

19 JULI 2013

EEA Financial Mechanism 2009-2014

PROGRAMME AGREEMENT

between

The Financial Mechanism Committee  
established by Iceland, Liechtenstein and Norway

and

The Ministry of Economic Development and Technology,  
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 "EEA Financial Mechanism Programme"

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.

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


For the FMC

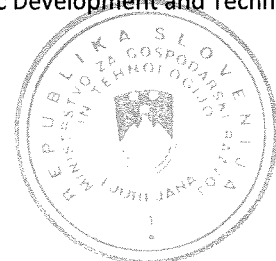
Signed in Oslø on 14.6.2013

  
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Anders Erdal  
FMC Chairman

For the National Focal Point

Signed in Ljubljana on 08-07-2013

  
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Stanko Stepišnik  
Minister of Economic Development and Technology



## Annex I - Programme Decision

### 1. Expected Outcomes & Indicators for Outputs

**Expected Outcome(s):** Increased capacity to manage and monitor Natura 2000 sites effectively

#### Output

Adequate management (measures requested by the Natura 2000 management programme) is secured on low input (extensive) meadows and / or protective or flooded forests within Natura 2000 sites hosting important populations of Natura 2000 species / habitat types

Output indicator(s)	Baseline	Target	Source of Verification
Surface area (ha) of measures targeting grassland and /or forest species / habitat types	19600	20180	Report on the implementation of the Natura 2000 management programme 2007–13, reports on the implementation of the EU Biodiversity action plan to the European Commission

#### Output

Adequate management (measures requested by the Natura 2000 management programme) is secured on wetlands within Natura 2000 sites hosting important populations of Natura 2000 species / habitat types

Output indicator(s)	Baseline	Target	Source of Verification
Surface area (ha) of measures targeting wetland species / habitat types	670	700	Report on the implementation of the Natura 2000 management programme 2007–13, reports on the implementation of the EU Biodiversity action plan to the European Commission

#### Output

Parameters for determining conservation status of grassland and/or forest and/or wetland species (distribution area, population size) and/or habitat types (are being monitored)

Output indicator(s)	Baseline	Target	Source of Verification
Number of Natura 2000 species / habitat types (HTs) monitored and share of these species / habitat type covered by monitoring	110	116	Report on the implementation of the Natura 2000 management programme 2007–13, reports on the implementation of the EU Biodiversity action plan to the European Commission

#### Output

Acceptance of the implementation of Natura 2000 site management programme and conservation measures implemented in project activities

Output indicator(s)	Baseline	Target	Source of Verification
Number of key stakeholders (in persons) accepting (agreeing) on the implementation of the Natura 2000 site management programme and conservation measures planned in project activities	4500	4750	Will be measured at the project site at the start of the project and at the end of by opinion pool

#### Expected Outcome(s):

Increased exchange of information on environmental impact, status and trends between Beneficiary States and other EU Member States



**Output**

Establishment of modern State Geodetic Reference System compliant with ESRS

<b>Output indicator(s)</b>	<b>Baseline</b>	<b>Target</b>	<b>Source of Verification</b>
Measured normal heights of high-order networks – no. of benchmarks	0	1500	Opinion based on data from project reports

**Output**

Establishment of topographic database with respect of INSPIRE implementation rules

<b>Output indicator(s)</b>	<b>Baseline</b>	<b>Target</b>	<b>Source of Verification</b>
Extended coverage (number of sheets) of Slovenia with topographic data	1950	2280	Opinion based on data from project reports

**Output**

Inspire compliant hydrography dataset

<b>Output indicator(s)</b>	<b>Baseline</b>	<b>Target</b>	<b>Source of Verification</b>
Coverage (number of sheets) of Slovenia with full INSPIRE compliant hydrographic data	0	320	Opinion based on data from project reports, through monitoring of increase of territorial coverage with topographic data

**Output**

Components of NSDI in accordance to INSPIRE requirements

<b>Output indicator(s)</b>	<b>Baseline</b>	<b>Target</b>	<b>Source of Verification</b>
INSPIRE network services for topographical data	0	10	Through counting of INSPIRE network services

**Expected Outcome(s):** Cultural heritage restored, renovated and protected

**Output**

Ensure restoration, renovation and protection of cultural monuments

<b>Output indicator(s)</b>	<b>Baseline</b>	<b>Target</b>	<b>Source of Verification</b>
Number of restored, renovated and protected cultural monuments	0	3	Reports on implementation

**Output**

Ensure accessibility of cultural heritage

<b>Output indicator(s)</b>	<b>Baseline</b>	<b>Target</b>	<b>Source of Verification</b>
Increased number of visitors (in percent) to the restored, renovated and protected cultural monuments	0	5	Report on implementation

**Expected Outcome(s):** Cultural heritage made accessible to the public

**Output**

Establishment of new public infrastructure for visitors of the most important natural heritage sites in the national protected areas

Output indicator(s)	Baseline	Target	Source of Verification
1-3 new infrastructure objects	0	1	Verification of indicators will be done by the ministry responsible for nature conservation

**Output**

Visitor infrastructure that successfully connects safe-guarding of natural heritage site and better public access to natural heritage site

Output indicator(s)	Baseline	Target	Source of Verification
Number of visitors annually that experience the natural heritage site in a non-damaging way	5000	5000	Data on the no. of visitors are provided from management authorities of national protected areas.
Number of visitors using motor vehicle	5000	3750	Data on visitors from management authorities of national protected areas.
Increased amount of park infrastructure that safe-guards natural aspects, and offers environmental education and experiencing nature to users	0	1	Verification of indicators will be done by the ministry responsible for nature conservation.

**2. Conditions**

**2.1 General**

- 1) Bilateral, outcome and output indicators shall be reported on in the annual programme report.
- 2) 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 National 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 upon request. The approval of the Programme by the FMC does not imply a positive assessment of such compliance.
- 3) Detailed selection criteria, developed by the Programme Operator and adopted by the Selection Committee shall be submitted to the FMO before the deadline referred to in Article 6.3.4 of the Regulation.
- 4) Details on the use of the fund for bilateral relations, the detailed procedures and criteria for awarding support from the fund and any other relevant details will be developed by the Programme Operator and submitted to the FMO.
- 5) A methodology on the calculation of the flat rate to be applied to indirect eligible costs (overheads) in accordance with Article 7.4.1(b) of the Regulation shall be submitted to the FMO no later than four weeks prior to the deadline for providing to the FMC the text of the call for proposals, as required by Article 6.3.4 of the Regulation.
- 6) The National Focal Point shall ensure that the Programme Operator ensures that Project Promoters who have, in line with this Agreement, received an exception from the general rule in Article 7.3.1(c) of the Regulation with respect to any equipment (the excepted equipment):
  - Keep the excepted equipment in their ownership for a period of at least 5 years following the completion of the project and continue to use that equipment for the benefit of the overall objectives of the project for the same period;
  - Keep the excepted equipment 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 the excepted equipment 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: provided however that the Programme Operator may release any Project Promoter from the above obligations with respect to any specifically identified excepted equipment where the Programme Operator is satisfied that, having regard to all relevant circumstances, continued use of that equipment for the overall objectives of the project would serve no useful economic purpose.

The National Focal Point shall furthermore ensure that the Programme Operator keeps a list of the excepted equipment for each project.

- 7) The Programme Operator will no later than three months after the National Focal Point signs this Programme Agreement, assign additional staff, temporarily or permanently to assist in the implementation of this programme and the Programme SIO5 "The Norwegian Financial Mechanism Programme".

**2.2 Pre-eligibility**

N/a

**2.3 Pre-payment**

N/a

**2.4 Pre-completion**

N/a

**2.5 Post-completion**

N/a

**2.6 Other**

N/a

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

Eligibility of costs (excluding prog prep costs): 07/02/2013-30/04/2017

Eligibility of programme proposal preparation costs: 20/05/2011-06/02/2013

**3.2 Grant rate and co-financing**

Programme estimated total cost (€)	€10,367,647
Programme estimated eligible cost (€)	€10,367,647
Programme grant rate (%)	85.0000%
Maximum amount of Programme grant (€)	€8,812,500

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

Budget heading	Eligible expenditure	Advance payment*
Programme management	€768,009	€108,587
Increased capacity to manage and monitor Natura 2000 sites effectively	€2,030,508	€243,950
Increased exchange of information on environmental impact, status and trends between Beneficiary States and other EU Member States	€2,085,882	€388,425
Cultural heritage restored, renovated and protected	€4,000,000	€297,500
Cultural heritage made accessible to the public	€1,271,248	€94,549
Fund for bilateral relations	€155,514	€26,775
Complementary action	€18,486	€0
Preparation of programme proposal	€38,000	€32,300
Reserve for exchange rate losses	€0	€0
<b>Total</b>	<b>€10,367,647</b>	<b>€1,192,086</b>

\* The advance payment is composed of €1,013,273 in grant amount and €178,813 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	€65,281

**3.5 Small Grant Scheme**

Not applicable

## Annex II - Operational Rules

### 1. Eligibility

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

The Programme Operator is Ministry of Economic Development and Technology (MEDT).

The main objectives of the programme are threefold, to halt loss of biodiversity (Programme Area 2, Biodiversity and Ecosystem Services); to improve compliance with environmental legislation (Programme Area 3, Environmental Monitoring and Integrated Planning and Control) and to safe-guard, conserve and make publicly accessible cultural and natural heritage for future generations (Programme Area 16, Conservation and Revitalisation of Cultural and Natural Heritage).

The Programme consists of one pre-defined project and one open call.

Activities that the programme will be supporting are inter alia to increase capacity to manage and monitor the Natura 2000 sites effectively (Programme Area 2, Biodiversity and Ecosystem Services); to establish a modern infrastructure for spatial information (Programme Area 3 Environmental Monitoring and Integrated Planning and Control); and to support at least 3 cultural heritage monuments for renovation and revitalisation in order to help increase the number of visitors to cultural sites and 1-3 new infrastructure objects to make natural heritage sites accessible to the public (Programme Area 16, Conservation and Revitalisation of Cultural and Natural Heritage).

#### 1.2 Eligible applicants:

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

By way of derogation from the general rules on eligibility of applicants, private profit making entities shall not be eligible applicants for the projects under the outcomes "Cultural heritage restored, renovated and protected".

Eligible applicants for projects under the outcome "Cultural heritage restored, renovated and protected" shall be the owners or operators of cultural monuments.

Eligible applicants for projects under the outcome "Cultural heritage made accessible to the public" shall be authorised to manage valuable natural heritage sites within state protected areas.

Eligible applicants for projects under the outcome "Increased capacity to manage and monitor Natura 2000 sites effectively" shall have experience in conducting monitoring of plant or animal species(s) or habitat types and authorisation for the management of Natura 2000 area or a part of the Natura 2000 area.

#### 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. By way of exception from Article 7.3.1(c) of the Regulation, the entire purchase price of new equipment may be eligible if the equipment is an integral and necessary component for the implementation of the project and is essential for achieving the goals of the project.

In accordance with Article 7.3.2 of the Regulation, in-kind contributions are not eligible in projects selected under the call for proposals.

In accordance with Article 7.4.1(b) of the Regulation, indirect eligible costs may be claimed by Project Promoters and project partners, by the application of a flat rate of up to 20% of total eligible direct costs. The Programme Operator shall describe a methodology that shall ensure the fair apportionment of the overall overheads in the open call text. All Project Promoters or project partners must apply the methodology established by the Programme Operator when setting the precise level of this flat rate.

## 2. Financial parameters

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

The minimum amount of grant assistance applied for the projects under the outcome "Cultural heritage restored, renovated and protected" is €1,000,000; the maximum amount is €2,000,000.

The minimum amount of grant assistance applied for the projects under the outcome "Cultural heritage made accessible to the public" is €250,000; the maximum amount is €1,000,000.

The minimum amount of grant assistance applied for the projects under the outcome "Increased capacity to manage and monitor

Natura 2000 sites effectively" is €500,000; the maximum amount is €700,000.

The level of grant assistance applied for in the pre-defined project is referred to under Section 6.

## 2.2 Project grant rate:

In case of Project Promoters that fall within the definition of NGOs contained in Article 1.5.1(m) of the Regulation, the maximum grant rate is 90% of total eligible project costs. For all other Project Promoters the grant rate can be up to 100% of total eligible project costs. The remaining costs of the project shall be provided or obtained by the Project Promoters.

The grant rate for the pre-defined projects is provided under Section 6.

## 3. Selection of projects

### 3.1 Selection procedures:

Selection procedures for projects under the call for proposals shall be in accordance with Article 6.5 of the Regulation. The independent and impartial experts referred to in Article 6.5.2 of the Regulation shall be independent of the Programme Operator, the Selection Committee and the project applicants.

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

There shall be at least one call for proposals. The call for proposals shall be launched no later than in the third quarter of 2013 and make available at least €7,301,756.

At least €4,000,000 shall be allocated to the outcome "Cultural heritage restored, renovated and protected". At least €1,271,248 shall be allocated to the outcome "Cultural heritage made accessible to the public". At least €2,030,508 shall be allocated to the outcome "Increased capacity to manage and monitor Natura 2000 sites effectively".

The call shall be open at least for two months.

In case there are funds uncommitted as a result of this call the Programme Operator may conduct a supplementary call or calls. The same rules provided above shall apply mutatis mutandis to that/those call/s.

### 3.3 Selection criteria:

The final selection criteria shall be defined prior to the launch of the call for proposals and be submitted to the FMO before the deadline referred to in Article 6.3.4 of the Regulation.

Selection criteria for projects under the outcome "Increased capacity to manage and monitor Natura 2000 sites effectively" shall inter alia include the following criteria:

- 1) number of grassland, forest and/or wetland species and/or habitat type in an unfavourable conservation status targeted by project conservation activities on site;
- 2) number of monitored species and/or habitat type in an unfavourable conservation status, targeted by project conservation activities, and/or species and/or habitat type the conservation status of which is unknown.

Selection criteria for projects under the outcome "Cultural heritage made accessible to the public" shall inter alia include the following criteria:

- 1) number of visitors within the last three years (cumulative);
- 2) targeted decrease of a visit to the site with individual motor vehicle transport.

Selection criteria for projects under the outcome "Cultural heritage restored, renovated and protected" inter alia include the following criteria:

- 1) Advantage will be given to the more important and more threatened monuments which will contribute to the local and regional development, to bilateral and international cooperation, to ennobling of tourist offer, recognition of the location and the region and to the educational activities and awareness raising.

## 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. Payments towards Project Promoters may take the form of interim payments and a final balance payment in the form of reimbursement of incurred expenditures. Payments to projects are made on the basis of approved interim reports.

Project Promoters that are not direct budget users will issue a request for reimbursement to the Programme Operator. The Programme Operator will then prepare documents for payment to the Project Promoters, however will only authorise the

payment order after the Programme Operator control unit has performed relevant controls and checked whether the payment is in line with the approved programme budget. The authorized payment order is then sent to the Public Accountancy Department which makes the disbursement to the Project Promoter. The Programme Operator retains 5% of every interim payment to the Project Promoter (if the Project Promoter is not a direct budget user), and the retention amount will be released with the approval of the project completion report.

Project Promoters that are direct budget users also issue request for reimbursement to the Programme Operator, however there is no actual payment transfer between the Programme Operator and the Project Promoter. In this situation the programme funding is stated as appropriations within the national budget on designated budget lines, and these appropriations are the basis for the budget expenditure. After the Programme Operator and the Certifying Authority have performed relevant controls, the percentage of the co-financing is verified and the correct amounts are transferred from the Certifying Authority accounts to the State Treasury accounts.

#### 4.2 Verification of payment claims

The Programme Operator will be conducting 100% desk review for all requests for reimbursement submitted by Project Promoters. On the spot controls will be performed annually according to the monitoring plan. As a general rule, costs incurred by the Project Promoters shall be supported by receipted invoices. Where this cannot be done, costs shall be supported by accounting documents of equivalent probative value.

In case of verification of expenditures incurred by a donor project partner, 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 donor project partner's country, shall be seen as sufficient proof of costs incurred.

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 Programme Operator will monitor all projects.

The Programme Operator will carry out on-site monitoring visits based on the annual monitoring plan. On-site monitoring visits will be conducted every year on a sample of projects selected on the basis of risk analysis, where high risk level for technical, managerial, financial, legal or other external reasons was identified. Risk assessment of the projects will be updated on quarterly basis. Projects which have a significant impact on the overall objective of the Programme, or if the grant exceeds €600,000, will be included in the sample for on-the-spot monitoring. The minimum number of monitored projects per year will be 10% of total number of projects and the total number of projects monitored within the whole implementation period is limited to 40% of all projects within the programme.

The aim of on-site monitoring visits is to make sure that projects are implemented in accordance with the requirements of the Regulation and all documents governing Programme implementation and the project contract, to verify procurement procedures and the cost efficiency of incurred expenditures.

On-site monitoring visits on an ad hoc basis will also be carried out when suspicions arise that the information provided by the Project Promoter is incorrect or misleading. On-site monitoring visits on ad hoc basis can also be organised for other reasons. Information about the date of the on-site monitoring visits on ad hoc basis should normally not be provided to the Project Promoter in advance.

Irregularities will be handled in accordance with Article 11 of the Regulation.

Information on reporting and monitoring shall be further outlined in the description of the Programme's Management and Control System according to Article 4.8.2 of the Regulation.

## 5. Additional mechanisms within the programme

### 5.1 Funds for bilateral relations

The Programme Operator will set aside minimum 1.5 % of the total programme budget to a fund for bilateral relations. The fund's total amount is €155,514.

20% of the fund for bilateral relations will be used for search for project partners from the Donor States prior to or during the preparation of the project application, the development of such partnerships, and the preparation of applications for Donor partnership projects (measure a).

80% of the fund for bilateral relations will be used for networking, exchange, sharing and transfer of knowledge, technology, experience and best practice between Project Promoters and entities in the Donor State (measure b).

Under measure a the fund for bilateral relations will be available only to Project Promoters selected in the open call and having partners from Donor States as a refund of expenditures incurred by the Project Promoters and their partners to establish a partnership for the project. The application for the refund from the fund for bilateral relations shall be submitted as a part of a project application under the call for proposals. The grant rate from the fund for bilateral relations will be up to 100%. The level of reimbursement will depend on expressed interest of the Project Promoters and the available amount of funds but it shall not exceed €5,000 per project.

Under measure b the Programme Operator will organise study visits of the Slovenian experts and policy makers to Donor States, expert visits from Donor States to Slovenia, conferences and other activities.

The details of use of the fund for bilateral relations, the detailed procedures and criteria for awarding support from the fund, and any other relevant details will be developed by the Programme Operator.

### 5.2 Complementary action

Funds for complementary action have been set aside in the budget. Complementary action under this Programme shall be further defined by the Programme Operator in accordance with Article 7.11 of the Regulation. Complementary action shall strengthen cooperation of the Programme Operator and similar entities within the Beneficiary States, Donor State and inter-governmental organizations and facilitate participation of the relevant stakeholders in the conferences, seminars and other activities planned under the Programme by any of the above parties as agreed with the Donor. The Programme Operator shall ensure synergies with other EEA and Norway Grants Programmes in Slovenia, in particular the Programme "NGO Fund".

### 5.3 Reserve for exchange rate losses

Not applicable.

### 5.4 Small Grant Schemes

Not applicable.

## 6. Pre-defined projects

The Project Promoter of the pre-defined project "Modernisation of Spatial Data Infrastructure to Reduce Risks and Impacts of Floods" is the Surveying and Mapping Authority of the Republic of Slovenia (SMA). The Donor Project Partners are the Norwegian Mapping Authority (SKV) and the National Land Survey of Iceland (LMI).

Grant rate:	68,17%
Maximum Programme grant:	€2,085,882
Estimated total project cost:	€3,060,000

The overall objective of the project is to improve compliance with environmental legislation. The project will modernise the infrastructure for spatial information, with the aim of supporting water management and to reduce risks and impacts of floods. The project includes one main expected outcome:

- 1) Increased exchange of information on environmental impact between Slovenia and other EU member states

The project implementation will include the following activities:

- 1) Establishment of modern geodetic reference for spatial data and height system (ESRS, EVRS);
- 2) Establishment of INSPIRE intermediate compliance of core topographic data (priority I INSPIRE annexes) and extended area of Slovenian territory with available topographic data (focusing spatial planning community);
- 3) Modernisation of Hydro Data Infrastructure, with increased availability on EU reporting on waters;
- 4) Establishment of components of NSDI services, data availability in accordance to INSPIRE requirements'

## 7. Modification of the programme

Any modifications of the programme will follow the rules set forth in the Regulation and in 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 the version signed by the



Programme Operator on 9 November 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.

