

10 JUNI 2013

Norwegian Financial Mechanism 2009-2014

PROGRAMME AGREEMENT

between

The Norwegian Ministry of Foreign Affairs

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 and Norwegian Scholarship Programme"

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

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 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.

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.

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.

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.

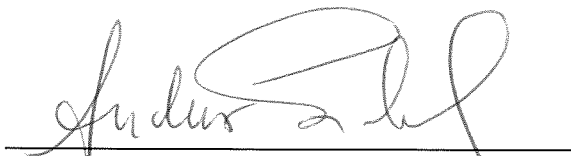
2. Nothing contained in the programme agreement shall be construed as imposing upon the NMFA or the FMO any responsibility of any kind for the supervision, execution, completion, or operation of the Programme or its projects.

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.

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


For the NMFA

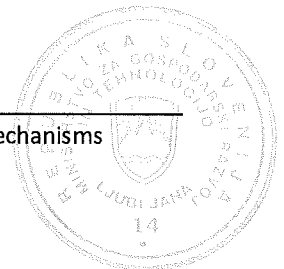
Signed in Oslø on 3.5.2013


Anders Erdal
Deputy Director General

For the National Focal Point

Signed in LJUBLJANA on 4.6.2013


Minister responsible for Financial Mechanisms



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.

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

Institutional cooperation formalised

Output indicator(s)	Baseline	Target	Source of Verification
No of new partnerships established	8	18	PO data on Erasmus preparatory visits 2010

Output

Exposure of students and staff increased

Output indicator(s)	Baseline	Target	Source of Verification
No of HE student mobility to Norway	78	115	NFM I data and Erasmus student mobility (Norway only)
No of HE staff mobility to Norway	90	220	NFM data and Erasmus staff mobility 2010 (Norway only)

Expected Outcome(s):

Increased and strengthened institutional cooperation within the higher education sector between the Beneficiary States and Norway

Output

Institutional cooperation formalised

Output indicator(s)	Baseline	Target	Source of Verification
Number of HE institutions involved in cooperation projects	5	10	PO data on Erasmus for 2010

2. Conditions

2.1 General

- 1) A bilateral indicator reflecting the increased knowledge of the cooperating countries and education systems shall be developed.
- 2) Bilateral indicators, outcome and output indicators shall be reported on in the annual Programme report.
- 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

Not applicable.

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): 07/02/2013-30/04/2017

Eligibility of programme proposal preparation costs: 09/05/2011-06/02/2013

3.2 Grant rate and co-financing

Programme estimated total cost (€)	€1,435,294
Programme estimated eligible cost (€)	€1,435,294
Programme grant rate (%)	85.0000%
Maximum amount of Programme grant (€)	€1,220,000

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

Budget heading	Eligible expenditure	Advance payment*
Programme management	€122,000	€12,635
Increased higher education student and staff mobility between Beneficiary States and Norway	€1,010,264	€302,015
Increased and strengthened institutional cooperation within the higher education sector between the Beneficiary States and Norway	€244,725	€72,806
Fund for bilateral relations	€37,363	€15,247
Complementary action	€13,886	€3,306
Preparation of programme proposal	€7,056	€7,056
Reserve for exchange rate losses	€0	€0
Total	€1,435,294	€413,065

* The advance payment is composed of €351,105 in grant amount and €61,960 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	€6,857

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 the Centre of the Republic of Slovenia for Mobility and European Educational and Training Programmes – CMEPIUS.

The Donor Project Partners are The Icelandic Centre for Research (RANNIS), Iceland, National Agency for International Education Affairs (AIBA), Liechtenstein, Norwegian Centre for International Cooperation in Education (SIU), Norway.

The Programme shall contribute to improving the bilateral cooperation between Norway, Iceland, Liechtenstein and Slovenia in the education sector through mobility of persons and inter-institutional cooperation projects.

The Programme will stimulate mobility of students and staff and cooperation between educational institutions at all levels. The aim is to increase the number of outgoing and incoming students and staff, and the number of common projects leading to better quality, equality and creativeness in education and training.

The following measures will be supported:

Measure 1: Preparatory visits (funded from the bilateral fund as measure A)

Measure 2: Mobility projects in higher education

Measure 3: Mobility projects in other educational institutions / education related institutions

Measure 4: Inter-institutional cooperation projects between higher education institutions

Measure 5: Inter-institutional cooperation projects in education / training

1.2 Eligible applicants:

The rules on eligibility of applicants are set in Article 6.2.2 of the Regulation. The following specifications apply to this programme:

Entities registered in Slovenia are eligible as project applicants. Institutions in the education sector apply for funding on behalf of individuals. Donor State institutions can apply in partnership with Slovenian institutions.

Measures 1: Any institution which may participate in any of the measures under the Programme, including institutions in Donor States. Individuals apply via their institutions.

Measure 2: Applications must be submitted by Slovenian legal entities, not by individuals. An applicant needs to cooperate with at least one partner HEI in the Donor States. Individuals apply for mobility grants via an institutional project.

- Student mobility for studies: Higher education institutions holding an Erasmus University Charter

- Student mobility for placements: Higher education institutions holding an Extended Erasmus University Charter, or placement consortia holding an Erasmus Consortium Placement Certificate

- Staff mobility for teaching assignments and staff training: Higher education institutions holding an Erasmus University Charter

Measure 3: Any institution which may participate in any of the measures under the EEA Scholarship Programme can apply for funding for organisation of mobility on behalf of their employees. For teaching assignments and work shadowing cooperation with at least one partner institution in the Donor States or Slovenia is required.

Measure 4: Applications must be submitted by Slovenian legal entities, not by individuals. All participating institutions must hold an Erasmus University Charter. In case of intensive programmes and the development of common modules, eligible institutions apply on behalf of a consortium. The consortium must consist of at least three institutions, at least one of which must be from a Donor State and one from Slovenia, and possibly institutions from other Donor or Beneficiary States.

Measure 5: Slovenian institutions can apply. Eligible institutions may apply on behalf of a consortium. The consortium must consist of at least three institutions, at least one of which must be from a Donor State and one from Slovenia, and possibly institutions from other Donor or Beneficiary States.

2. Financial parameters

2.1 Minimum and maximum grant amount per project:

Measure 1: Travel costs are covered on the basis of real costs, while subsistence costs are covered based on rates for the country in question. The duration of a preparatory visit may be one to five days. All payments are made to the institution and not to individual persons.

Measure 2: The duration of a project may be up to 15 months. For students, the maximum amount applied for shall be €1,200 per

month. Travel costs will be covered separately, based on standard rates per host country. Other funding sources may be taken into account when determining the amount. For teachers and staff, daily and weekly scales of unit costs shall apply to travel and subsistence allowances. Maximum rates apply, varying by host country and duration of stay.

Measure 3: Travel costs are covered on the basis of real costs, while subsistence costs are covered based on rates for the country in question. The duration of a project may be up to 15 months. All payments are made to the institution and not to individual persons.

Measures 4 and 5: The minimum grant amount applied for is €30,000 the maximum is €300,000. The duration of a project may be up to 2 years.

2.2 Project grant rate:

Measures 1, 2 and 3: Grants from the Programme will cover 100% of total eligible costs, up to the applicable thresholds / maximum rates referred to in section 2.1 above.

Measures 4 and 5: Grants from the Programme will not exceed 90% of total eligible project costs. The remaining costs shall be provided or obtained by the Project Promoter.

2.3 Advance payments

For measures 1, 2, 3, 4 and 5 an advance payment of up to 80% will be made upon signature of a contract between the Programme Operator and the project promoter. The remaining 20% will be paid out upon approval of the final report and documentation of the costs incurred. Projects receiving more than 200.000 EUR or will last longer than 12 months, will 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.

Any advance payments will be offset against incurred expenditures during the project implementation.

3. Selection of projects

3.1 Selection procedures:

In line with Article 6.5.8 of the Regulation, the selection procedures will deviate from the standard selection procedure set forth in Article 6.5 of the Regulation. The Programme Operator will apply the selection procedures used for the mobility projects in the framework of the Lifelong Learning Programme. It shall consist of the following steps:

- Preparation of the eligible applications (documentation) [Programme Operator]
- Meeting with the external experts, takeover of the documentation [Programme Operator, external experts]
- Evaluation [External experts]
- Collection of common final evaluations and establishment of ranking lists [Programme operator]
- Meeting with external experts: preparation of the proposal for selection, return of documentation [Programme Operator, external experts]
- Selection committee meeting [Programme Operator, selection committee]
- Decision taken
- Decision published, applicants notified of the selection decision [Programme Operator]
- Period for potential complaints
- Contract concluded between PO and Project promoters

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

Measure 1

There shall be one single open call for applications, which shall make available the total grant amount of €56.504. The call shall be launched as soon as possible after the Programme approval, but no later than in the second quarter of 2013, and make available the total re-granting amount. The call shall be permanently open until December 2015 or until the complete allocation of the budget, whichever occurs first.

Measures 2, 3, 4, and 5:

There shall be three calls for applications for each of the measures, one call per year. Together, these calls shall make available €56,504 for measure 1, €1,214,018 for measure 2 (€203,754 for exchanges with EEA EFTA States, and €1,010,264 for exchanges with Norway), € 219,585 for measure 3, €244,725 for measure 4, and €219,585 for measure 5. The calls shall cover the academic years following the respective calls, and make available means for 15 months or 2 years, as applicable to each of the measures. All calls shall be open at least for 2 months.

The first call shall be carried out as soon as possible after the Programme approval, but no later than in the third quarter of 2013. It shall make available €28,253 for measure 1, €606,975 for measure 2 (€101,843 for exchanges with EEA EFTA States and

€505,132 for exchanges with Norway), €109,793 for measure 3, €122,363 for measure 4, and €109,793 for measure 5.

The second call shall be held no later than in the first quarter of 2014, and will make available €19,776 for measure 1, €424,906 for measure 2 (€71,314 for exchanges with EEA EFTA States and €353,592 for exchanges with Norway), €76,854 for measure 3, €85,654 for measure 4, and €76,854 for measure 5, plus any unspent funds from the first call.

The third call shall be held no later than in the first quarter of 2015, and will make available €8,475 for measure 1, €182,137 for measure 2 (€30,597 for exchanges with EEA EFTA States and €151,540 for exchanges with Norway), €32,938 for measure 3, €36,708 for measure 4, and €32,938 for measure 5, plus any unspent funds from the previous two calls.

If any funds remain unallocated due to a lack of quality applications, a fourth call making available any unspent funds may be launched no later than in the fourth quarter of 2015. In any case, the final date of eligibility of expenditures is 30 September 2016.

3.3 Selection criteria:

- Relevance of the project proposal (content eligibility criterion)
- Quality of;
 1. Goals/Aims
 2. Work programme
 3. Expected outcomes
 4. Dissemination and use of results
 5. Economic and Social Sustainability of cooperation
 6. Environmental and Gender considerations

For all measures: Social sustainability issues, in particular initiatives that help combat discrimination and intolerance, shall be reflected in the content-related selection criteria in the open calls and shall be reported on to the Donors.

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 advance, interim payments and a final balance payment (when all advance payments are offset against incurred expenditures). Payments to projects are made on the basis of signed contract, approved interim or final reports and payment claims.

Payments to Project Promoters will 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, or projects lasting longer than 12 months, will receive payments in three instalments, 40% upon signature of the contract, 40% upon approval of interim report, and the remaining 20% upon approval of the final report.

The Programme Operator is an indirect budget spending unit of the Slovene State. This means that there is a general limitation on the level of advance that can be paid from the Slovene State budget at any time during Programme implementation. The limit is 30% of the total amount planned in the implementation agreement between the NFP and the Programme Operator. Once the Programme Operator has provided proof that costs have been incurred, the Programme Operator can receive additional advance payments up to the 30% overall limit.

The Programme Operator issues a request for payment to the NFP according to the Programme Implementation Agreement and Slovene national rules for advance payments out of the State Budget. If checks performed by the NFP allow for disbursement, the NFP authorises a payment order and sends it to the Public Accountancy Department, which then carries out the disbursement to the account of the Programme Operator.

4.2 Verification of payment claims

Payment claims from the Project Promoters will be verified at the Programme Operator by the Programme coordinator and approved by the head of finances. Payments to the Project Promoters will be made by the Programme coordinator after approval of the Director of CMEPIUS. The Programme Operator is using a system established by the Public Payments Administration of the Republic of Slovenia (PPA) for budget users.

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.

Costs incurred by the Project Promoters shall be supported by receipted invoices where requested. In measures 1, 2 and 3 travel costs should be supported by invoices or any other accounting documents. Subsistence costs are based on the scales of unit costs

and the Project Promoters need to provide proof of travel or certificate of attendance. For measures 4 and 5 and students' grants within measure 2 beneficiaries are not requested to submit proofs of expenditure, but they will need to provide evidence that the activities foreseen in their application have been carried out in a full and satisfactory manner (lump sum financing).

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 and in a contract between the Programme Operator and the Project Promoter.

4.3 Monitoring and reporting

The procedures for monitoring and reporting are described in detail in Annex III ("Monitoring Plan") to the Programme proposal.

5. Additional mechanisms within the programme

5.1 Funds for bilateral relations

€56,504 of the Programme budget is assigned to the bilateral fund at Programme level. The funds will be used for two types of measures:

1. Measure 1: Preparatory visits

Measure 1 will use up to €56,504 of the budget of the funds for bilateral relations. The details for this measure are described in the relevant sections of this Annex II.

2. Other bilateral activities

If any of the budget of the funds for bilateral relations remains unused for measure 1, it will be used to support activities such as contact seminars, networking, workshops, and study trips (Article 3.6. 1(b) of the Regulation). Eligible applicants are institutions that are eligible to participate in the measures of this Programme. Both Donor State and Slovenian project partners will be eligible for funding for participation in these activities.

The Programme Operator shall further develop the details regarding the bilateral fund, including the organisation of calls, selection procedures, the grant rates, and minimum and maximum grant amounts.

5.2 Complementary action

Not applicable.

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

Any modifications of the Programme are subject to the rules contained in the Regulation and further supplemented 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 version signed by the Programme Operator on 13 December 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.

