

## **ADDENDUM**

to

**EEA and Norwegian Financial Mechanisms 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 and the Norwegian Ministry of Foreign Affairs  
Hereinafter referred to as the “Donors”

and

The Government Office of the Slovak Republic,  
hereinafter referred to as the “National Focal Point”,  
representing the Slovak Republic,  
hereinafter referred to as the “Beneficiary State”

together hereinafter referred to as the “Parties”

Article 1

1. Annex II to the EEA and the Norwegian Financial Mechanisms Programme Agreement for the financing of the Programme SK INNOVATION is replaced by the Annex sent with this Addendum.

2. The modifications contained in the new version of Annex II to the Programme Agreement entered into force on 6 December 2019.

Article 2

This Addendum and the Annex 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 .....on.....

For the Donors

For the National Focal Point

.....  
Henning Stirø  
Director  
Financial Mechanism Office

.....  
Matúš Šutaj Eštok  
Head  
Government Office of the Slovak Republic

## ANNEX II – Operational rules

### 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, Norwegian Agency for International Cooperation and Quality Enhancement in Higher Education (DIKU) 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 DIKU 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
<b>Call no. 1</b> <b>Norwegian FM</b> <b>Outcome 1</b> “Increased competitiveness of Slovak enterprises within	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	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

<p>the focus areas: Green Industry Innovation and Welfare Technology and Ambient Assisted Living technologies</p>	<p>three fiscal years at the deadline for submission of project proposals.</p>	<p>organisation or body or agency thereof, actively involved in, and effectively contributing to, the implementation of a project.</p>
<p><b>Call no. 2</b> <b>EEA FM</b> <b>Outcome 1</b> “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><b>SGS no. 1</b> <b>Norwegian FM</b> <b>Outcome 1</b> “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><b>SGS no. 2</b> <b>Norwegian FM</b> <b>Outcome 2</b> 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 and Norway. Private enterprises established as legal persons in Slovakia or Norway are eligible only without financial contribution.</p>
<p><b>SGS no. 3</b> <b>EEA FM</b> <b>Outcome 2</b> International mobility supported - “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, Iceland, Lichtenstein or Norway. Private enterprises established as legal persons in Slovakia or the Donor States are eligible only without financial contribution.  VET institutions in Switzerland with a specific cooperation agreement with Liechtenstein.</p>

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):*

	<b>Indicative timing</b>	<b>Available amount</b>	<b>Minimum/Maximum grant applied for</b>
<b>Call for proposals Norwegian FM</b> <b>Outcome 1</b> “Increased competitiveness of Slovak enterprises within the focus areas: Green Industry Innovation and Welfare Technology and Ambient Assisted Living technologies”	1 <sup>st</sup> half 2020	Total: € 11 578 235,00 (GII – 7 567 882 WT/AAL – 4 010 353)	€ 200 000 / € 2 000 000
<b>Call for proposals EEA FM</b> <b>Outcome 1</b> “Increased competitiveness of Slovak enterprises within the focus areas: Green Industry Innovation and	2 <sup>nd</sup> half 2020	Total: € 5 415 883,00 (GII- 3 540 000 WT/AAL – 1 875 883)	€ 200 000 / € 2 000 000

Welfare Technology and Ambient Assisted Living technologies”			
<b>SGS no. 1</b> <b>Norwegian FM</b> <b>Outcome 1</b> “Increased competitiveness of Slovak enterprises within the focus areas: Green Industry Innovation and Welfare Technology and Ambient Assisted Living technologies”	1 <sup>st</sup> half 2020	Total: € 1 058 824,00 (GII – 692 079 WT/AAL – 366 745)	€ 100 000 / € 200 000
<b>SGS no. 2</b> <b>Norwegian FM</b> <b>Outcome 2</b> Institutional cooperation supported - “Education and Employment potential enhanced in Slovakia in Green Industry Innovation and Welfare and Ambient Assisted Living Technologies”	2 <sup>nd</sup> half 2020	Total: € 2 470 588,00	€ 5 000 / € 200 000
<b>SGS no. 3</b> <b>EEA FM</b> <b>Outcome 2</b> International mobility supported - “Education and Employment potential enhanced in Slovakia in Green Industry Innovation and Welfare and Ambient Assisted Living Technologies”	2 <sup>nd</sup> 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 – DIKU 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 <sup>1</sup>	Advance payment	1 <sup>st</sup> Interim Payment	2 <sup>nd</sup> Interim Payment	3 <sup>rd</sup> Interim Payment	4 <sup>th</sup> Interim Payment	Final Payment <sup>2</sup>
<b>Outcome I</b>	< 24 months	20%	40%	30%	-	-	10%
	24 – 36 months	15%	30%	25%	20%	-	10%
	> 36 months	10%	20%	20%	25%	15%	10%
<b>Outcome II</b>	< 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.

<sup>1</sup> 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.

<sup>2</sup> Retention may be applied at the end of the implementation or pro rata from each advance and interim payments.



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.

## *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.

## **7. Communication**

### *7.1 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