB) and the Norwegian Environment Energy (NEA) are the Donor Programme Partners (DPPs).

The programme objective, "Climate change mitigated and vulnerability to climate change reduced", shall be achieved through two outcomes:

- Outcome 1: "Increased climate change resilience and responsiveness within targeted areas" The outcome will be supported by way of two calls for proposals supporting projects on action plans and measures for mitigation and adaptation implemented by local authorities in urban areas (Call 1 under the EEA FM and call 2 under the Norwegian FM). Moreover, the outcome will be supported by way of one call and one Small Grant Scheme (SGS) supporting awareness-raising on climate change (Call 3 and SGS 1 under the Norwegian FM). The SGS is particularly targeted towards primary and secondary schools. Finally, the outcome will be supported by way of one pre-defined project supporting measures, education activities and awareness-raising at the Climate change and environment education centre (Living Lab) in Dropie under the EEA FM.
- Outcome 2: "Enhanced ability of targeted ecosystems to adapt to climate change" The outcome will be supported by way of one call for proposals on restoration of degraded ecosystems (Call 4) under the Norwegian FM.

2. Eligibility

2.1 Eligible applicants:

The rules on eligibility of project promoters and project partners are set in Article 7.2 of the Regulations. In accordance with Article 7.2.4 of the Regulations, the following entities shall be eligible:

	Eligible applicants **(Project Promoters)**	**Eligible partners**
Call 1 **Outcome 1/Output 1.1** "**Action plans for mitigation and adaptation implemented by local authorities in urban areas**" *EEA FM*	Municipalities with more than 15,000 inhabitants	In accordance with Article 7.2.2 of the Regulation on the implementation of the respective Financial Mechanism
Call 2 **Outcome 1/Output 1.1**		

"Action plans for mitigation and adaptation implemented by local authorities in urban areas" *Norwegian FM*		
SGS **Outcome 1/Output 1.2** "Awareness raising activities on climate change mitigation and adaptation carried out by schools" *Norwegian FM*	Primary and secondary schools	In accordance with Article 7.2.2 of the Regulation on the implementation of the Norwegian Financial Mechanism

2.2 Special rules on eligibility of costs:
Costs are eligible in accordance with chapter 8 of the Regulation.

3. Bilateral relations
3.1 Bilateral relations
The programme shall contribute to strengthening bilateral relations between Slovakia and the Donor States.

The programme shall as appropriate facilitate donor partnership projects by carrying out, *inter alia*, match-making events and activities in conjunction with launching calls for proposals, as well as by encouraging donor partnership projects in call texts.

The further use of the funds for bilateral relations allocated to the programme shall be agreed in the Cooperation Committee.

4. Selection of projects and financial parameters
4.1 Open calls and availability of funds (including number of calls, duration of calls, and estimated size):

	Indicative timing	**Total available amount**	**Maximum/Minimum grant applied for**
Call 1 **Outcome 1/Output 1.1** "**Action plans for mitigation and adaptation implemented by local authorities in urban areas**" *EEA FM*	Second semester 2019	€4,176,838	€ 1,400,000/ € 500,000
Call 2 **Outcome 1/Output 1.1** "**Action plans for mitigation and adaptation implemented by local authorities in urban areas**" *Norwegian FM*		€7,748,465	
Call 3	Second semester 2020	€ 819,825	€ 500,000/ € 200,000

Outcome 1/Output 1.3 "Awareness raising activities on climate change mitigation and adaptation carried out" *Norwegian FM*			
SGS 1 **Outcome 1/Output 1.2** "Awareness raising activities on climate change mitigation and adaptation carried out by schools" *Norwegian FM*	Second semester 2019	€ 1,067,813	€ 50,000/ € 20,000
Call 4 **Outcome 2/Output 2.1** "Restoration of degraded wetland ecosystems" *Norwegian FM*	Second semester 2020	€4,800,000	€ 1,000,000/ € 200,000

Amounts uncommitted may be transferred to a call for the award of additional funds for the implementation of already supported projects under the Programme. When awarding additional funds, the maximum amount of grant awarded to a project can exceed the maximum amount referred to in the above table.

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

The Programme Operator shall be responsible for project evaluation and for the award of grants.

The Programme Operator shall establish a Selection Committee that shall recommend the projects to be funded within the programme. The Selection Committee shall consist of at least three persons possessing the relevant expertise. At least one of them shall be external to the Programme Operator. The FMC and the National Focal Point shall be invited to participate in the meetings of the Selection Committee as observers. The DPPs shall be involved as non-voting members.

The Programme Operator shall review the applications for compliance with administrative and eligibility criteria. Applicants whose applications are rejected at this stage shall be informed and given a reasonable time to appeal that decision.

Each application that meets the administrative and eligibility criteria shall be reviewed by two experts appointed by the Programme Operator, who shall be impartial and independent of the applicants, the Programme Operator and the Selection Committee.

The experts shall separately score the project according to the selection criteria published with the call for proposals. For the purposes of ranking the projects, the average of the scores awarded by the experts shall be used.

If the difference between the scores given by the two experts is more than 30 % of the higher score, a third expert shall be commissioned by the Programme Operator to score the project independently. In such cases the average score of the two closest scores shall be used for the ranking of the projects.

The Programme Operator shall provide the Selection Committee with a list of the ranked projects. The Selection Committee shall review the ranked list of projects. It may modify the ranking of the projects in justified cases. The justification for the modifications shall be detailed in the minutes of the meeting of the Selection Committee. If such a modification results in a project's rejection, the affected applicant shall be informed in writing about the justification for the modification. The Selection Committee shall submit the list of recommended projects, together with a reserve list, to the Programme Operator.

The Programme Operator shall verify that the selection process has been conducted in accordance with the Regulation and that the recommendations from the Selection Committee comply with the rules and objectives of the programme. Following such verification, the Programme Operator shall, based on the recommendation of the Selection Committee, make a decision on which projects shall be supported. In duly justified cases, the Programme Operator may modify the decision of the Selection Committee. If the Programme Operator, in duly justified cases, modifies the decision of the Selection Committee, it shall inform the Selection Committee and the applicants affected and provide them with a justification.

The Programme Operator shall notify the applicants about the results of the selection process within a reasonable time and publicise the results.

The process set out in this Article shall apply to all calls for proposals, including the SGS, under this programme.

4.3 Project grant rate:

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

5. Additional mechanisms within the Programme

5.1 Pre-defined projects

There will be one pre-defined project implemented under the programme:

1) "Climate change and environment education centre (Living Lab) in Dropie"

Project Promoter:	The Slovak Environment Agency (SEA)
Donor project partner:	Norwegian Bjerknes Centre for Climate Research Municipality of Trondheim
Total maximum eligible project costs:	€ 1,200,000
Project grant rate:	100%
Maximum project grant amount:	€ 1,200,000
Programme outcome the project contributes to:	"**Increased climate change resilience and responsiveness within targeted areas**"

The PDP aims to create a complex educational centre that ensures the acquisition of relevant knowledge and skills needed to promote and implement climate mitigation and adaptation measures and community outreach. This includes providing relevant, digestible information, knowledge and skills to negotiate, plan and implement necessary mitigation and adaptation measures for relevant stakeholders on municipal level. Moreover, the PDP will establish an indoor and outdoor *Living Lab* with practical

demonstrations of mitigation and adaptation measures. The outdoor measures shall be a mix of new and traditional measures.

Work package 1: Living lab - outdoor measures

- Implementation of adaptation measures such as construction and utilization of rainwater reservoirs, system for rainwater flushing and watering, domestic waste water treatment plant; construction of a rain garden, green walls, green roofs, laying strips, planting of trees, greenery, beds of resistant, indigenous plants; adaptation measures in walkways and surfaces, universal access to the lake and parking areas and types of waterproofing materials;
- Realization of mitigation measures e.g. solar power failure back-up system, new efficient water pump, photovoltaic charging stations for bicycles and cars, photovoltaic equipment for water quality improvement in the lake; separation toilet, separating rooms for waste, small furniture, climatic playground for children and adults.

Work package 2: Living Lab - indoor measures

- Realization of project documentation for Living Lab and application of mitigation and adaptation measures in order to achieve energy passive building (photovoltaic panels, heat pump, use of traditional materials, intelligent measuring systems, recuperation).

Work package 3: Living Lab – education and awareness measures

- Youth Climate Change Living Lab - practical realization of the best/selected students' works from the student's study seminar, rewarding of students in collaboration with external expert;
- Education program for adaptation and mitigation measures for climate change for kindergartens, elementary schools and secondary schools;
- Methodological manual for schools Climate change Living Lab;
- Practical guidelines of Climate Change Living Lab measures for decision makers;
- Workshops for municipalities decision makers - Adaptation plan on climate change and tools for its promotion;
- Interactive communication for visitors on outdoor and indoor measures.

The programme agreement shall be amended following the submission of the detailed description, budget and targets for this project to the FMC.

5.2 Financial Instruments

Not applicable.

6. Programme Management

6.1 Payment flows

The Programme Operator shall ensure that payments to projects are made in a timely manner. Interim and final payments to the projects shall be based on approved project reports.

Payments of the project grant shall take the form of advance payment, interim payments and a final payment. The level of advance payment to projects shall be set out in the project contract. The maximum level of advance payment shall be linked to the project budget and duration as follows:

Project implementation duration[3]	**Advance payment**	**1st Interim payment**	**2nd Interim payment**	**3rd Interim payment**	**Final payment**[4]
Less than 12 months	35%	55%	-	-	10%
12-24 months	25%	45%	20%	-	10%
More than 24 months	20%	30%	25%	15%	10%

The advance payment shall be paid following the signature of the project contract. Subsequent payments shall be paid after the approval of project interim reports. The final payment will be paid after approval of the final report.

An advance payment, if any, of a percentage of the total grant amount shall be paid within 15 working days from the submission of a request or within the period set in the project contract. The interim payments shall be paid within 1 month after the approval of project interim reports.

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

The approval of project interim and final reports shall take place within 3 months from the submission of the required information.

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

6.2 Verification of payment claims

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

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

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

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

6.3 Monitoring and reporting

[3] The project contract may set suspensive conditions related to advance, interim and/or final payments. In justified cases, at the Programme Operator´s discretion, a project promoter may receive extraordinary payments to ensure sufficient funds for the projects during the implementation so as to avoid any liquidity problems, provided that the Programme Operator has sufficient capacity to proceed with these payments.

[4] Retention may be applied at the end of the implementation or pro rata from each advance payment and interim payments.

The Programme Operator shall monitor, record and report on progress towards the programme's outcomes in accordance with the provisions contained in the legal framework. The Programme Operator shall ensure that suitable and sufficient monitoring and reporting arrangements are made with the project promoters in order to enable the Programme Operator and the NFP to meet its obligations to the Donor States.

When reporting on progress achieved in Annual and Final Programme Reports, the Programme Operator shall disaggregate results achieved as appropriate and in accordance with instructions received from the FMO.

6.4 Programme administrative structures
Not applicable.

7. Communication
The Programme Operator shall comply with Article 3.3 of the Regulations, the Information and Communication Requirements in Annex 3 of the Regulations and the Communication plan for the programme.

The Programme Operator shall in the Annual Programme Reports report on the number of Project Promoters under calls 1, 2 and 4 who have completed educational and/or awareness-raising activities at the Climate change and environment education centre (Living Lab) in Dropie.

8. Miscellaneous
Not applicable.