

ADDENDUM NO 2

to

EEA and Norwegian Financial Mechanism 2014-2021

PROGRAMME AGREEMENT

for the financing of the Programme “Business Development, Innovation and SMEs”
hereinafter referred to as the “Programme Agreement”

between

The Financial Mechanism Committee
hereinafter referred to as the “FMC”
The Norwegian Ministry of Foreign Affairs
hereinafter referred to as the “NMFA”

and

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

Article 1

1. Annexes I and II to the EEA and Norwegian Financial Mechanism Programme Agreement for the financing of the Programme SK-INNOVATION “Business Development, Innovation and SMEs” are replaced by the Annexes sent with this Addendum.

2. The modifications contained in the new version of the Annexes to the Programme Agreement entered into force on 21/09/2021.

Article 2

This Addendum and the Annexes accompanying it constitute an integral part of the Programme Agreement. Except from the modifications stated above, the Programme Agreement remains unchanged.

Signed in Brussels on

Signed in Bratislava on

For the FMC and NMFA

For the National Focal Point

.....
Henning Stirø
Managing Director
Financial Mechanism Office

.....
Mrs Iveta Turčanová
on behalf of the
Ministry of Investments, Regional
Development and Informatization of the
Slovak Republic
authorised to sign the Addendum of the
Programme Agreement by the power of
attorney No 006310/2021/OROPTP-10 since
07/09/2021

Annex I to the Programme Agreement

Programme Operators and Partners	
Programme Operator:	Research Agency
Donor Programme Partner:	Directorate for Higher Education and Skills (HK-DIR) National Agency for International Education Affairs (AIBA) Innovation Norway (IN)
IPO:	-
Other Programme Partner(s):	-

Programme Objective	Increased value creation and sustainable growth
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PA	Outcome/Output	Expected programme results	Indicator	Disaggregation	Unit of measurement	Source of verification	Frequency of reporting	Baseline values	Baseline year	Target value
PA01	Outcome 1	Increased competitiveness of Slovak enterprises within the focus areas: Green Industry Innovation and Welfare Technology and Ambient	Estimated annual growth in turnover ¹	N/A	Percentage	Project Promoter's Tax Certificate	Annually (APR)	N/A	N/A	3 %
			Estimated annual CO2 emission reductions (in tons)	N/A	Annual number	Energy audit reports, Energy certificates	Annually (APR)	0	N/A	6,000
			Estimated annual collection of waste from production and operational processes for re-use or recycling (in tons)	N/A	Number	Recyclable Waste Collection Contract/listing of the removed waste (in tons)	Annually (APR)	TBD ²	2019	15,000
			Estimated annual decrease of energy consumption (in MWh)	N/A	Annual number	Electricity Bill	Annually (APR)	0	N/A	1,000
			Estimated annual growth in net operational profit ³	N/A	Percentage	Project Promoter's Tax Certificate	Annually (APR)	N/A	N/A	3 %

¹ Definition of "turnover": Enterprise's net revenue for a fiscal year (after deduction of VAT, trade reductions and other indirect taxes).

² The Programme Operator shall submit to the FMO the baseline value, together with a description of the data collection method used, no later than six months after the finalization of the selection of projects under the last relevant call for proposals. The updated baseline value shall be agreed upon through a modification of the programme agreement.

³ Definition of "profit": Difference between operating income and operating expenses.

	Assisted Living technologies	Estimated re-use of waste for other production processes (in tons)	N/A	Number	Project Promoters' records, Reusable Waste Collection contract	Annually (APR)	TBD ⁴	2019	10,000
		Number of jobs created	Gender, Age	Number	Payroll records, employment agreements	Annually (APR)	0	N/A	25
		Number of products or services commercialized (new to the market) ⁵	Sector	Number	Patent license and/or Royalty Agreement, Contracts, Invoices	Annually (APR)	0	N/A	3
		Number of innovative technologies/processes/solutions applied (new to the enterprise) ⁶	Sector	Number	Patent license and/or Royalty Agreement, Invoices	Annually (APR)	0	N/A	7
		Number of innovative technologies/processes/solutions developed ⁷	Sector	Number	Copyright/Trademark Certificates, Patents and/or Patents pending	Annually (APR)	0	N/A	5
		Number of Intellectual Property Rights (Copyright, Trademark, Patents) applications submitted	N/A	Number	Copies of filed application(s), Registration acknowledgement from relevant Patent Office	Annually (APR)	0	N/A	3
		Share of Enterprises' staff who declare better skills/competencies in their field	N/A	Percentage	Survey results, Training and/or other Educational Certificate, Project Promoters' records; Vocational institutions'	2022, 2024	N/A	N/A	65 %

⁴ The Programme Operator shall submit to the FMO the baseline value, together with a description of the data collection method used, no later than six months after the finalization of the selection of projects under the last relevant call for proposals. The updated baseline value shall be agreed upon through a modification of the programme agreement.

⁵ This indicator measures products and services in the green sector and the Welfare and Ambient Assisted Living sector. Definition of "green" products and services: Goods and services having less of an impact on the environment (less polluting and less resource intensive), or less impact on human health than traditional equivalents and which are economically viable. Definition of "commercialization" is the process by which a new product or service is introduced into the general market. The process is broken into phases, from the initial introduction of the product through its mass production and adoption. It takes into account the production, distribution, marketing, sales and customer support required to achieve commercial success.

⁶ This indicator measures innovative technologies/processes/solutions in the green sector and the Welfare and Ambient Assisted Living sector. Definition of "green technologies": a single technology that is less environmental harmful than the technology used today, encompassing technologies and processes to manage pollution (i.e. air/water/soil pollution control, waste management) and to use resources more efficiently. Definition of "applied": An enterprise is using a solutions/technology/product already developed/available in the market and adjust it to the enterprises' own need. These types of projects will often include a R&D component related to adjustment of material, process etc. applicant/enterprise's needs.

⁷ This indicator measures innovative technologies/processes/solutions in the green sector and the Welfare and Ambient Assisted Living sector. Definition of "innovation": Enterprises implementation of a new or significantly improved product (goods or services), or a process, a new marketing method, or a new organizational method in business practices, work place organization or an external relation. Innovation can be on enterprise level, sector level, national level or international level. Definition of "developed": Projects where the main activities are user driven R&D, i.e. validation or demonstration of technologies in relevant (industrial) environment, prototypes demonstrated in operational environment, system completed and qualified. With other words Technology Readiness Level (TRL) 5-8 (EU Commission's scale used to describe the maturity of a technology). These types of projects will typically be cooperation between an enterprise and a research institution or similar.

						records; Partner employers' records				
			Survival rate of start-ups measured 1 year from the last day of the eligibility period of the projects	N/A	Percentage	Start-up's Tax Certificate and/or Annual Report	Annually (APR)	N/A	N/A	25 %
Output 1.1	Enterprises supported to develop innovate green technologies, processes, solution, products or services		Number of large enterprises supported to apply green technologies/processes/solutions	N/A	Number	Copies of contracts signed with Project Promoters, Project Promoters' reports, Partnership agreements	Semi-annually (APR and September IFR)	0	N/A	1
			Number of large enterprises supported to commercialise green technologies/processes/solutions	N/A	Number	Copies of contracts signed with Project Promoters, Project Promoters' reports, Partnership agreements	Semi-annually (APR and September IFR)	0	N/A	1
			Number of large enterprises supported to develop green technologies/processes/solutions	N/A	Number	Copies of contracts signed with Project Promoters, Project Promoters' reports, Partnership agreements	Semi-annually (APR and September IFR)	0	N/A	1
			Number of SMEs supported to apply green technologies/processes/solutions ⁸	N/A	Number	Copies of contracts signed with Project Promoters, Project Promoters' reports, Partnership agreements	Semi-annually (APR and September IFR)	0	N/A	3
			Number of SMEs supported to commercialise green technologies/processes/solutions	N/A	Number	Copies of contracts signed with Project Promoters, Project Promoters' reports, Partnership agreements	Semi-annually (APR and September IFR)	0	N/A	2
			Number of SMEs supported to develop green technologies/processes/solutions	N/A	Number	Copies of contracts signed with Project Promoters, Project	Semi-annually (APR and	0	N/A	4

⁸ Definition of "SMEs and large enterprises": SMEs are enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million. The enterprise is considered large when it is characterized by at least one of the three elements mentioned above: employ more than 250 persons, has annual turnover which exceeds EUR 50 million, and/or an annual balance sheet total exceeding EUR 43 million.

						Promoters' reports, Partnership agreements	September IFR)			
			Number of young and female entrepreneurs supported	N/A	Number	Project Promoters' records; Partner employers' records; Contracts and attendance sheets	Semi- annually (APR and September IFR)	0	N/A	4
Output 1.2	Enterprises supported to green their business operations		Number of large enterprises supported to improve energy efficiency	N/A	Number	Copies of contracts signed with Project Promoters, Project Promoters' reports, Partnership agreements	Semi- annually (APR and September IFR)	0	N/A	4
			Number of SMEs supported to improve energy efficiency	N/A	Number	Copies of contracts signed with Project Promoters, Project Promoters' reports, Partnership agreements	Semi- annually (APR and September IFR)	0	N/A	8
Output 1.3	Enterprises supported to innovate welfare and ambient assisted living technologies, solutions and processes		Number of large enterprises supported to apply ambient assisted living/welfare technologies/processes/solutions	N/A	Number	Copies of contracts signed with Project Promoters, Project Promoters' reports, Partnership agreements	Semi- annually (APR and September IFR)	0	N/A	3
			Number of large enterprises supported to commercialize ambient assisted living/ welfare technologies/processes/solutions	N/A	Number	Copies of contracts signed with Project Promoters, Project Promoters' reports, Partnership agreements	Semi- annually (APR and September IFR)	0	N/A	1
			Number of large enterprises supported to develop ambient assisted living/welfare technologies/processes/solutions	N/A	Number	Copies of contracts signed with Project Promoters, Project Promoters' reports, Partnership agreements	Semi- annually (APR and September IFR)	0	N/A	1
			Number of SMEs supported to apply ambient assisted living/welfare technologies/processes/solutions	N/A	Number	Copies of contracts signed with Project Promoters, Project Promoters' reports, Partnership agreements	Semi- annually (APR and September IFR)	0	N/A	4
			Number of SMEs supported to commercialize ambient assisted	N/A	Number	Copies of contracts signed with Project	Semi- annually	0	N/A	1

			living/ welfare technologies/processes/solutions			Promoters, Project Promoters' reports, Partnership agreements	(APR and September IFR)			
			Number of SMEs supported to develop ambient assisted living/welfare technologies/processes/solutions	N/A	Number	Copies of contracts signed with Project Promoters, Project Promoters' reports, Partnership agreements	Semi-annually (APR and September IFR)	0	N/A	4
			Number of young and female entrepreneurs supported	N/A	Number	Project Promoters' records; Partner employers' records; Contracts and attendance sheets	Semi-annually (APR and September IFR)	0	N/A	4
	Output 1.4	Start-ups supported for business growth	Number of start-ups supported	N/A	Number	Start-up's Tax Certificate and/or Annual Report, Project Contracts	Semi-annually (APR and September IFR)	0	N/A	6
PA03	Outcome 2	Education and Employment potential enhanced in Slovakia in Green Industry Innovation and Welfare and Ambient Assisted Living technologies	Number of businesses who self-rate the programme as having added value, regarding employment of apprenticeships (on a scale of 1-5)	N/A	Number	Programme Operator's Survey results, Employment contracts, pay-roll records	2022, 2024	0	N/A	10
			Number of education institutions offering new courses / modules in environmental technologies	N/A	Number	Statement by the Ministry of Education on granting the right to award graduates of the study program to an academic degree (higher education) / addition of a new educational field in secondary school network by the Ministry of Education (secondary education)	2022, 2024	0	N/A	4

			Number of people who remain employed in the chosen sector after apprenticeships ⁹	Gender, Level of education, Sector	Number	Employer’s confirmation letter, Employment Contract	2022, 2024	0	N/A	25
			Number of people who remain working in the chosen sector after mobility ¹⁰	Gender, Level of education, Sector	Number	Employer’s confirmation letter, Employment Contract	2022, 2024	0	N/A	15
			Percentage of participants who declare improved skills and competencies	N/A	Percentage	Programme Operator’s Survey results, Training and/or other Educational Certificate, Project Promoters’ records, Vocational institutions’ records, Partner employers’ records	2022, 2024	N/A	N/A	70 %
	Output 2.1	International mobility supported	Number of apprenticeships supported between Donor States and Slovakia in SMEs or other businesses	Gender	Number	Project Promoters’ records, Partner employers’ records	Semi-annually (APR and September IFR)	0	N/A	20
			Number of staff from beneficiary states in exchanges	Donor State, Gender, Type of exchange	Number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	15
			Number of staff from donor states in exchanges	Donor State, Gender, Type of exchange	Number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	10
			Number of students from beneficiary states in exchanges	Donor State, Gender, Type of exchange	Number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	25

⁹ The sectors in this case are the green sector and the Welfare and Ambient Assisted Living sector.

¹⁰ The sectors in this case are the green sector and the Welfare and Ambient Assisted Living sector.

			Number of students from donor states in exchanges	Donor State, Gender, Type of exchange	Number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	15
	Output 2.2	Institutional Cooperation Supported	Number of apprentices supported in Slovakia within SMEs or other organisations/institutions	Gender	Number	Project Promoters' records, Partner employers' records	Semi-annually (APR and September IFR)	0	N/A	20
			Number of institutions developing curricula related to Green Industry Innovation, or Welfare and Ambient Assisted living	N/A	Number	Copy of the developed curriculum	Semi-annually (APR and September IFR)	0	N/A	3
			Number of institutions engaged in cooperation at higher education and upper secondary level	N/A	Number	Institutional Cooperation Agreement	Semi-annually (APR and September IFR)	0	N/A	10
			Number of participants in workshops organized to share experiences regarding youth apprenticeships and new methods of education and engaging youth	N/A	Number	Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	50
			Number of SMEs and other enterprises engaged in institutional cooperation at higher education and upper secondary level	N/A	Number	Institutional Cooperation Agreement	Semi-annually (APR and September IFR)	0	N/A	10
PA01			Bilateral Outcome	Enhanced collaboration	Level of satisfaction with the partnership	State type	Scale 1-7	Survey results	Annually (APR)	TBD ¹¹

¹¹ Survey to be carried out by the FMO

¹² Target is ≥ 4.5 , and an increase on the baseline value

		between beneficiary and donor state entities involved in the programme	Level of trust between cooperating entities in Beneficiary States and Donor States	State type	Scale 1-7	Survey results	Annually (APR)	TBD ¹³	2019	4.5 ¹⁴
			Share of cooperating organisations that apply the knowledge acquired from bilateral partnership	State type	Percentage	Survey results	Annually (APR)	N/A	N/A	50 %
			Share of donor business partnerships which continue after project implementation period	N/A	Percentage	Institutional Cooperation Agreement / Partnership Contracts	Annually (APR)	N/A	N/A	30 %
	Bilateral Output 1	Donor cooperation enhanced	Number of new jointly registered applications for Intellectual Property Protection (Copyright, Trademark, Patents)	N/A	Number	Copies of filed application(s)/registration reference	Annually (APR)	N/A	N/A	2
	Bilateral Output 2	Bilateral partnerships promoted	Number of projects involving cooperation with a donor project partner	Donor State	Number	Copies of Project contract, Partnership agreements	Semi-annually (APR and September IFR)	0	N/A	12

¹³ Survey to be carried out by the FMO

¹⁴ Target is ≥ 4.5 , and an increase on the baseline value

Conditions

General

1. For outcome 1 indicators “Estimated annual collection of waste from production and operational processes for re-use or recycling (in tons)” and “Estimated re-use of waste for other production processes (in tons)”, where the baseline value is “to be determined” (TBD), the Programme Operator shall submit to the FMO for approval the baseline value, together with a description of the data collection method used, no later than 6 months after the selection of projects under the last relevant call for proposals. The updated baseline value shall be agreed upon through a modification of the programme agreement.

2. The results framework (esp. Output level indicators under Outcome 1) may be revised after the selection process is concluded. The updated results framework shall be agreed upon through a modification of the programme agreement.

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

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

Pre-eligibility

Not applicable

Pre-payment

Not applicable

Pre-completion

Not applicable

Post-completion

Not applicable

Eligibility of costs - period	First date	Final date
Eligibility of costs	29/11/2016	31/12/2024
Grant rate and co-financing		
Programme eligible expenditure (€)		€ 23,529,412
Programme grant rate (%)		85.00 %
Maximum amount of Programme grant - EEA Financial Mechanism (€)		€ 6,000,000
Maximum amount of Programme grant - Norwegian Financial Mechanism (€)		€ 14,000,000
Maximum amount of Programme grant - Total (€)		€ 20,000,000

PA	Budget Heading	EEA Grants	Norway Grants	Total grant	Programme grant rate	Programme co-financing	Programme eligible expenditure	Advance payment
PA01	Programme management	€ 496,500	€ 1,158,500	€ 1,655,000	85.00 %	€ 292,059	€ 1,947,059	€ 276,250
PA03	Outcome 2 (EEA Grants)	€ 900,000		€ 900,000	85.00 %	€ 158,824	€ 1,058,824	€ 720,000
PA03	Outcome 2 (Norway Grants)		€ 2,100,000	€ 2,100,000	85.00 %	€ 370,588	€ 2,470,588	€ 1,680,000
PA01	Outcome 1 (EEA Grants)	€ 4,603,500		€ 4,603,500	85.00 %	€ 812,382	€ 5,415,882	€ 0
PA01	Outcome 1 (Norway Grants)		€ 10,741,500	€ 10,741,500	85.00 %	€ 1,895,559	€ 12,637,059	€ 1,656,225
Total		€ 6,000,000	€ 14,000,000	€ 20,000,000	85.00 %	€ 3,529,412	€ 23,529,412	€ 4,332,475

Retention of management costs	
Retention of management costs - Percentage of the management costs	10.00 %
Retention of management costs - Planned Euro value	€ 194,706

Business Development, Innovation and SMEs

Operational rules (Annex II)

1. Programme summary

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

The Programme Operator is the Research Agency. Innovation Norway, Directorate for Higher Education and Skills (HK-DIR) and the National Agency of International Education Affairs (AIBA) are the Donor Programme Partners (DPPs). Innovation Norway will be especially involved in Programme Area (PA) 01 “Business Development, Innovation and SMEs”. The role of HK-DIR and AIBA is limited to PA 03 “Education, Scholarships, Apprenticeships and Youth Entrepreneurship”.

The programme objective is “Increased value creation and sustainable growth”. The programme shall support projects within the following PAs:

PA 01 “Business Development, Innovation and SMEs”: Within this PA, the programme shall support the outcome “Increased competitiveness of Slovak enterprises within the focus areas: Green Industry Innovation and Welfare Technology and Ambient Assisted Living technologies” (Outcome 1) by way of at least two calls for proposals (one per Financial Mechanism) on support for enterprises to develop, apply or commercialise green technologies, processes, solutions, products or services; to green their business operations; and to innovate welfare and ambient assisted living technologies, solutions and processes. The outcome shall also be supported by way of small grant scheme (SGS). SGS no. 1 shall be focused on support for start-ups for business growth, such as investment in development and technology/machinery/equipment to be implemented by one call for proposal under the Norwegian Financial Mechanism.

PA 03 “Education, Scholarships, Apprenticeships and Youth Entrepreneurship”: Within this PA, the programme shall support the outcome “Education and Employment potential enhanced in Slovakia in Green Industry Innovation and Welfare and Ambient Assisted Living Technologies” (Outcome 2) by way of two SGSs (SGS no. 2 and no. 3). SGS no. 2 (Norwegian Financial Mechanism) shall support institutional cooperation projects and SGS no. 3 (EEA Financial Mechanism) shall support mobility projects for students and staff and apprenticeships in SMEs or other businesses.

2. Eligibility

2.1 Eligible applicants:

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

Calls for proposals	Eligible applicants (Project Promoters)	Eligible partners
<p>Call no. 1</p> <p>Norwegian FM</p> <p>Outcome 1</p> <p>“Increased competitiveness of Slovak enterprises within the focus areas: Green</p>	<p>SMEs and large enterprises with less than 25% public ownership, established as legal persons in Slovakia.</p> <p>Eligible project promoters must have been established for at least three fiscal years at the deadline</p>	<p>Any public or private entity, commercial or non-commercial, as well as non-governmental organisations, established as a legal person either in Norway or Slovakia, or any international organisation or body or agency thereof, actively involved in, and effectively</p>

<p>Industry Innovation and Welfare Technology and Ambient Assisted Living technologies</p>	<p>for submission of project proposals.</p>	<p>contributing to, the implementation of a project.</p>
<p>Call no. 2 EEA FM Outcome 1 “Increased competitiveness of Slovak enterprises within the focus areas: Green Industry Innovation and Welfare Technology and Ambient Assisted Living technologies”</p>	<p>SMEs and large enterprises with less than 25% public ownership, established as legal persons in Slovakia. Eligible project promoters must have been established for at least three fiscal years at the deadline for submission of project proposals.</p>	<p>Any public or private entity, commercial or non-commercial, as well as non-governmental organisations, established as a legal person either in the Donor States or Slovakia, or any international organisation or body or agency thereof, actively involved in, and effectively contributing to, the implementation of a project.</p>
<p>SGS no. 1 Norwegian FM Outcome 1 “Increased competitiveness of Slovak enterprises within the focus areas: Green Industry Innovation and Welfare Technology and Ambient Assisted Living technologies</p>	<p>SMEs established as legal persons in Slovakia. Eligible project promoters must have been established for at least one fiscal year, but not more than five years at the deadline for submission of project proposals.</p>	<p>Any public or private entity, commercial or non-commercial, as well as non-governmental organisations, established as a legal person either in Norway or Slovakia, or any international organisation or body or agency thereof, actively involved in, and effectively contributing to, the implementation of a project.</p>
<p>SGS no. 2 Norwegian FM Outcome 2 Institutional Cooperation - “Education and Employment potential enhanced in Slovakia in Green Industry Innovation and Welfare and Ambient Assisted Living Technologies”</p>	<p>Higher education institutions and upper-secondary schools.</p>	<p>Higher education institutions, upper-secondary schools in Slovakia or Norway. Private enterprises established as legal persons in Slovakia or Norway are eligible partners, however they cannot receive any financial contribution from the programme.</p>
<p>SGS no. 3 EEA FM Outcome 2 International mobility supported - “Education and Employment potential enhanced in Slovakia in Green Industry Innovation</p>	<p>Higher education institutions and upper-secondary schools.</p>	<p>Higher education institutions, upper-secondary schools in Slovakia, Iceland, Lichtenstein or Norway. Private enterprises established as legal persons in Slovakia or the Donor States are eligible partners, however they cannot receive any financial contribution from the programme.</p>

and Welfare and Ambient Assisted Living Technologies”		VET institutions in Switzerland with a specific cooperation agreement with Liechtenstein
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Partnership with entities from the Donor States is mandatory within all projects selected under Outcome 2.

2.2 *Special rules on eligibility of costs:*

In line with Article 8.4 of the Regulations, the project grant under Outcome 2 may take the form of the standard scales of unit costs contained in Annex 3 to the Guideline for Educational Programmes. The Programme Operator shall ensure that indirect costs are not eligible in conjunction with standard scales of unit costs where this would entail double funding.

3. Bilateral relations

3.1 *Bilateral relations*

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

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

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

4. Selection of projects and financial parameters

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

	Indicative timing	Available amount	Minimum/Maximum grant applied for
Call for proposals	1st half 2020	Total: €	€ 200 000 / € 2 000 000
Norwegian FM		11 578 235,00	
Outcome 1		(GII – 7 567 882	
“Increased competitiveness of Slovak enterprises within the focus areas: Green Industry Innovation and Welfare Technology and Ambient Assisted Living technologies”		WT/AAL – 4 010 353)	
Call for proposals	2nd half 2020	Total: €	€ 200 000 / € 2 000 000
EEA FM		5 415 882,00	
Outcome 1		(GII- 3 540 000	
“Increased competitiveness of Slovak enterprises within the focus areas: Green Industry Innovation and		WT/AAL – 1 875 882)	

Welfare Technology and Ambient Assisted Living technologies”			
SGS no. 1 Norwegian FM Outcome 1 “Increased competitiveness of Slovak enterprises within the focus areas: Green Industry Innovation and Welfare Technology and Ambient Assisted Living technologies”	1st half 2020	Total: € 1 058 824,00 (GII – 692 079 WT/AAL – 366 745)	€ 100 000 / € 200 000
SGS no. 2 Norwegian FM Outcome 2 Institutional cooperation supported - “Education and Employment potential enhanced in Slovakia in Green Industry Innovation and Welfare and Ambient Assisted Living Technologies”	2nd half 2020	Total: € 2 470 588,00	€ 10 000 / € 200 000
SGS no. 3 EEA FM Outcome 2 International mobility supported - “Education and Employment potential enhanced in Slovakia in Green Industry Innovation and Welfare and Ambient Assisted Living Technologies”	2nd half 2020	Total: € 1 058 824,00	€ 5 000 / € 200 000

4.2 Selection procedures:

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

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

The Programme Operator shall establish a Selection Committee that shall recommend the projects to be funded within the programme. The Selection Committee shall consist of at least three persons possessing the relevant expertise. At least one of them shall be external to the Programme Operator and its Partners. The DPP shall be voting member of the Selection Committee (Outcome 1 – Innovation Norway, Outcome 2 – HK-DIR and/or AIBA). The FMO and representatives from the Donors, including Embassies, and the National Focal Point shall be invited to participate in the meetings of the Selection Committee as observers.

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

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

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

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

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

The Programme Operator shall verify that the selection process has been conducted in accordance with the Regulation and that the recommendations from the Selection Committee comply with the rules and objectives of the programme. Following such verification, the Programme Operator shall, based on the recommendation of the Selection Committee, make a decision on which projects shall be supported. Prior to making such decision, an on the spot visit may be carried out by the Programme Operator when construction works or purchase of special equipment are foreseen in the project.

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

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

4.3 Project grant rate:

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

5. Additional mechanisms within the Programme

5.1 Pre-defined projects

Not Applicable.

5.2 *Financial Instruments*

Not Applicable.

6. Programme Management

6.1 *Payment flows*

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

Payments of the project grant shall take the form of advance payment, interim payments and a final payment. The advance payment shall be calculated as a percentage of the total grant awarded to the project and its level shall be set out in the project contract. The maximum level of advance payment and the total amount of interim payments shall be as follows:

Outcome	Project Implementation Duration[1]	Advance payment	1 st Interim Payment	2 nd Interim Payment	3 rd Interim Payment	4 th Interim Payment	Final Payment[2]
Outcome I	< 24 months	20%	40%	30%	-	-	10%
	24 – 36 months	15%	30%	25%	20%	-	10%
	> 36 months	10%	20%	20%	25%	15%	10%
Outcome II	< 12 months	80%	10%	-	-	-	10%
	≥ 12 months	70%	20%	-	-	-	10%

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

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

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

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

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

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

6.2 Verification of payment claims

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

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

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

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

6.3 Monitoring and reporting

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

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

6.4 Programme administrative structures

Not applicable.

7. Communication

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

8. Miscellaneous

Not applicable.