



22 AVR. 2013

LATVIJAS REPUBLIKAS FINANŠU MINISTRIJA  
MINISTRY OF FINANCE OF THE REPUBLIC OF LATVIA

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No.16-6-01.1/2013/334  
To 10.04.2013.

Riga, 19 April 2013

**Subject: *Signing of programme Programme Agreements***

Dear Stine Andresen,

With reference to your letter of 10 April 2013 I am pleased to inform you that the Focal Point in Latvia has signed Programme Agreements for the programme LV05 "Research and scholarships".

Hereby, I return you one original of each Programme Agreement.

Thank you for your cooperation in this matter.

Attachment: 1) Programme Agreement of the programme LV05 "Research and scholarships" signed between the Focal Point and the Norwegian Ministry of Foreign Affairs on 20 pages;  
2) Programme Agreement of the programme LV05 "Research and scholarships" signed between the Focal Point and the Financial Mechanism Committee on 15 pages.

Yours sincerely,

Head of the National Focal Point  
Armands EBERHARDS  
Deputy State Secretary on EU Funds  
and Cohesion Fund Affairs

Cc: **Royal Norwegian Embassy in Riga**  
Zirgu iela 14  
LV-1050 Riga



Norwegian Financial Mechanism 2009-2014

PROGRAMME AGREEMENT

between

The Norwegian Ministry of Foreign Affairs

and

The Ministry of Finance,  
hereinafter referred to as the "National Focal Point",  
representing Latvia ,  
hereinafter referred to as the "Beneficiary State"

together hereinafter referred to as the "Parties"

for the financing of the Programme "Research and scholarships"

hereinafter referred to as the "Programme"

## Chapter 1 Scope, Legal Framework, and Definitions

### Article 1.1 Scope

This programme agreement between the Norwegian Ministry of Foreign Affairs (hereinafter referred to as the NMFA) 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 Norwegian Financial Mechanism 2009-2014 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 Norwegian Financial Mechanism 2009-2014:

- a. the Agreement between the Kingdom of Norway and the European Union on the Norwegian Financial Mechanism 2009-2014 (hereinafter referred to as the Agreement);
- b. the Regulation on the implementation of the Norwegian Financial Mechanism 2009-2014 (hereinafter referred to as the "Regulation") issued by Norway in accordance with Article 8(8) of the Agreement;
- c. the Memorandum of Understanding on the Implementation of the Norwegian Financial Mechanism 2009-2014 (hereinafter referred to as the "MoU"), entered into between the Kingdom of Norway and the Beneficiary State; and
- d. any guidelines adopted by the NMFA in accordance with the Regulation.

2. In case of an inconsistency between this programme agreement and the Regulation, the Regulation 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 Regulation, in particular Article 1.5 thereof, and the legal framework referred to in Article 1.2 of this programme agreement.

## Article 1.4 Annexes and hierarchy of documents

1. The programme decision, including the financial plan (Annex I), and the operational rules (Annex II) 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 former shall prevail, provided that these provisions are compatible with the Regulation.

3. Commitments, statements and guarantees, explicit as well as implicit, made in the programme proposal 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 highest degree of transparency, accountability and cost efficiency as well as the principles of good governance, sustainable development, gender equality and equal opportunities.

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 Norwegian Financial Mechanism 2009-2014 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 Regulation and this programme agreement;
- b. ensure that the Certifying Authority, the Audit Authority, the Monitoring Committee and the Programme Operator properly perform the tasks assigned to them in the Regulation, 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 NMFA 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. The programme decision 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 the programme decision.

2. In case the Programme is also supported by the EEA Financial Mechanism, this programme agreement shall be interpreted in conjunction with the agreement regulating that support.

3. The financial plan shall:

- a. contain a breakdown between the Programme's budget headings using the description put forward in the template for the programme proposal;
- b. indicate the agreed advance payment, if any.

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

Article 2.5

Special conditions and programme specific rules

1. The programme decision shall list any conditions set by the NMFA with reference to paragraph 3 of Article 5.3 of the Regulation. The National Focal Point shall ensure compliance with these conditions and, in a timely manner, 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 the operational rules.

Article 2.6

Programme implementation agreement

1. With reference to Article 5.8 of the Regulation 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 NMFA of such signing.

2. The signed programme implementation agreement shall be identical to the draft programme implementation agreement confirmed by the NMFA in accordance with paragraph 5 of Article 5.8 of the Regulation with regard to the content required according to paragraph 3 thereof. The National Focal Point shall inform the NMFA of any deviation from that confirmed draft which may be subject to a new confirmation according to paragraph 5 of Article 5.8 of the Regulation prior to any payment to the Programme.

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 8 and Articles 5.11 and 5.12 of the Regulation as well as statistical reporting in accordance with the Programme Operator's Manual (Annex 9 to the Regulation).

Article 2.8  
External monitoring

The external monitoring and audit referred to in Articles 10.1, 10.2, 10.3 and 10.4 of the Regulation shall not in any way relieve the National Focal Point or the Programme Operator of its obligations under the programme agreement 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 NMFA.
2. Modifications that do not affect the objective, outcomes, outputs, indicators or targets of the Programme are permitted without NMFA's prior approval provided that they are limited to the following:
  - a. cumulative transfers between budget headings related to outcomes of an amount less than 10 % of total eligible expenditure of the Programme or € 1,000,000, whichever is higher, and
  - b. changes of internal practices of the Programme Operator that are not stipulated in the programme agreement.
3. Programme specific exceptions from paragraphs 1 and 2, if any, are set in the operational rules.
4. Expenditures incurred in breach of this article are not eligible.
5. Should there be a doubt as to whether the proposed modifications require approval by the NMFA, the National Focal Point shall consult the NMFA before such modifications take effect.
6. Requests for modifications shall be submitted and assessed in accordance with Article 5.9 of the Regulation.

Article 2.10  
Communication

1. All communication to the NMFA 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 NMFA 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.

3. 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.

4. The NMFA shall ensure that the National Focal Point is informed about communication between the NMFA and the Programme Operator that is relevant for the responsibilities of the National Focal Point under this programme agreement.

Article 2.11  
Contact information

1. The contact information of the National Focal Point and the Programme Operator is as specified in the programme proposal.
2. The contact information for the NMFA 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 NMFA in the programme proposal or other communication 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 the programme proposal, in connection with the programme proposal, the implementation or conclusion of this programme agreement are authentic, accurate and complete.

## Chapter 3 Projects

### Article 3.1

#### Selection of projects

1. The National Focal Point shall ensure that the Programme Operator selects projects in accordance with Chapter 6 of the Regulation and the operational rules.
2. Eligibility of applicants is stipulated in Article 6. 2 of the Regulation and, in accordance with paragraph 3 thereof, subject only to the limitations stipulated in the operational rules.
3. Pre-defined projects shall be outlined in the operational rules.
4. The National Focal Point shall take proactive steps to ensure that the Programme Operator complies fully with Article 6.6 of the Regulation.

### 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 of the project contract shall comply with Article 6.7 of the Regulation.
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 1.5 of the Regulation. 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 6.8 of the Regulation.
2. The partnership agreement shall be in English if one of the parties to the agreement is an entity from Norway.
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 7.16 of the Regulation.

5. The National Focal Point shall ensure that the Programme Operator verifies that the partnership agreement complies with this article before the signing of the project contract.

### Article 3.4

#### Reallocation of funds

1. Reallocation of unused or cancelled financial contributions to projects shall be made in compliance with Article 6.9 of the Regulation.
2. Project grants not reallocated shall be reimbursed to the NMFA in accordance with Article 6.9 of the Regulation.

## Chapter 4 Finance

### Article 4.1

#### Eligible expenditures

1. Subject to Article 7.6 of the Regulation, 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 Regulation, this programme agreement and the project contract;
  - c. expenditure of funds for bilateral relations in accordance with Article 7.7 of the Regulation;
2. Expenditure related to the categories referred to in subparagraphs (d), (e) and (f) of Article 7.1 of the Regulation are eligible in accordance with Chapter 7 thereof if such expenditures are explicitly approved by the NMFA in the programme decision. The implementation of the activities under these categories shall be in compliance with the operational rules.
3. Eligible expenditures of projects are those actually incurred by the Project Promoter or project partners, meet the criteria set in Article 7.2 of the Regulation and fall within the categories and fulfil the conditions of direct eligible expenditure set in Article 7.3 of the Regulation as well as indirect costs in accordance with Article 7.4 of the Regulation.

Article 4.5

Irregularities, suspension and reimbursements

4. The first date of eligibility of expenditures in projects shall be set in the project contract in accordance with Article 7.14 of the Regulation. 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 NMFA of a positive appraisal of the pre-defined projects by the Programme Operator in accordance with paragraph 3 of Article 5.5 of the Regulation.

5. The maximum eligible costs of the categories referred to in paragraphs 1 and 2 are set in the programme decision. Programme specific rules on the eligibility of expenditure set in the programme decision or in the operational rules shall be complied with.

The NMFA has the right to make use of the remedies provided in the Regulation, in particular Chapter 12 thereof. The National Focal Point has a duty to take all necessary measures to ensure that the provisions in Chapter 11 and 12 of the Regulation regarding irregularities, suspension of payments, financial corrections and reimbursement are complied with.

Chapter 5

Final provisions

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 7.13 of the Regulation.

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 Regulation 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 8.2, 8.3 and 8.4 of the Regulation.

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 the operational rules.

4. The National Focal Point shall ensure that payments are transferred in accordance with paragraph 2 of Article 8.1 of the Regulation.

5. Chapter 8 of the Regulation 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 Norwegian Financial Mechanism 2009-2014 to the Programme in accordance with Article 8.8 of the Regulation.

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 NMFA 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 NMFA may, after consultation with the National Focal Point, terminate this programme agreement if:

a. a general suspension decision according to Article 12.6 of the Regulation or a decision to suspend payments according to paragraph 1(h) of Article 12.1 of the Regulation has not been lifted within 6 months of such a decision;

b. a suspension of payments according to Article 12.1 of the Regulation, 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 12.2 of the Regulation 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 NMFA, 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 NMFA to make use of the remedies provided in Chapter 12 of the Regulation.

Article 5.3  
Waiver of responsibility

1. Any appraisal of the Programme undertaken before or after its approval by the NMFA, 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 NMFA or the FMO any responsibility of any kind for the supervision, execution, completion, or operation of the Programme or its projects.

3. The NMFA does 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 NMFA 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 NMFA, its officials or employees, 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 NMFA

Signed in Oslo on 2.4.2013

  
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Anders Erdal  
Deputy Director General, Ministry of Foreign Affairs

For the National Focal Point

Signed in Riga on 12.4.2013

  
\_\_\_\_\_  
Armands Eberhards  
Deputy State Secretary in European Union Structural Funds and Cohesion Fund Affairs

## Annex I - Programme Decision

### 1. Expected Outcomes & Indicators for Outputs

**Expected Outcome(s):** Increased higher education student and staff mobility between Beneficiary States and Norway

#### Output

HE student mobility between Latvia and Norway

Output indicator(s)	Baseline	Target	Source of Verification
Number of HE students benefiting from a mobility grant under the NOR FM	0	45	Project reports, programme evaluation

#### Output

HEI staff mobility between Latvia and Norway

Output indicator(s)	Baseline	Target	Source of Verification
Number of HEI staff benefiting from a mobility grant under the NOR FM	0	45	Project reports, programme evaluation

**Expected Outcome(s):** Increased research cooperation between Norway and the Beneficiary States

#### Output

Bilateral Research cooperation between Latvia and Norway

Output indicator(s)	Baseline	Target	Source of Verification
Number of research cooperation projects	0	40	Project reports, programme evaluation

#### Output

Institutional cooperation at the level of higher education and science between Latvia and Norway

Output indicator(s)	Baseline	Target	Source of Verification
Number of cooperating research institutions	0	80	Project reports, programme evaluation

**Expected Outcome(s):**

Strengthened research capacity in the Beneficiary States and increased application of research results through research cooperation between Norway and the Beneficiary States

#### Output

Number of internationally refereed scientific publications (published or approved for publication)

Output indicator(s)	Baseline	Target	Source of Verification
Number of internationally refereed scientific publications	0	40	Project reports, programme evaluation

#### Output

Number of scientific publications (published or approved for publication)

Output indicator(s)	Baseline	Target	Source of Verification
Number of scientific publications	0	80	Project reports, programme evaluation

## 2. Conditions

**2.1 General**

1) The National Focal Point shall ensure that any public support under this Programme complies with the procedural and substantive State Aid rules applicable at the time when the public support is granted. The Focal Point shall, by way of the Programme Implementation Agreement, ensure that the Programme Operator maintains written records of all assessments concerning compliance with State Aid rules, particularly decisions to award grants and set grant rates, and provides such records to the FMC/NMFA upon request. The approval of the Programme by the FMC/NMFA does not imply a positive assessment of such compliance.

2) Bilateral indicators and outcome indicators shall be reported on in the annual programme report. This shall include a bilateral indicator reflecting the increased knowledge of the cooperating countries and research/education institutions.

3) The indicators under section 1 above shall be revised and submitted to the FMO for approval prior to the first disbursement to the projects.

**2.2 Pre-eligibility**

Not applicable.

**2.3 Pre-payment**

1) A revised budget for this Programme, including co-financing at Programme level, shall be submitted to and approved by the FMC/NMFA prior to the first disbursement under this Programme. The revised budget shall include details of the Programme management costs.

**2.4 Pre-completion**

Not applicable.

**2.5 Post-completion**

Not applicable.

**2.6 Other**

Not applicable.

**3. Eligibility of costs****3.1 Eligibility of costs - period**

Eligibility of costs (excluding prog prep costs): 23/01/2013-30/04/2017

Eligibility of programme proposal preparation costs: 09/06/2011-22/01/2013

**3.2 Grant rate and co-financing**

Programme estimated total cost (€)	€5,525,490
Programme estimated eligible cost (€)	€5,525,490
Programme grant rate (%)	90.0000%
Maximum amount of Programme grant (€)	€4,992,000

**3.3 Maximum eligible costs (€) and Advance payment amount (€)**

Budget heading	Eligible expenditure	Advance payment*
Programme management	€449,330	€0
Increased higher education student and staff mobility between Beneficiary States and Norway	€508,400	€0
Increased research cooperation between Norway and the Beneficiary States	€2,217,778	€0
Strengthened research capacity in the Beneficiary States and increased application of research results through research cooperation between Norway and the Beneficiary States	€2,217,778	€0
Fund for bilateral relations	€110,932	€0
Complementary action	€21,272	€0
Preparation of programme proposal	€0	€0
Reserve for exchange rate losses	€0	€0
<b>Total</b>	<b>€5,525,490</b>	<b>€0</b>

\* The advance payment is composed of €0 in grant amount and €0 in co-financing.

#### 3.4 Retention of management costs

Retention of management costs - percentage of the management costs	10.00%
Retention of management costs - planned Euro value	€36,636

#### 3.5 Small Grant Scheme

Not applicable

EEA Financial Mechanism 2009-2014  
Norwegian Financial Mechanism 2009-2014

**Operational rules Programme Areas No.19 and 24 - Scholarships (Annex IIA)**

**1. Eligibility**

*1.1 Eligible measures (sub-measures if any):*

The Programme Operator is the Ministry of Education and Science of the Republic of Latvia (MoES). The State Education Development Agency (SEDA), an institution under functional supervision of the Programme Operator, will assist in the implementation of the Programme.

The Donor Programme Partner (DPP) is the Norwegian Centre for International Cooperation in Education (SIU).

Within the Scholarship component two measures will be supported:

- Measure 1: Preparatory visits (1-5 days) aimed at preparing and implementing mobility projects in Higher Education.  
This measure is financed from the fund for bilateral relations at programme level (section 5.1 of this Annex) (Funds for bilateral relations).
- Measure 2: Mobility projects in higher education, which has two target groups: mobility of students for up to one academic year in all fields of study and short term staff mobility.

*1.2 Eligible applicants:*

The rules on eligibility of applicants are set in Article 6.2 of the Regulation.

The following specifications apply to this programme:

Measure 1:

- Latvian higher education institutions (HEI), including colleges, having at least one HEI in a Donor State as a partner.

Measure 2:

- Latvian HEIs holding an Erasmus University Charter (EUC) and having at least one HEI in a Donor State as a partner.

*1.3 Special rules on eligibility of costs:*

Chapter 7 of the Regulation contains the rules on eligibility of costs. The following specifications apply:

Measure 1:

- Travel expenses (flight in economy class, domestic transports)
- Daily allowance and accommodation expenses in accordance with the applicable national legislation
- Insurance
- Fees for participation in conferences, seminars, courses, meetings and workshops
- Organization costs of conferences, seminars, courses, meetings and workshops

Measure 2:

- Stipends and tuition fees for students
- Stipends for academic staff

- Indirect costs - 7% of the total grant amount for the mobility of students and staff shall be granted to the HEI to cover the organisation of mobility under each call.

In accordance with Article 7.4.1 of the Regulation, indirect eligible costs may be claimed by Project Promoters and project partners. The methods to identify indirect costs in projects and the associated methodology that shall ensure the fair apportionment of the overall overheads of the Project Promoters and/or project partners shall be further developed by the Programme Operator as set out in Articles 4.8.2 and 7.13.4 of the Regulation.

## **2. Financial parameters**

### *2.1 Minimum and maximum grant amount per project:*

Measure 1:

Support for preparatory visits is granted on the basis of real costs. The maximum amount applied for is €1,000 per person per project.

Measure 2:

- Support for mobility projects in higher education is provided in the form of an individual mobility grant issued to the home institution of the visiting person. Grants will be calculated as a lump sum on the basis of real costs. Grants for student mobility
  - Stipends for a duration of 3-11 months of up to €1,200 per month
  - Tuition fees are eligible up to €1,000 (excluding registration costs) per person
- Grants for academic staff mobility
  - Stipends for a duration of 1-6 weeks. The minimum grant amount applied for is €1,600, the maximum is €3,000.

### *2.2 Project grant rate:*

Measures 1 and 2:

Grants from the programme cover 100% of the total eligible project costs up to the applicable thresholds, any remaining costs shall be provided by the beneficiary.

## **3. Selection of projects**

### *3.1 Selection procedures:*

Measures 1 and 2:

The selection procedure shall be in line with Article 6.5. of the Regulation.

The selection of individuals will be done by their home HEIs. Individual applications within each institution shall be evaluated in compliance with qualitative evaluation criteria prepared by the Programme Operator.

The Programme Operator shall, in cooperation with the Norwegian embassy in Riga, make sure that the information about the open calls reaches as broad an audience as possible, including the national minorities in Latvia.

### *3.2 Open calls and availability of funds (including number of calls, duration of calls, and estimated size):*

Measure 1:

There shall be one call for proposals, which shall make available the total grant amount (see section 5.1 of this Annex II). The call shall be launched no later than in the second quarter of 2013. The call shall be open at least for 2 months.

Measure 2:

There shall be two calls for proposals, which shall make available the total grant amount of €1,069,527 (for PAs 19 and 24). The first call shall be launched no later than in the second quarter of 2013 and make available 50% of the total grant amount. The second call shall be

launched no later than the fourth quarter of 2013 and make available 50% of the total grant amount.

In case of an insufficient number of applications, insufficient value, or insufficient quality of the applications submitted in the planned calls, the Programme Operator may launch a third call for proposals no later than the third quarter of 2014 to make available any remaining funds. All calls shall be open at least for 2 months.

Any reallocation of funds within the Programme and between projects will be strictly in line with Article 6.9 of the Regulation.

### *3.3 Selection criteria:*

Measures 1 and 2:

In addition to the administrative criteria, the following qualitative selection criteria will be taken into account:

For Student mobility

- Applicant's relation / particular study interest in Norway/Iceland/Liechtenstein,
- Applicant's multiplier capacity and willingness to disseminate the results of the Student mobility activity.

For academic staff mobility:

- Reasoned choice of activity,
- Activity's impact on international cooperation with Norway/Liechtenstein/Iceland,
- Clear description of how the applicant has prepared for the activity.

The Programme Operator shall further develop the selection criteria together with the DPP. The results shall be discussed and approved in the Cooperation Committee. The final selection criteria will be included in the text of the call for proposals.

Social sustainability issues, in particular initiatives that help combat discrimination and intolerance, shall be reflected in the selection criteria in the open calls and shall be reported on to the Donors. The Programme Operator shall discuss how to best reflect these issues in the open calls and in the selection criteria with the Cooperation Committee.

## **4. Payment flows, verification of payment claims, monitoring and reporting**

### *4.1 Payment flows*

The Programme Operator shall ensure that funds are available for payments to projects in a timely manner. All relevant rules on payment flows and proof of expenditure contained in the Regulation shall be complied with.

Payments towards the final beneficiaries will be in the form of advance payments, interim payments and a final payment in the form of pre-financing. Payments to projects are made on the basis of approved interim and/or final reports.

Payments to project promoters may be made in two instalments, 80% upon signature of the contract and 20% upon approval of the final report. Projects receiving more than €200,000 may receive payment in three instalments, 40% upon signature of the contract, 40% upon approval of an interim report and 20% upon approval of the final report.

The advance payment shall be offset against incurred expenditure reported in the interim reports, if applicable.

### *4.2 Verification of payment claims*

Project promoters shall submit interim and final reports to the Programme Operator containing information on project progress used advance payment, and incurred expenditure.

Verification and approval of the interim and final reports submitted by the project promoters will be performed by the Programme Operator. The costs incurred in projects are included in the interim and final reports of the Programme Operator which are further verified and approved by the Certifying Authority.

In line with Article 7.13.3 of the Regulation, a report by an independent and certified auditor, certifying that the claimed costs are incurred in accordance with the Regulation, the national law and accounting practices of the project partner's country, shall be seen as sufficient proof of costs incurred by a project partner whose primary location is in a Donor or a Beneficiary State.

The procedure for verification of payment claims and deadlines for reporting as outlined in the programme proposal will further be detailed in the description of the Programme Operator's management and control systems according to Article 4.8.2 of the Regulation.

#### *4.3 Monitoring and reporting*

The Project Promoters shall be required to report on project progress and outputs in the interim and final reports.

A detailed annual monitoring will be conducted of a sample of projects, selected on the basis of risk assessment and including random samples. The detailed monitoring plan for the projects will be presented in the Annual Programme Report.

Information on Reporting and Monitoring, and periodicity of reporting, will further be outlined in the description of the Programme's management and control systems according to article 4.8.2 of the regulation.

The Programme Operator shall audit at least 5% of the projects.

### **5. Additional mechanisms within the programme**

#### *5.1 Funds for bilateral relations*

The Programme Operator shall set aside 2% of the total eligible expenditure of the programme for fund for bilateral relations covering both the research and the scholarship component. Of the total amount set aside for the bilateral fund, 20% will be used to finance measure 1 of the scholarship component of the Programme: Preparatory visits. For a detailed description of measure 1, see the relevant sections of this Annex II.

Funds set aside for measure 1, which remain unspent after the open calls are carried out (see section 3.2 of this Annex II) can be reallocated to the research component of the bilateral fund.

#### *5.2 Complementary action*

Complementary action under this programme shall be further defined by the Programme Operator in accordance with Article 7.11 of the Regulation. Complementary actions shall facilitate the participation of relevant stakeholders in events/seminars/activities agreed with the Donors.

#### *5.3 Reserve for exchange rate losses*

Not applicable.

#### *5.4 Small Grant Schemes*

Not applicable.



**6. Pre-defined projects**

Not applicable.

**7. Modification of the Programme**

The rules on modifications of Programmes are in Article 5.9 of the Regulation and Article 2.9 of the Programme Agreement.

**8. Programme proposal version**

Any reference to the Programme proposal in this Programme Agreement shall be interpreted as version signed by the PO on 2 May 2012 including any subsequent correspondence and communication between the Donors, the Financial Mechanism Office, the National Focal Point and the Programme Operator.

**9. Miscellaneous**

Not applicable.

Norwegian Financial Mechanism 2009-2014

**Operational rules for Programme Area 23, Research (Annex IIB)**

**1. Eligibility**

*1.1 Eligible measures (sub-measures if any):*

The Programme Operator is the Ministry of Education and Science of the Republic of Latvia (MoES). The State Education Development Agency (SEDA), an institution under functional supervision of the Programme Operator, will assist in the implementation of the Programme.

The Donor Programme Partner (DPP) is the Research Council of Norway.

The programme will fund bilateral research cooperation projects within the following two themes:

- Social sciences and the humanities, and
- Public health including aspects connected with pharmaceuticals, biomedicine and prevention.

The programme is planned to finance activities that in accordance with the Article 3.1.1 of the Community Framework for State Aid for Research and Development and Innovation (2006/C323/01) are not considered as economic activity.

*1.2 Eligible applicants:*

By way of limitation of paragraph 1 of Article 6.2 of the Regulation, Research Organisations, as defined in the Community Framework for State Aid for Research and Development and Innovation (2006/C 323/01) are eligible applicants under this Programme.

In accordance with the third paragraph of point 2.3.1 of Annex 12 to the Regulation, eligible project partners may be Research Organisations, as defined in the Community Framework for State Aid for Research and Development and Innovation (2006/C 323/01).

*1.3 Special rules on eligibility of costs:*

The eligibility of costs is determined by reference to Chapter 7 of the Regulation. The rules on eligibility of costs shall apply equally and without limitation to both Project Promoters and project partners.

Indirect costs shall be eligible in line with the Regulation and in particular, Annex 12 thereto.

In-kind contributions in the form of voluntary work are not considered eligible expenditure.

The purchase of real estate and land is not considered eligible expenditure.

**2. Financial parameters**

*2.1 Minimum and maximum grant amount per project:*

The minimum amount of grant assistance applied for is EUR 60,000; the maximum amount is EUR 1,000,000.

*2.2 Project grant rate:*

Grants from the programme will not exceed 92.5 percent of total eligible project costs, provided all applicable National and EU rules on State Aid are complied with. The remaining costs of the project shall be provided or obtained by the Project Promoter.

### **3. Selection of projects**

#### *3.1 Selection procedures:*

The selection procedures shall be in accordance with Annex 12 to the Regulation.

The Programme Operator shall, in cooperation with the Norwegian embassy in Riga, make sure that the information about the open calls reaches as broad an audience as possible, including the national minorities in Latvia.

#### *3.2 Open calls and availability of funds (including number of calls, duration of calls, and estimated size):*

There shall be one call for proposals. The call shall be launched no later than in the second quarter of 2013 and make available the total re-granting amount of €4,435,556. A second shall be launched if there are funds uncommitted as a result of the first call. The calls shall be open at least for 2 months.

#### *3.3 Selection criteria:*

All projects to be implemented under this Programme are to be based on equal partnerships between research institutions in Norway and research institutions in Latvia, with the leading role of the latter. More specifically, there is to be at least one partner from Norway co-operating with the Project Promoter of each project.

The project selection criteria shall be approved by the Programme Committee and with reference to 3.5 of Annex 12. They shall as a minimum contain the following criteria:

- scientific and/or technical excellence;
- relevance in relation to the objectives and prioritised areas of the research programme;
- quality and efficiency of the implementation and management, including quality and implementation capacity of the applicants and contribution to capacity and competence building; and the potential impact through the development, dissemination and use of project results.

### **4. Payment flows, verification of payment claims, monitoring and reporting**

#### *4.1 Payment flows*

The Programme Operator shall ensure that funds are available for payments to projects in a timely manner. All relevant rules on payment flows and proof of expenditure contained in the Regulation and in particular Annex 12 thereto shall be complied with.

Payments towards the Project Promoters will be in the form of advance payments, interim payments and a final payment in the form of a reimbursement of incurred expenditure. Payments to projects are made on the basis of approved interim reports and final reports.

An advance payment and an interim payment to the Project Promoter are envisaged, as follows:

- first advance payment – 40% after signing agreement on project implementation;

- a second (interim) payment – 40% after approval by the Programme Operator of the project interim report for the period from 4 to 8 months (depending on the duration of the project).

The advance payment shall be offset against incurred expenditure reported in the interim reports, if applicable.

The final payment in the amount up to 20% is paid out upon the approval of the project final report by the Programme Operator.

#### *4.2 Verification of payment claims*

The Project Promoters shall submit interim reports to the Programme Operator containing information on project progress, advance and interim payment requests, and incurred expenditure.

Verification and approval of interim reports of the Projects Promoters will be performed by the Programme Operator. The interim reports of the Programme Operator are verified and approved by the Certifying Authority.

In line with Article 5.3 of Annex 12, a report by an independent and certified auditor, certifying that the claimed costs are incurred in accordance with the Regulation, the national law and accounting practices of the project partner's country, shall be seen as sufficient proof of costs incurred by a project partner whose primary location is in a Donor or a Beneficiary State.

Proof of expenditure shall not be submitted by a project promoter or a project partner where the total grant from the programme to the respective project promoter or project partner is less than EUR 375,000.

The procedure for verification of payment claims and deadlines for reporting as outlined in the programme proposal will further be detailed in the description of the Programme Operator's management and control systems according to Article 4.8.2 of the Regulation.

#### *4.3 Monitoring and reporting*

Project Promoters shall be required to report on project progress and outputs in interim reports and at the end of the project in a final report.

A detailed annual monitoring will be conducted of a sample of projects, selected on the basis of risk assessment and including random samples. The detailed monitoring plan for the projects will be presented in the Annual Programme Report.

Information on Reporting and Monitoring, and periodicity of reporting, will further be outlined in the description of the Programme's management and control systems according to article 4.8.2 of the Regulation.

The Programme Operator shall audit at least 5% of the projects.

### **5. Additional mechanisms within the Programme**

#### *5.1 Funds for bilateral relations*

The Programme Operator will set aside a fund for bilateral relations covering both the research and the scholarship component. Of the total amount allocated, approximately 80% will be used on the research component.

The Programme Committee will discuss and decide upon the use and implementation of the bilateral fund.

Up to 50% of the bilateral fund within the research component will be allocated to search for partners for donor partnership projects prior to or during the preparation of a project application, the development of such partnerships and the preparation of an application for a donor partnership project and the remaining amount to networking, exchange, sharing and transfer of knowledge, technology, experience and best practice between Project Promoters and/or the Programme Operator and entities in Norway with focus on human capital enhancement and capacity building in relation to general administration and management of research and development area.

Selection procedures and reimbursement rates will be established in close cooperation with the Programme Committee and the Donor Programme Partner and will be published together with the calls.

If necessary, the Programme Committee can decide on a reallocation of financing between the two bilateral fund programme activities.

#### *5.2 Complementary action*

Complementary action under this programme shall be further defined by the Programme Operator in accordance with Article 7.11 of the Regulation. Complementary actions shall facilitate the participation of relevant stakeholders in events/seminars/activities agreed with the Donors.

#### *5.3 Reserve for exchange rate losses* Not Applicable

#### *5.4 Small Grant Schemes* Not Applicable

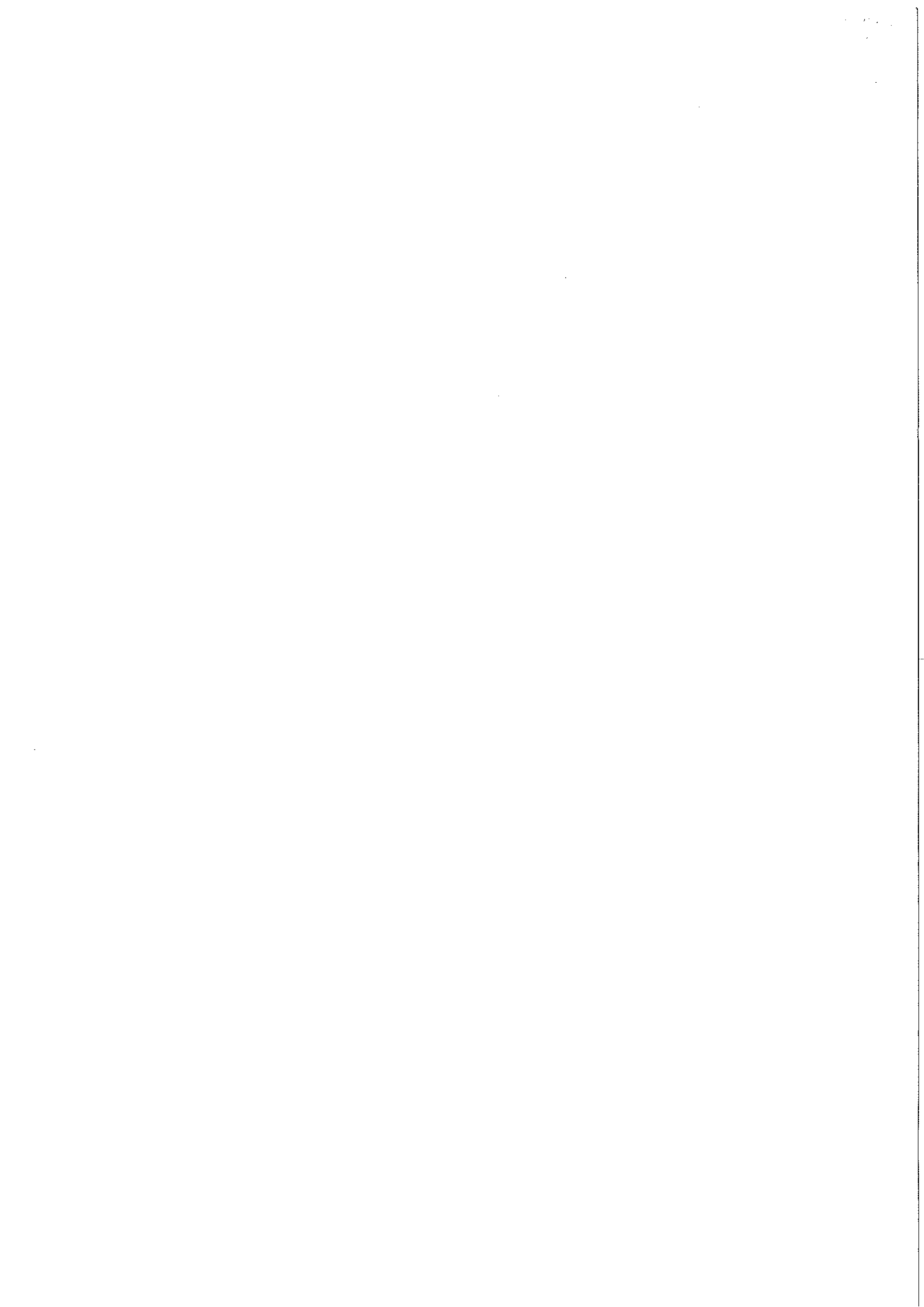
#### **6. Pre-defined projects** Not Applicable

#### **7. Modification of the Programme** Not Applicable

#### **8. Programme proposal version**

Any reference to the programme proposal in this programme agreement shall be interpreted as the version signed by the PO on 2 May 2012 and shall include all subsequent correspondence and communication between the Donors, the Financial Mechanism Office, the National Focal Point and the Programme Operator.

#### **9. Miscellaneous** Not Applicable



EEA Financial Mechanism 2009-2014

PROGRAMME AGREEMENT

between

The Financial Mechanism Committee  
established by Iceland, Liechtenstein and Norway

and

The Ministry of Finance,  
hereinafter referred to as the "National Focal Point",  
representing Latvia ,  
hereinafter referred to as the "Beneficiary State"

together hereinafter referred to as the "Parties"

for the financing of the Programme "Research and scholarships"

hereinafter referred to as the "Programme"

## Chapter 1 Scope, Legal Framework, and Definitions

### Article 1.1 Scope

This programme agreement between the Financial Mechanism Committee (hereinafter referred to as the FMC) 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 Financial Mechanism 2009-2014 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 Financial Mechanism 2009-2014:

- a. Protocol 38b to the EEA Agreement on the EEA Financial Mechanism 2009-2014;
- b. the Regulation on the implementation of the EEA Financial Mechanism 2009-2014 (hereinafter referred to as the "Regulation") issued by the Donor States in accordance with Article 8(8) of Protocol 38b;
- c. the Memorandum of Understanding on the Implementation of the EEA Financial Mechanism 2009-2014 (hereinafter referred to as the "MoU"), entered into between the Donor States and the Beneficiary State; and
- d. any guidelines adopted by the FMC in accordance with the Regulation

2. In case of an inconsistency between this programme agreement and the Regulation, the Regulation 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 Regulation, in particular Article 1.5 thereof, and the legal framework referred to in Article 1.2 of this programme agreement.

## Article 1.4 Annexes and hierarchy of documents

1. The programme decision, including the financial plan (Annex I), and the operational rules (Annex II) 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 former shall prevail, provided that these provisions are compatible with the Regulation.

3. Commitments, statements and guarantees, explicit as well as implicit, made in the programme proposal 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 highest degree of transparency, accountability and cost efficiency as well as the principles of good governance, sustainable development, gender equality and equal opportunities.

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 Financial Mechanism 2009-2014 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 Regulation and this programme agreement;

b. ensure that the Certifying Authority, the Audit Authority, the Monitoring Committee and the Programme Operator properly perform the tasks assigned to them in the Regulation, 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 FMC 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. The programme decision 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 the programme decision.

2. In case the Programme is also supported by the Norwegian Financial Mechanism, this programme agreement shall be interpreted in conjunction with the agreement regulating that support.

3. The financial plan shall:

a. contain a breakdown between the Programme's budget headings using the description put forward in the template for the programme proposal;

b. indicate the agreed advance payment, if any.

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

## Article 2.5

### Special conditions and programme specific rules

1. The programme decision shall list any conditions set by the FMC with reference to paragraph 3 of Article 5.3 of the Regulation. The National Focal Point shall ensure compliance with these conditions and, in a timely manner, 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 the operational rules.

## Article 2.6

### Programme implementation agreement

1. With reference to Article 5.8 of the Regulation 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 FMC of such signing.

2. The signed programme implementation agreement shall be identical to the draft programme implementation agreement confirmed by the FMC in accordance with paragraph 5 of Article 5.8 of the Regulation with regard to the content required according to paragraph 3 thereof. The National Focal Point shall inform the FMC of any deviation from that confirmed draft which may be subject to a new confirmation according to paragraph 5 of Article 5.8 of the Regulation prior to any payment to the Programme.

## 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 8 and Articles 5.11 and 5.12 of the Regulation as well as statistical reporting in accordance with the Programme Operator's Manual (Annex 9 to the Regulation).

Article 2.8  
External monitoring

The external monitoring and audit referred to in Articles 10.1, 10.2, 10.3 and 10.4 of the Regulation shall not in any way relieve the National Focal Point or the Programme Operator of its obligations under the programme agreement 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 FMC.
2. Modifications that do not affect the objective, outcomes, outputs, indicators or targets of the Programme are permitted without FMC's prior approval provided that they are limited to the following:
  - a. cumulative transfers between budget headings related to outcomes of an amount less than 10 % of total eligible expenditure of the Programme or € 1,000,000, whichever is higher, and
  - b. changes of internal practices of the Programme Operator that are not stipulated in the programme agreement.
3. Programme specific exceptions from paragraphs 1 and 2, if any, are set in the operational rules.
4. Expenditures incurred in breach of this article are not eligible.
5. Should there be a doubt as to whether the proposed modifications require approval by the FMC, the National Focal Point shall consult the FMC before such modifications take effect.
6. Requests for modifications shall be submitted and assessed in accordance with Article 5.9 of the Regulation.

Article 2.10  
Communication

1. All communication to the FMC 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 FMC 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.

3. 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.

4. The FMC shall ensure that the National Focal Point is informed about communication between the FMC and the Programme Operator that is relevant for the responsibilities of the National Focal Point under this programme agreement.

Article 2.11  
Contact information

1. The contact information of the National Focal Point and the Programme Operator is as specified in the programme proposal.

2. The contact information for the FMC 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 FMC in the programme proposal or other communication 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 the programme proposal, in connection with the programme proposal, the implementation or conclusion of this programme agreement are authentic, accurate and complete.

## Chapter 3 Projects

### Article 3.1

#### Selection of projects

1. The National Focal Point shall ensure that the Programme Operator selects projects in accordance with Chapter 6 of the Regulation and the operational rules.
2. Eligibility of applicants is stipulated in Article 6. 2 of the Regulation and, in accordance with paragraph 3 thereof, subject only to the limitations stipulated in the operational rules.
3. Pre-defined projects shall be outlined in the operational rules.
4. The National Focal Point shall take proactive steps to ensure that the Programme Operator complies fully with Article 6.6 of the Regulation.

### 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 of the project contract shall comply with Article 6.7 of the Regulation.
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 1.5 of the Regulation. 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 6.8 of the Regulation.
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 7.16 of the Regulation.

5. The National Focal Point shall ensure that the Programme Operator verifies that the partnership agreement complies with this article before the signing of the project contract.

### Article 3.4

#### Reallocation of funds

1. Reallocation of unused or cancelled financial contributions to projects shall be made in compliance with Article 6.9 of the Regulation.
2. Project grants not reallocated shall be reimbursed to the FMC in accordance with Article 6.9 of the Regulation.

## Chapter 4 Finance

### Article 4.1

#### Eligible expenditures

1. Subject to Article 7.6 of the Regulation, 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 Regulation, this programme agreement and the project contract;
  - c. expenditure of funds for bilateral relations in accordance with Article 7.7 of the Regulation;
2. Expenditure related to the categories referred to in subparagraphs (d), (e) and (f) of Article 7.1 of the Regulation are eligible in accordance with Chapter 7 thereof if such expenditures are explicitly approved by the FMC in the programme decision. The implementation of the activities under these categories shall be in compliance with the operational rules.
3. Eligible expenditures of projects are those actually incurred by the Project Promoter or project partners, meet the criteria set in Article 7.2 of the Regulation and fall within the categories and fulfil the conditions of direct eligible expenditure set in Article 7.3 of the Regulation as well as indirect costs in accordance with Article 7.4 of the Regulation.

Article 4.5

Irregularities, suspension and reimbursements

4. The first date of eligibility of expenditures in projects shall be set in the project contract in accordance with Article 7.14 of the Regulation. 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 FMC of a positive appraisal of the pre-defined projects by the Programme Operator in accordance with paragraph 3 of Article 5.5 of the Regulation.

5. The maximum eligible costs of the categories referred to in paragraphs 1 and 2 are set in the programme decision. Programme specific rules on the eligibility of expenditure set in the programme decision or in the operational rules shall be complied with.

The FMC has the right to make use of the remedies provided in the Regulation, in particular Chapter 12 thereof. The National Focal Point has a duty to take all necessary measures to ensure that the provisions in Chapter 11 and 12 of the Regulation regarding irregularities, suspension of payments, financial corrections and reimbursement are complied with.

Chapter 5

Final provisions

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 7.13 of the Regulation.

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 Regulation 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 8.2, 8.3 and 8.4 of the Regulation.

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 the operational rules.

4. The National Focal Point shall ensure that payments are transferred in accordance with paragraph 2 of Article 8.1 of the Regulation.

5. Chapter 8 of the Regulation 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 Financial Mechanism 2009-2014 to the Programme in accordance with Article 8.8 of the Regulation.

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 FMC 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 FMC may, after consultation with the National Focal Point, terminate this programme agreement if:

a. a general suspension decision according to Article 12.6 of the Regulation or a decision to suspend payments according to paragraph 1(h) of Article 12.1 of the Regulation has not been lifted within 6 months of such a decision;

b. a suspension of payments according to Article 12.1 of the Regulation, 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 12.2 of the Regulation 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 FMC, 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 FMC to make use of the remedies provided in Chapter 12 of the Regulation.

Article 5.3  
Waiver of responsibility

1. Any appraisal of the Programme undertaken before or after its approval by the FMC, 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 FMC or the FMO any responsibility of any kind for the supervision, execution, completion, or operation of the Programme or its projects.

3. The FMC does 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 FMC 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 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.

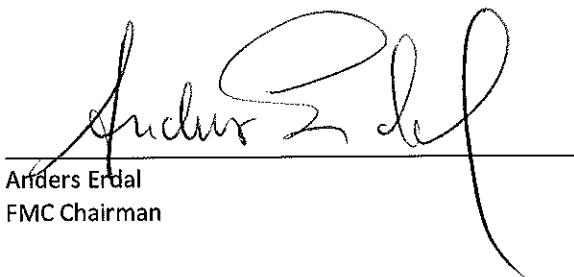
2. This programme agreement shall remain in force until five years have elapsed after the date of the acceptance of the final programme report.

\*\*\*\*\*

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

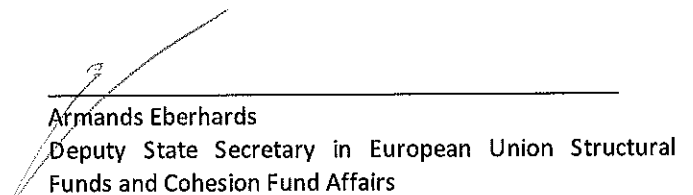
For the FMC

Signed in Oslo on 2.4.2013

  
Arviders Erdal  
FMC Chairman

For the National Focal Point

Signed in Riga on 12.4.2013

  
Armands Eberhards  
Deputy State Secretary in European Union Structural Funds and Cohesion Fund Affairs

## Annex I - Programme Decision

### 1. Expected Outcomes & Indicators for Outputs

**Expected Outcome(s):** Increased higher education student and staff mobility between Beneficiary and EEA EFTA States

#### Output

HE student mobility between Latvia and EEA EFTA States

Output indicator(s)	Baseline	Target	Source of Verification
Number of HE students benefiting from a mobility grant under the EEA/NOR FM	0	45	Project reports, programme evaluation

#### Output

HEI staff mobility between Latvia and EEA EFTA states

Output indicator(s)	Baseline	Target	Source of Verification
Number of HE HEI staff benefiting from a mobility grant under the EEA/NOR FM	0	45	Project reports, programme evaluation

### 2. Conditions

#### 2.1 General

1) The National Focal Point shall ensure that any public support under this Programme complies with the procedural and substantive State Aid rules applicable at the time when the public support is granted. The Focal Point shall, by way of the Programme Implementation Agreement, ensure that the Programme Operator maintains written records of all assessments concerning compliance with State Aid rules, particularly decisions to award grants and set grant rates, and provides such records to the FMC/NMFA upon request. The approval of the Programme by the FMC/NMFA does not imply a positive assessment of such compliance.

2) Bilateral indicators and outcome indicators shall be reported on in the annual programme report. This shall include a bilateral indicator reflecting the increased knowledge of the cooperating countries and research/education institutions.

3) The indicators under section 1 above shall be revised and submitted to the FMO for approval prior to the first disbursement to the projects.

#### 2.2 Pre-eligibility

Not applicable.

#### 2.3 Pre-payment

1) A revised budget for this Programme, including co-financing at Programme level, shall be submitted to and approved by the FMC/NMFA prior to the first disbursement under this Programme. The revised budget shall include details of the Programme management costs.

#### 2.4 Pre-completion

Not applicable.

#### 2.5 Post-completion

Not applicable.

#### 2.6 Other

Not applicable.

### 3. Eligibility of costs

#### 3.1 Eligibility of costs - period

Eligibility of costs (excluding prog prep costs): 23/01/2013-30/04/2017

Eligibility of programme proposal preparation costs: 09/06/2011-22/01/2013

#### 3.2 Grant rate and co-financing

Programme estimated total cost (€)	€597,010
Programme estimated eligible cost (€)	€597,010
Programme grant rate (%)	90.0000%
Maximum amount of Programme grant (€)	€518,250

### 3.3 Maximum eligible costs (€) and Advance payment amount (€)

Budget heading	Eligible expenditure	Advance payment*
Programme management	€46,648	€0
Increased higher education student and staff mobility between Beneficiary and EEA EFTA States	€536,637	€0
Fund for bilateral relations	€11,517	€0
Complementary action	€2,208	€0
Preparation of programme proposal	€0	€0
Reserve for exchange rate losses	€0	€0
Total	€597,010	€0

\* The advance payment is composed of €0 in grant amount and €0 in co-financing.

### 3.4 Retention of management costs

Retention of management costs - percentage of the management costs	10.00%
Retention of management costs - planned Euro value	€395

### 3.5 Small Grant Scheme

Not applicable

EEA Financial Mechanism 2009-2014  
Norwegian Financial Mechanism 2009-2014

**Operational rules Programme Areas No.19 and 24 - Scholarships (Annex II)**

**1. Eligibility**

*1.1 Eligible measures (sub-measures if any):*

The Programme Operator is the Ministry of Education and Science of the Republic of Latvia (MoES). The State Education Development Agency (SEDA), an institution under functional supervision of the Programme Operator, will assist in the implementation of the Programme.

The Donor Programme Partner (DPP) is the Norwegian Centre for International Cooperation in Education (SIU).

Within the Scholarship component two measures will be supported:

- Measure 1: Preparatory visits (1-5 days) aimed at preparing and implementing mobility projects in Higher Education.  
This measure is financed from the fund for bilateral relations at programme level (section 5.1 of this Annex) (Funds for bilateral relations).
- Measure 2: Mobility projects in higher education, which has two target groups: mobility of students for up to one academic year in all fields of study and short term staff mobility.

*1.2 Eligible applicants:*

The rules on eligibility of applicants are set in Article 6.2 of the Regulation.

The following specifications apply to this programme:

Measure 1:

- Latvian higher education institutions (HEI), including colleges, having at least one HEI in a Donor State as a partner.

Measure 2:

- Latvian HEIs holding an Erasmus University Charter (EUC) and having at least one HEI in a Donor State as a partner.

*1.3 Special rules on eligibility of costs:*

Chapter 7 of the Regulation contains the rules on eligibility of costs. The following specifications apply:

Measure 1:

- Travel expenses (flight in economy class, domestic transports)
- Daily allowance and accommodation expenses in accordance with the applicable national legislation
- Insurance
- Fees for participation in conferences, seminars, courses, meetings and workshops
- Organization costs of conferences, seminars, courses, meetings and workshops

Measure 2:

- Stipends and tuition fees for students
- Stipends for academic staff



- Indirect costs - 7% of the total grant amount for the mobility of students and staff shall be granted to the HEI to cover the organisation of mobility under each call.

In accordance with Article 7.4.1 of the Regulation, indirect eligible costs may be claimed by Project Promoters and project partners. The methods to identify indirect costs in projects and the associated methodology that shall ensure the fair apportionment of the overall overheads of the Project Promoters and/or project partners shall be further developed by the Programme Operator as set out in Articles 4.8.2 and 7.13.4 of the Regulation.

## **2. Financial parameters**

### *2.1 Minimum and maximum grant amount per project:*

Measure 1:

Support for preparatory visits is granted on the basis of real costs. The maximum amount applied for is €1,000 per person per project.

Measure 2:

- Support for mobility projects in higher education is provided in the form of an individual mobility grant issued to the home institution of the visiting person. Grants will be calculated as a lump sum on the basis of real costs. Grants for student mobility
  - Stipends for a duration of 3-11 months of up to €1,200 per month
  - Tuition fees are eligible up to €1,000 (excluding registration costs) per person
- Grants for academic staff mobility
  - Stipends for a duration of 1-6 weeks. The minimum grant amount applied for is €1,600, the maximum is €3,000.

### *2.2 Project grant rate:*

Measures 1 and 2:

Grants from the programme cover 100% of the total eligible project costs up to the applicable thresholds, any remaining costs shall be provided by the beneficiary.

## **3. Selection of projects**

### *3.1 Selection procedures:*

Measures 1 and 2:

The selection procedure shall be in line with Article 6.5. of the Regulation.

The selection of individuals will be done by their home HEIs. Individual applications within each institution shall be evaluated in compliance with qualitative evaluation criteria prepared by the Programme Operator.

The Programme Operator shall, in cooperation with the Norwegian embassy in Riga, make sure that the information about the open calls reaches as broad an audience as possible, including the national minorities in Latvia.

### *3.2 Open calls and availability of funds (including number of calls, duration of calls, and estimated size):*

Measure 1:

There shall be one call for proposals, which shall make available the total grant amount (see section 5.1 of this Annex II). The call shall be launched no later than in the second quarter of 2013. The call shall be open at least for 2 months.

Measure 2:

There shall be two calls for proposals, which shall make available the total grant amount of €1,069,527 (for PAs 19 and 24). The first call shall be launched no later than in the second quarter of 2013 and make available 50% of the total grant amount. The second call shall be

launched no later than the fourth quarter of 2013 and make available 50% of the total grant amount.

In case of an insufficient number of applications, insufficient value, or insufficient quality of the applications submitted in the planned calls, the Programme Operator may launch a third call for proposals no later than the third quarter of 2014 to make available any remaining funds. All calls shall be open at least for 2 months.

Any reallocation of funds within the Programme and between projects will be strictly in line with Article 6.9 of the Regulation.

### *3.3 Selection criteria:*

Measures 1 and 2:

In addition to the administrative criteria, the following qualitative selection criteria will be taken into account:

For Student mobility

- Applicant's relation / particular study interest in Norway/Iceland/Liechtenstein,
- Applicant's multiplier capacity and willingness to disseminate the results of the Student mobility activity.

For academic staff mobility:

- Reasoned choice of activity,
- Activity's impact on international cooperation with Norway/Liechtenstein/Iceland,
- Clear description of how the applicant has prepared for the activity.

The Programme Operator shall further develop the selection criteria together with the DPP. The results shall be discussed and approved in the Cooperation Committee. The final selection criteria will be included in the text of the call for proposals.

Social sustainability issues, in particular initiatives that help combat discrimination and intolerance, shall be reflected in the selection criteria in the open calls and shall be reported on to the Donors. The Programme Operator shall discuss how to best reflect these issues in the open calls and in the selection criteria with the Cooperation Committee.

## **4. Payment flows, verification of payment claims, monitoring and reporting**

### *4.1 Payment flows*

The Programme Operator shall ensure that funds are available for payments to projects in a timely manner. All relevant rules on payment flows and proof of expenditure contained in the Regulation shall be complied with.

Payments towards the final beneficiaries will be in the form of advance payments, interim payments and a final payment in the form of pre-financing. Payments to projects are made on the basis of approved interim and/or final reports.

Payments to project promoters may be made in two instalments, 80% upon signature of the contract and 20% upon approval of the final report. Projects receiving more than €200,000 may receive payment in three instalments, 40% upon signature of the contract, 40% upon approval of an interim report and 20% upon approval of the final report.

The advance payment shall be offset against incurred expenditure reported in the interim reports, if applicable.

### *4.2 Verification of payment claims*

Project promoters shall submit interim and final reports to the Programme Operator containing information on project progress used advance payment, and incurred expenditure.

Verification and approval of the interim and final reports submitted by the project promoters will be performed by the Programme Operator. The costs incurred in projects are included in the interim and final reports of the Programme Operator which are further verified and approved by the Certifying Authority.

In line with Article 7.13.3 of the Regulation, a report by an independent and certified auditor, certifying that the claimed costs are incurred in accordance with the Regulation, the national law and accounting practices of the project partner's country, shall be seen as sufficient proof of costs incurred by a project partner whose primary location is in a Donor or a Beneficiary State.

The procedure for verification of payment claims and deadlines for reporting as outlined in the programme proposal will further be detailed in the description of the Programme Operator's management and control systems according to Article 4.8.2 of the Regulation.

#### *4.3 Monitoring and reporting*

The Project Promoters shall be required to report on project progress and outputs in the interim and final reports.

A detailed annual monitoring will be conducted of a sample of projects, selected on the basis of risk assessment and including random samples. The detailed monitoring plan for the projects will be presented in the Annual Programme Report.

Information on Reporting and Monitoring, and periodicity of reporting, will further be outlined in the description of the Programme's management and control systems according to article 4.8.2 of the regulation.

The Programme Operator shall audit at least 5% of the projects.

### **5. Additional mechanisms within the programme**

#### *5.1 Funds for bilateral relations*

The Programme Operator shall set aside 2% of the total eligible expenditure of the programme for fund for bilateral relations covering both the research and the scholarship component. Of the total amount set aside for the bilateral fund, 20% will be used to finance measure 1 of the scholarship component of the Programme: Preparatory visits. For a detailed description of measure 1, see the relevant sections of this Annex II.

Funds set aside for measure 1, which remain unspent after the open calls are carried out (see section 3.2 of this Annex II) can be reallocated to the research component of the bilateral fund.

#### *5.2 Complementary action*

Complementary action under this programme shall be further defined by the Programme Operator in accordance with Article 7.11 of the Regulation. Complementary actions shall facilitate the participation of relevant stakeholders in events/seminars/activities agreed with the Donors.

#### *5.3 Reserve for exchange rate losses*

Not applicable.

#### *5.4 Small Grant Schemes*

Not applicable.

**6. Pre-defined projects**

Not applicable.

**7. Modification of the Programme**

The rules on modifications of Programmes are in Article 5.9 of the Regulation and Article 2.9 of the Programme Agreement.

**8. Programme proposal version**

Any reference to the Programme proposal in this Programme Agreement shall be interpreted as version signed by the PO on 2 May 2012 including any subsequent correspondence and communication between the Donors, the Financial Mechanism Office, the National Focal Point and the Programme Operator.

**9. Miscellaneous**

Not applicable.