

European Economic Area Financial Mechanism 2009-2014

Norwegian Financial Mechanism 2009-2014

AGREEMENT

between

The Financial Mechanism Committee and the Norwegian Ministry of Foreign Affairs
hereinafter referred to as the "Donors",

and

The Ministry of Economic Development and Technology (MEDT),
hereinafter referred to as the "National Focal Point",
representing the Republic of Slovenia,
hereinafter referred to as the "Beneficiary State"

together hereinafter referred to as the "Parties"

for the financing of Technical Assistance and the Fund for Bilateral Relations at National
Level

hereinafter referred to as the "agreement"

Chapter 1

Scope, Legal Framework, and Definitions

Article 1.1

Scope

This agreement between the Donors and the National Focal Point lays down the rights and obligations of the Parties regarding the use of Technical Assistance and the Fund for Bilateral Relations at National Level under the financial contribution from the EEA and the Norwegian Financial Mechanisms 2009-2014 (hereinafter referred to as the "Mechanisms").

Article 1.2

Legal Framework

1. This agreement shall be read in conjunction with the following documents, which constitute the legal framework of the EEA and Norwegian Financial Mechanisms 2009-2014:

- (a) the Agreement between the Kingdom of Norway and the European Union on a Norwegian Financial Mechanism for the period 2009-2014 and Protocol 38b to the EEA Agreement on the EEA Financial Mechanism (2009-2014);
- (b) the Regulation on the implementation of the Norwegian Financial Mechanism 2009-2014 and the Regulation on the implementation of the EEA Financial Mechanism 2009-2014 (hereinafter referred to as the "Regulations");
- (c) the Memorandum of Understanding on the Implementation of the Norwegian Financial Mechanism 2009-2014 and the Memorandum of Understanding on the Implementation of the EEA Financial Mechanism 2009-2014 (hereinafter referred to as the "MoUs"), entered into between the Donor States and the Beneficiary State; and
- (d) any guidelines adopted by the Donors in accordance with the Regulations.

2. In case of an inconsistency between this agreement and the Regulations, the Regulations shall prevail.

3. The legal framework as set forth in paragraph 1 of this Article is binding for the Parties. An act or omission by a Party to this agreement that is incompatible with the legal framework constitutes a breach of this agreement by that Party.

Article 1.3

Definitions

Terms used and institutions and documents referred to in this agreement shall be understood in accordance with the Regulations, in particular Article 1.5 thereof, and the legal framework referred to in Article 1.2 of this agreement.

Chapter 2

Rights, responsibilities and budgets

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 agreement.

2. The Parties agree to provide all information necessary for the good functioning of this 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 this agreement.

4. In executing this 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 agreement.

Article 2.2

Main responsibilities of the Parties

1. The National Focal Point is responsible and accountable for the overall management of the Mechanisms in the Beneficiary State and for the full and correct implementation of this agreement. In particular, the National Focal Point undertakes to:

- (a) comply with its obligations stipulated in the Regulations and this agreement;
- (b) ensure that the Certifying Authority, the Audit Authority and all other entities receiving support under this agreement, properly perform the tasks assigned to them in the Regulations and this agreement;
- (c) take the necessary measures to remedy irregularities in the implementation of this

agreement as well as the Mechanisms overall, including measures to recover misspent funds.

2. The Donors shall, subject to the rules stipulated in the legal framework referred to in Article 1.2 of this agreement, make available to the Beneficiary State a financial contribution (hereinafter referred to as "the Technical Assistance grant") to be used exclusively to finance eligible expenditure on Technical Assistance.

3. The Beneficiary State, acting through the National Focal Point, has set aside a minimum of 0.5% of the Beneficiary State's total allocation for a fund to facilitate outreach and networking between the Programme Operators and programme partners, or potential project partners from the Donor States prior to or during the preparation of a programme proposal and during the implementation of the programme (hereinafter referred to as "the Fund for Bilateral Relations at National Level").

Article 2.3

Technical Assistance grant

1. In accordance with Article 7.12.5 of the Regulations, the maximum amount of the Technical Assistance grant is EUR 403,500.

2. The Technical Assistance grant is supported jointly by the EEA Financial Mechanism and the Norwegian Financial Mechanism, in accordance with the allocations set forth in paragraph 3.

3. The support from the EEA Financial Mechanism to the Technical Assistance grant is EUR 187,500. The support from the Norwegian Financial Mechanism to the Technical Assistance grant is EUR 216,000.

Article 2.4

Fund for bilateral relations at national level

1. In accordance with Article 3.5.1 of the Regulations, the amount set aside for bilateral relations at national level shall amount to EUR 134,500.

2. The Fund for Bilateral Relations at National Level is supported jointly by the EEA Financial Mechanism and the Norwegian Financial Mechanism, in accordance with the allocations set in paragraph 3.

3. The support from the EEA Financial Mechanism to the Fund for Bilateral Relations at National Level is EUR 62,500. The support from the Norwegian Financial Mechanism to the Fund for Bilateral Relations at National Level is EUR 72,000.

Article 2.5

Work plan and implementation system for the fund for bilateral relations at national level

1. The National Focal Point shall, no later than two months after the signature of this agreement, submit to the Donors a brief description of the proposed activities under the Fund for Bilateral Relations at National Level (hereinafter referred to as the "work plan"). The work plan may be discussed with Donor State embassies before submission.

2. The work plan may be modified with the approval of the Donors, upon written request by the National Focal Point. Implementation of the work plan will be discussed at the Annual Meeting.

3. The National Focal Point shall, within two months of the signature of this agreement, submit to the Donors a brief description of the system to be put in place for the implementation of the Fund for Bilateral Relations at National Level.

4. The Donors shall communicate their approval of the work plan referred to in paragraph 1 and of the description of the system to be put in place for the implementation of the Fund for Bilateral Relations at National Level referred to in paragraph 3, within one month of receipt, or alternatively will suggest improvements. Where improvements are suggested, the parties will work together to achieve, in as short a period as possible, a description that meets with the Donors' approval.

5. The implementation system referred to in paragraph 3 should be proportionate to the size of the allocation to the Fund for Bilateral Relations at National Level, should be aimed at facilitating the participation of Donor State entities in the Fund for Bilateral Relations at National Level, and should be based on the principles of transparency, accountability and sound financial management.

6. No disbursements from the Donors may be made in relation to the Fund for Bilateral Relations at National Level under this agreement until the Donors have, in accordance with paragraph 4, communicated their approval of the work plan and of the description of the system to be put in place for the implementation of the Fund for Bilateral Relations at National Level. Exceptionally, disbursements related to specific activities that have been subject to prior approval by the Donors, may be made on a case-by-case basis, before the date of this approval.

Article 2.6

Budgets

1. The National Focal Point shall use the relevant template contained in Annex 6 to the Regulations when submitting the budget for the whole

implementation period, in accordance with 7.12.6 of the Regulations.

2. The National Focal Point shall use the relevant template contained in Annex 6 to the Regulations when submitting the annual calendar year budgets, in accordance with 7.12.6 of the Regulations.

3. The budget for the whole implementation period and the first annual calendar year budget shall be submitted to the Donors prior to the signing of this agreement. The budget for the whole implementation period will be annexed to this agreement. Subsequent annual calendar year budgets shall be forwarded to the Donors no later than 30 September of the preceding year.

Article 2.7 Reporting

1. As regards Technical Assistance, the National Focal Point shall, in accordance with Articles 5.11 and 5.12 of the Regulations as applicable, submit Annual and Final Programme Reports. The Final Programme Report shall be submitted no later than 15 March 2018.

2. As regards the Fund for Bilateral Relations at National Level, the National Focal Point shall, in accordance with Article 3.5.2 of the Regulations, report on the use of the Fund for Bilateral Relations at National Level in the Strategic Report, as defined in Article 2.2 of the Regulations.

Article 2.8 Modification of the agreement and the Budgets

1. Unless otherwise explicitly stipulated in this agreement, any modification of this agreement is subject to prior approval by the Donors.

2. Modifications to the Technical Assistance budget for the whole implementation period are permitted without the Donors' prior approval provided that they are limited to the following:

- (a) cumulative transfers between budget headings of an amount less than 10 % of total Technical Assistance grant; and
- (b) cumulative transfers between institutions of an amount less than 10 % of the total Technical Assistance grant.

3. Expenditures incurred in breach of this article are not eligible.

4. Should there be doubt as to whether the proposed modifications require approval by the Donors, the National Focal Point shall consult the Donors before such modifications take effect.

5. Requests for modifications shall be submitted and assessed in accordance with the relevant provisions of Article 5.9 of the Regulation.

Article 2.9 Communication

1. All communication to the Donors regarding this agreement shall take place in English and be directed to the Financial Mechanism Office (hereinafter referred to as the "FMO"), which represents the Donors towards the National Focal Point in relation to the implementation of this agreement.

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.

Article 2.10 Contact information

1. The contact information of the National Focal is:
Ministry of Economic Development and Technology (MEDT)
Regional Development and European Territorial Cooperation Directorate
International Affairs and National Authorities Division
Kotnikova 5
1000 Ljubljana
Slovenia

Mailing address:
Ministry of Economic Development and Technology (MEDT)
Regional Development and European Territorial Cooperation Directorate
International Affairs and National Authorities Division
Dunajska 58
1000 Ljubljana
Slovenia
Telephone (general): +386 1 400 33 11
E-mail: gp.mg@gov.si

2. The contact information for the Donors and the FMO is:
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 agreement.

Article 2.11 **Representations and Warranties**

1. This agreement, including the budgets for the whole implementation period and the annual calendar year budgets, is based on information provided by, through, or on behalf of the National Focal Point to the Donors.

2. The National Focal Point represents and warrants that all information provided by, through, or on behalf of the National Focal Point in connection with this agreement is authentic, accurate and complete.

Chapter 3 **Finance**

Article 3.1 **Eligible expenditures**

1. Expenditure on Technical Assistance is eligible if it complies with the provisions of Article 7.12 of the Regulations.

2. Expenditure on the Fund for Bilateral Relations at National Level is eligible if it complies with the provisions of Article 7.7 of the Regulations.

3. Notwithstanding and in addition to the provisions of paragraphs 1 and 2 of this Article, expenditures under this agreement are only eligible if they comply with the general principles on eligibility of expenditure contained in Chapter 7 of the Regulations, as applicable.

4. The first date of eligibility of expenditures under this agreement shall be 9 May 2011.

5. The final date of eligibility of expenditures on Technical Assistance shall be 31 December 2017.

6. The final date of eligibility of expenditures on the Fund for Bilateral Relations at National Level shall be 31 October 2017.

Article 3.2 **Proof of expenditure**

Costs incurred by the National Focal Point, the Certifying Authority, the Audit Authority or any final beneficiary under this agreement shall be supported by documentary evidence as required in Article 7.13 of the Regulation.

Article 3.3 **Payments**

1. Payments under this agreement shall be made when all relevant conditions for payments stipulated in this agreement and the Regulations have been fulfilled.

2. Payments 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 Regulations. The final balance shall be presented in the Final Programme Report referred to in paragraph 1 of Article 2.7 of this agreement.

3. The level of the advance payment for Technical Assistance is EUR 85,913. This consists of the following elements:

- (a) Technical Assistance allocation under the EEA Financial Mechanism of EUR 39,924;
- (b) Technical Assistance allocation under the Norwegian Financial Mechanism of EUR 45,989;

4. The level of the advance payment for the Fund for Bilateral Relations at National Level is EUR 0.

5. Chapter 8 of the Regulations shall apply to all aspects related to payments.

Article 3.4 **Transparency and availability of documents**

The National Focal Point shall ensure an audit trail for financial contributions from the EEA and Norwegian Financial Mechanisms 2009-2014 under this agreement, in accordance with Article 8.8 of the Regulations.

Article 3.5 **Irregularities, suspension and reimbursements**

The Donors have the right to make use of the remedies provided in the Regulations, 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 Regulations regarding irregularities, suspension of payments, financial corrections and reimbursement are complied with.

Chapter 4 **Final provisions**

Article 4.1 **Dispute settlement**

1. The Parties waive their rights to bring any dispute related to the 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 Donors 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 4.2 Termination

1. The Donors may, after consultation with the National Focal Point, terminate this agreement if:

- (a) a general suspension decision according to Article 12.6 of the Regulations or a decision to suspend payments according to paragraph 1(h) of Article 12.1 of the Regulations has not been lifted within 6 months of such a decision;
- (b) a suspension of payments according to Article 12.1 of the Regulations, 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 Regulations has not been complied with within one year from such a decision;

2. This 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 4.1 or the right of the Donors to make use of the remedies provided in Chapter 12 of the Regulations.

Article 4.3 Waiver of responsibility

1. Nothing contained in this agreement shall be construed as imposing upon the Donors or the FMO any responsibility of any kind to any third party for the supervision, execution, completion, or operation of any actions or obligations entered into pursuant to this agreement.

2. The Donors do not assume any risk or responsibility whatsoever for any damages, injuries, or other possible adverse effects caused as a result of actions entered into pursuant to this agreement. It is the full and sole responsibility of the National Focal Point to satisfactorily address such issues.

3. Neither the European Free Trade Association, its Secretariat, including the FMO, its officials or employees, nor the Donors, their officials or employees, can be held liable for any damages or injuries of whatever nature sustained by the National Focal Point, the Certifying Authority, the Audit Authority or the Beneficiary State, Programme Operators, Project Promoters or any other third person, in connection, be it direct or indirect, with this agreement.

Article 4.4 Entry into force and duration

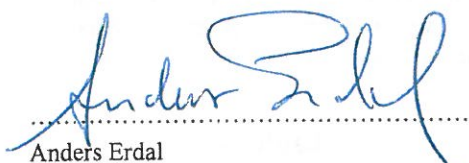
1. This agreement shall enter into force on the date of the last signature of the Parties.

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

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

For the Donors

Signed in Oslo on 25.7.2012



Anders Erdal

Chairman of the Financial Mechanism Committee
Deputy Director General, Norwegian Ministry of
Foreign Affairs

For the National Focal Point

Signed in Ljubljana on 20.8.2012



Peter Ješovnik

Deputy Director, Regional Development and
European Territorial Cooperation Directorate,
Ministry of Economic Development and
Technology

Annex 6
Technical Assistance
EEA and Norwegian Financial Mechanisms 2009-2014

BUDGET FOR THE WHOLE IMPLEMENTATION PERIOD (in euro)

Beneficiary State:

Slovenia

| Description | National Focal Point | Certifying Authority | Audit Authority | Other entities | TOTAL |
|--|----------------------|----------------------|-----------------|----------------|----------------|
| I. Additional management systems (article 7.12.2 (a)) | 40,000 | 100,180 | 0 | | 140,180 |
| II. Monitoring Committee, annual and other meetings (article 7.12.2 (b)) | 10,200 | 2,700 | 0 | | 12,900 |
| III. Meetings and conferences to share experience (article 7.12.2 (c)) | | 0 | 0 | | 0 |
| IV. Promotional and information activities (article 7.12.2 (d)) | 81,500 | 0 | 0 | | 81,500 |
| V. Audits (article 7.12.2 (e)) | 0 | 0 | 126,920 | | 126,920 |
| VI. On-the-spot verifications (article 7.12.2 (f)) | 2,000 | 0 | 0 | | 2,000 |
| VII. Reviews and evaluations (article 7.12.2 (g)) | 40,000 | 0 | 0 | | 40,000 |
| VIII. Implementation of the FM 2004-2009 (article 7.12.2 (h)) | 0 | 0 | 0 | | 0 |
| TOTAL | 173,700 | 102,880 | 126,920 | 0 | 403,500 |
| IX. Funds for bilateral relations at national level (article 3.5) | 134,500 | | | | 134,500 |

