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 Cohesion and Regional Development - Slovenia,
hereinafter referred to as the “National Focal Point”,
representing Slovenia,
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 Bruxelles on 11/12/2019

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Niels Engelschiøn
Chairman FMC

For the National Focal Point

Signed in Loubljana on 18/12/2019

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Dimitrij Pur
Head of NFP

Annex I to the Programme Agreement

Programme Operators and Partners	
Programme Operator:	Ministry of Cohesion and Regional Development - Slovenia
Donor Programme Partner:	Norwegian Environment Agency (NEA)
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
PA12	Outcome 1	Increased renewable energy production	Estimated annual CO2 emissions reductions (in tonnes)	N/A	Annual number	Energy audit reports, Energy certificates	Annually (APR)	0	N/A	1,726[1]
			Estimated production of renewable energy (in MWh/ year)	N/A	Annual number	Report on the progress of the Republic of Slovenia further to the Directive 2009/28/EC	2024	0[2]	2016	3,997
			Number of national policies and laws influenced	N/A	Cumulative number	Project Promoters' records	Annually (APR)	0	N/A	1
	Output 1.1	Improved capacity to develop less established renewable energy sources	Mapping of technical potential of deep geothermal energy carried out	N/A	Binary	Project Promoters' records, reports	Annually (APR)	No	N/A	Yes
			Report on necessary legislative amendments of subsidy schemes for the accelerated use of geothermal energy prepared	N/A	Binary	Project Promoters' records, the report on necessary legislave amendments of	Semi-annually (APR and September IFR)	No	N/A	Yes

[1] Estimation based on the targets achieved by comparable project, Source: the Ministry of Infrastructure.

[2] Total contribution (final energy consumption) of all RES technologies amounted 647.7 ktoe in 2016 (of which 43,9 ktoe geothermal energy without low temperature pumps). Baseline calculated from ktoe to MWh. Source: Report on the progress of the Republic of Slovenia further to the Directive 2009/28/EC , the Ministry of Infrastructure, 2017, Table 1c. http://www.energetika-portal.si/fileadmin/dokumenti/publikacije/an_ove/porocilo_si_ove_2017.pdf

						subsidy schemes for the accelerated use of geothermal energy				
			Number of experts trained in geothermal technologies	Gender	Cumulative number	Project Promoters' records, Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	40
			Number of staff from beneficiary states in exchanges	Gender, Type of exchange	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	10
			Number of staff from donor states in exchanges	Gender, Donor State, Type of exchange	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	3
	Output 1.2	Energy production from less established renewable sources installed	Installed capacity of less established RES (in MW)	N/A	Cumulative number	Project Promoters' records, installed heat production devices specifications	Semi-annually (APR and September IFR)	0	N/A	2.4[3]
PA13	Outcome 2	Enhanced sustainable mobility management	Number of sustainable mobility policy measures/tools at regional level introduced	N/A	Cumulative number	Project Promoters' records, the Regional Sustainable Mobility Plan and the Regional mobility management model	Semi-annually (APR and September IFR)	0	N/A	2[4]
			Average annual increase of trips made by sustainable means of	N/A	Percentage	Project Promoters' records, Average	Annually (APR)	0 %	N/A	4 %

[3] Calculated from the CO2 target: 2,300 t CO2=0.850566 ktoe. Such target contributes 21 % to the NERAP 2020 targets for increase of installed geothermal energy increase from 17 ktoe n 2017 to 21 ktoe by 2020, Table 22, of revised 2017 NERAP 2010-2020.

[4] 1. Regional Sustainable Mobility Centre, 2. Regional Sustainable Mobility Plan.

			transport in the areas supported by the programme[5]			annual trips analysis/calculations by means of transport in supported areas before and after implementations of plans for sustainable mobility management				
	Output 2.1	Measures to improve regional sustainable mobility implemented	Number of regional mobility centres piloted[6]	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	5
			Regional mobility management model developed	N/A	Binary	Project Promoters' records, mobility management model	Semi-annually (APR and September IFR)	No	N/A	Yes
			Number of people reached by awareness raising campaigns	N/A	Cumulative number	Project Promoters' records, print/audio/video material produces as part of the campaign, awareness raising activities reach of people by media	Semi-annually (APR and September IFR)	0	N/A	150,000 [7]
			Number of awareness campaigns carried out	N/A	Cumulative number	Project Promoters' records, Audio/video/print	Semi-annually (APR and	0	N/A	3

[5] Public transport, walking, cycling. The difference achieved in modal split in the year before and the year after the projects result. Reported at the end of programme.

[6] Regional mobility centres are a new management tool to be developed and tested in selected regions in order to accelerate the mobility planning, management and coordination between local and state level. High volume traffic generation locations are individual spots, such as regional hospitals, business parks, tourist attractions, nature sites in protected areas, sport and education centres, which attract a high number of users and generate high traffic pressures in the affected areas.

[7] Estimated 50% of households in participating regions

						material produced as part of the campaign	September IFR)			
			Number of professionals trained in sustainable regional and inter-municipal mobility planning and management	Gender	Cumulative number	Project Promoters' records, Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	60
	Output 2.2	Plans for sustainable mobility management at high-volume traffic locations developed	Number of sustainable mobility plans for high volume traffic generating locations developed	N/A	Cumulative number	Project Promoters' records, sustainable mobility plans for high volume traffic generating locations	Semi-annually (APR and September IFR)	0	N/A	10
			Number of pilot actions from sustainable mobility plans for high volume traffic generating locations implemented	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	10
PA13	Outcome 3	Increased application of Circular Economy principles	Share of targeted population who self-report increased understanding of Circular Economy[8]	N/A	Percentage	Project Promoters' records, Targeted population surveys at the start and before the end of the project	Semi-annually (APR and September IFR)	0 %	N/A	5 %
			Number of innovative green technologies/processes/solutions applied[9]	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	12

[8] Targeted population will be defined by project promotors and it may involve different target groups (such as company employees, residents of a municipality, clients of certain service providers ...). Achievements shall be measured by survey.

[9] "Innovation" is defined as "Enterprises, including public entities, implementation of a new or significantly improved product (goods or services), or a process, a new marketing method, or a new organizational method in business practices, work place organization or an external relation. Innovation can be on enterprise level, sector level, national level regional level or international level." Please refer to the OSLO manual for a comprehensive definition (OECD: http://dx.doi.org/10.1787/9789264013100-en). Def. of "green technologies": a single technology that is less environmental harmful than the technology used today, encompassing technologies and processes to manage pollution (i.e. air/water/soil pollution control, waste management) and to use resources more efficiently. Definition of "applied": An enterprise is using a solutions/technology/product already developed/available in the market and adjust it to the enterprises' own need. These types of projects will often include a R&D component related to adjustment of material, process etc. applicant/enterprise's needs.

	Output 3.1	Measures for Circular Economy implemented	Number of circular economy demonstration / pilot projects implemented[10]	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	19
			Number of intervention areas related to Low-carbon circular economy objectives of Slovenia Development Strategy 2030 addressed	N/A	Cumulative number	Project Promoters' records, Slovenia Development Strategy 2030	Semi-annually (APR and September IFR)	0	N/A	9[11]
PA13	Outcome 4	Improved management of ecosystems under climate change pressure	Total surface of rehabilitated land (in hectares)	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	100
			Number of governance models integrating ecosystem services into the decision-making processes for targeted ecosystems in actual use	N/A	Cumulative number	Project Promoters' records, governance models integrating ecosystem services into the decision-making process for targeted ecosystems	Semi-annually (APR and September IFR)	0	N/A	3
	Output 4.1	Improved capacity for ecosystems management	Number of restored ecosystems with ecosystem services mapped	N/A	Cumulative number	Project Promoters' records, maps/tables of ecosystem services in restored ecosystems	Semi-annually (APR and September IFR)	0	N/A	3
			Number of proposed governance models	N/A	Cumulative number	Project Promoters' records, Proposed governance models	Semi-annually (APR and September IFR)	0	N/A	3

[10] In manufacturing sector

[11] Slovenia Development Strategy 2030, Objective 8 Low-carbon circular economy (pg. 39) sets five intervention areas of which two/ three are addressed by this programme: a) breaking the link between economic growth and growth in consumption of resources and GHG emissions though education and including various stakeholders in the transition to a circular economy (Action Plan), b) promoting innovation, the use of design and information and communications technologies to develop new business models and products which use raw materials and energy more efficiently and through adaptation to climate change.

			Number of professional staff trained	Gender	Cumulative number	Project Promoters' records, Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	45
			Number of people reached by awareness raising and education campaigns	N/A	Cumulative number	Project Promoters' records, lists of people reached by awareness raising campaigns, audio/video/print of the material produced as part of the campaign, Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	600
			Number of awareness and education campaigns carried out	N/A	Cumulative number	Project Promoters' records, Audio/video/print material produced as part of the campaign	Semi-annually (APR and September IFR)	0	N/A	3
PA13	Bilateral Outcome	Enhanced collaboration between Slovene and Donor State institutions involved in the programme	Level of trust between cooperating entities in the Beneficiary state and Donor States	N/A	Scale 1-7	Survey results	Annually (APR)	6.73[12]	N/A	4.5[13]
			Level of satisfaction with the partnership	N/A	Scale 1-7	Survey results	Annually (APR)	6.67[14]	N/A	4.5[15]
			Share of cooperating organisations that apply the knowledge acquired from bilateral partnership	N/A	Percentage	Survey results	Annually (APR)	0 %	N/A	50 %
	Bilateral Output 1	Bilateral cooperation activities	Number of projects involving cooperation with a donor project partner	N/A	Cumulative number	Copies of contracts concluded with Project Promoters,	Semi-annually (APR and	0	N/A	TBD[16]

[12] Survey to be carried out by the FMO
[13] Target is ≥4.5, and an increase on the baseline value
[14] Survey to be carried out by the FMO
[15] Target is ≥4.5, and an increase on the baseline value
[16] Target is minimum 25% of selected projects

						Partnership agreements between Project Promoters and project partners	September IFR)			

Conditions

General

1. The National Focal Point shall ensure that the Programme Operator ensures that any residual or extracted material from project activities is reused, recycled, treated and/or deposited in an environmentally sound manner.

2. The Programme Operator is required to ensure visibility of the EEA Grants contributions among other funding sources.

3. The Programme Operator is required to monitor results of CO_2-reductions and the cost efficiency of the interventions in terms of CO_2 reduction, and report on them in the annual and final programme reports.

4. The Programme Operator shall organize at least two broad experience sharing events during the programme implementation period, with the aim of showcasing innovative approaches in the projects supported.

5. The Programme Operator shall, in the Final Programme Report, report on the impact that the projects supported will have and have had on the dissemination of knowledge about and further investments in climate change mitigation and adaptation in Slovenia.

6. The Programme Operator shall encourage bilateral partnerships across all calls for proposals.

7. The National Focal Point shall ensure that the Programme Operator ensures that Project Promoters:

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

Pre-eligibility

Not applicable

Pre-payment

Not applicable

Pre-completion

Not applicable

Post-completion

Not applicable

Eligibility of costs - period	**First date**	**Final date**
Eligibility of costs	18/04/2018	30/04/2025
Grant rate and co-financing		
Programme eligible expenditure (€)		€ 18,422,941
Programme grant rate (%)		85.00 %
Maximum amount of Programme grant - EEA Financial Mechanism (€)		€ 12,293,743
Maximum amount of Programme grant - Norwegian Financial Mechanism (€)		€ 3,365,757
Maximum amount of Programme grant - Total (€)		€ 15,659,500

PA	Budget Heading	EEA Grants	Norway Grants	Total grant	Programme grant rate	Programme co-financing	Programme eligible expenditure	Advance payment
PA13	Programme management	€ 932,277	€ 187,723	€ 1,120,000	85.00 %	€ 197,647	€ 1,317,647	€ 250,000
PA12	Outcome 1 (EEA Grants)	€ 3,604,203		€ 3,604,203	85.00 %	€ 636,036	€ 4,240,239	€ 1,275,000
PA12	Outcome 1 (Norway Grants)					n/a		n/a
PA13	Outcome 2 (EEA Grants)	€ 4,749,051		€ 4,749,051	85.00 %	€ 838,068	€ 5,587,119	€ 1,244,690
PA13	Outcome 2 (Norway Grants)					n/a		n/a
PA13	Outcome 3 (EEA Grants)					n/a		n/a
PA13	Outcome 3 (Norway Grants)		€ 3,178,034	€ 3,178,034	85.00 %	€ 560,830	€ 3,738,864	€ 684,310
PA13	Outcome 4 (EEA Grants)	€ 3,008,211		€ 3,008,211	85.00 %	€ 530,861	€ 3,539,072	€ 765,000
PA13	Outcome 4 (Norway Grants)					n/a		n/a
Total		**€ 12,293,743** [17]	**€ 3,365,757**	**€ 15,659,500**	**85.00 %**	**€ 2,763,441**	**€ 18,422,941**	**€ 4,219,000**

Retention of management costs	
Retention of management costs - Percentage of the management costs	10.00 %
Retention of management costs - Planned Euro value	€ 131,765

[17] A discrepancy appears between the sum of addends and the totals of the columns 'EEA Grants', 'Total grant' and 'Programme co-financing' because the numbers in this table are rounded to the whole euro.

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 MoU, 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 Government Office for Development and European Cohesion Policy (GODC). The Norwegian Environment Agency (NEA) is the Donor Programme Partner (DPP).

The programme objective, "Climate change mitigated and vulnerability to climate change reduced", will be attained through four outcomes; outcome 1: "Increased renewable energy production"; outcome 2: "Enhanced sustainable mobility management"; outcome 3: "Increased application of Circular Economy principles" and; outcome 4: "Improved management of ecosystems under climate change pressure".

The outcomes will be supported through one open call for projects to apply under the four separate outcomes and through a pre-defined project.

2. Eligibility

2.1 Eligible applicants:

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

In accordance with Article 7.2.4 of the Regulations, the following entities shall be eligible:

	Eligible applicants	**Eligible partners**
Call#1 **Outcome 1, 2 and 4 EEA FM** **Outcome 3 Norwegian FM**	Any entity, public or private, commercial or non-commercial and non-governmental organisations, established as legal person in Slovenia.	Any public or private entity, commercial or non-commercial, as well as non-governmental organisations established as a legal person in Slovenia or Donor States (for Outcome 3 Norwegian entities only), or any international organisation or body or agency thereof, actively involved in, and effectively contributing to the implementation of a project.

2.2 Special rules on eligibility of costs:

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

The following exception is possible:

- in accordance with Article 8.5.4 of the Regulation, indirect costs shall be identified in accordance with paragraphs (a) or (c) of Article 8.5.1 of the Regulation.

3. Bilateral relations

3.1 Bilateral relations

The programme shall contribute to strengthening bilateral relations between Slovenia 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):

There shall be one call for all the outcomes of the programme. The Call shall be launched in the first half of 2020 and will be open for at least 2 months. If appropriate and if there are non-committed funds, the second deadline for applications will be no later than in the 1st half of 2021. The Call shall be published on the programme website (www.norwaygrants.si/) in Slovenian and in English. The Call shall be widely publicised with a view to reach all potential applicants.

Call / SGS number	Outcome(s)	Total available amount	Maximum grant rate (%)	Maximum grant applied for	Minimum grant applied for	Estimated Timing
Call#1	*Outcome 1*	*€3,166,709.33*	*100%*	*€3,166,709*	*€200,000*	*1st half of 2020 first deadline for project applications*
	Outcome 2	*€5,587,119.24*	*100%*	*€2,000,000*	*€200,000*	
	Outcome 3	*€3,738,864.09*	*100%*	*€800,000*	*€200,000*	*1st half of 2021 second deadline for project applications, if necessary*
	Outcome 4	*€3,539,072.05*	*100%*	*1,200,000*	*€200,000*	

Additional available funding may be allocated following closed calls to projects recommended for funding by the Selection Committee, if funds become available to the programme.

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, selection and the award of grants.

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 at least two impartial experts appointed by the Programme Operator. At least one of the experts shall be external and independent of the Government Office for Development and European Cohesion Policy. 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.

For the selection of projects the Programme Operator shall establish a Selection Committee (hereinafter: SC). The SC shall be chaired by the Programme Operator representative. The SC will consist of at least three persons, at least one of them will be external to the Programme Operator. Members of the SC will be representatives of the Programme Operator, representatives of relevant ministries responsible for the programme areas and other relevant experts if needed.

Representatives of the Donor Programme Partner shall be invited as non-voting members. Representatives of the FMO and the NFP shall be invited to participate in the SC meeting as observers.

After the completion of the assessment performed by independent experts a ranking list of eligible projects shall be prepared by the Programme Operator and submitted to the members of the SC. The SC shall review the ranking list and recommend to the Programme Operator a list of projects admitted for co-financing within the programme. The SC may, in justified cases, modify the ranking of the projects prepared by Programme Operator after quality assessment. The justification for the modifications shall be detailed in the minutes of the meeting of the SC and all affected applicants shall be informed in writing about the justification of the modification.

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 decision of the SC, decide which projects shall be supported. The Programme Operator shall inform the applicants of the results of the selection process and publicise the results.

4.3 Project grant rate:

Grants to projects from the programme may be up to 100% of total eligible expenditure of the project, including in the case of projects where the project promoter is an NGO, as defined in Article 1.6 of the Regulation. 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 this programme.

1) ""“Info Geothermal: Supporting efficient cascade use of geothermal energy by making available official and public information”""

Project Promoter:	Geological Survey of Slovenia
Donor project partner(s):	Iceland School of Energy, Reykjavik University
Other project partner(s):	Ministry Of Infrastructure Slovenia Ministry of Environment and Spatial Planning Association of Municipalities and Towns of Slovenia
Total maximum eligible costs:	€ 1,073,529
Project grant rate:	100.00 %
Maximum project grant amount:	€ 1,073,529

Estimated duration: 21 months

The project will support the use of geothermal energy from deep reservoirs. It aims at strengthening the institutional capacities of public authorities and making information available for potential investors. A donor project partner, Iceland School of Energy (Reykjavik University), will provide best-practice knowledge on technology, energy production and resource information.

The Info-Geothermal project pursues the objectives of:

- improving availability of official information that supports development of geothermal energy projects, and
- increasing knowledge by providing focused trainings for experts and authorities as well as raising awareness through dissemination activities.

The main activities include:

- mapping deep geothermal potential;
- establishing guidelines and rules on development of geothermal projects;
- training experts of authorities, research organizations and project developers;
- establishing a national geothermal network of experts, investors, project developers and other stakeholders.

5.2 Financial Instruments

Not applicable.

6. Programme Management

6.1 Payment flows

The Programme Operator shall ensure that funds are available for payments to projects in a timely manner. Payments of the project grant may take the form of advance payments, interim payments and final payments. Advance payments can be up to 30% of the total awarded grant amount in accordance with Slovenian national legislation and if funds are available at the Programme Operator's designated budget lines within the State budget. The advance payment shall be paid to the Project Promoter in line with Slovenian national legislation within 30 days following the signature of the Project Contract.

Subsequent interim payments shall be paid no later than 30 days after the approval of Project Interim Reports. The frequency of interim reporting to the Programme Operator shall be based on an agreed timetable. Final payment will be paid after the approval of a final project report.

For projects of which Project Promoters are direct State budget users there are no actual payment transfers between the Programme Operator and the Project Promoter. In this situation the programme funding is stated as appropriations within the national budget on Project Promoter's designated budget lines.

6.2 Verification of payment claims

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

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

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

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

6.3 Monitoring and reporting

The Programme Operator shall monitor, record and report on progress towards the programme's outcomes in accordance with 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 National Focal Point to meet its obligations to the Donor States. In particular, the final project report from the project promoter shall comprise a final technical report, containing: i) an overview of the results and their exploitation and dissemination; ii) the conclusions on the project; iii) a report covering the wider societal implications of the project.

The Programme Operator shall ensure that estimated greenhouse gas emissions (GHG) reductions corresponding to the interventions are collected in tonnes of CO_2 equivalent per year for each project funded under the calls for proposals. For projects which will lead to GHG-emissions reductions under outcomes 2, 3 and 4 where internationally agreed methods are not available to calculate the results or that it is not cost-efficient to calculate estimated GHG-emissions, the promoters will have to describe expected results of the projects in reducing greenhouse-gas emissions, including their longer-term impacts.

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, in accordance with Annex I to the Programme Agreement and the "Core indicators 2014-2021 Guidance document for programmes financed under the EEA and Norway Grants 2014-2021" issued by the FMO.

6.4 Programme administrative structures

Not applicable.

7. Communication

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

8. Miscellaneous

Not applicable.