



REPUBLIC OF SLOVENIA  
GOVERNMENT OFFICE FOR DEVELOPMENT  
AND EUROPEAN COHESION POLICY

Iceland   
Liechtenstein  Norway  
Norway grants  grants

EEA FINANCIAL MECHANISM 2014–2021 AND  
NORWEGIAN FINANCIAL MECHANISM 2014–2021

# GUIDE FOR BENEFICIARIES

## Part 2: PROJECT DEVELOPMENT

PROGRAMME CLIMATE CHANGE MITIGATION AND ADAPTATION  
PROGRAMME EDUCATION, SCHOLARSHIPS, APPRENTICESHIP  
AND YOUTH ENTREPRENEURSHIP

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## List of abbreviations and acronyms

|                               |  |
|-------------------------------|--|
| AIBA                          | National Agency for International Education Affairs, Lichtenstein  |
| AJPES                         | Agency for Public Legal Records and Related Services   |
| DIKU                          | Norwegian Agency for International Cooperation and Quality Enhancement in Higher Education ( <i>Direktoratet for internasjonalisering og kvalitetsutvikling i høgare utdanning</i> )   |
| Donor States regulations      | Regulation on the implementation of the Norwegian Financial Mechanism 2014–2021 and Regulation on the implementation of the European Economic Area (EEA) Financial Mechanism 2014–2021 |
| EEA                           | European Economic Area   |
| EEA Financial Mechanism       | EEA Grants   |
| EU                            | European Union   |
| eMS                           | Electronic Monitoring System   |
| GODC                          | Government Office of the Republic of Slovenia for Development and European Cohesion Policy   |
| NEA                           | Norwegian Environment Agency   |
| NEET                          | Not in employment, education or training   |
| NGO                           | Non-governmental organisation  |
| Norwegian Financial Mechanism | Norway Grants  |
| RBM                           | Results Based Management   |
| TFEU                          | Treaty on the Functioning of the European Union  |

## 1 Purpose of the Part 2 of the Guide for Beneficiaries

The document on project development within the scope of *Climate Change Mitigation and Adaptation and Education, Scholarships, Apprenticeship and Youth Entrepreneurship Programmes* (hereinafter: the document) represents the basis of project planning and implementation. It defines the programme, partnership requirements and guides applicants through project planning phases.

The document has been issued by the Government Office of the Republic of Slovenia for Development and European Cohesion Policy (hereinafter: GODC) which is the Programme Operator of the *Climate Change Mitigation and Adaptation and Education Programmes* (hereinafter: Programme Operator).

The document is binding for all Project Promoters and Project Partners (hereinafter: beneficiaries), applying their projects under the call for proposals as well as for Pre-defined Projects under the above mentioned programmes.

If necessary, the document shall be subject to revision during project implementation, which is why the beneficiaries must always use the last valid version of the document published on the website dedicated to the implementation of the EEA Financial Mechanism and the Norwegian Financial Mechanism (hereinafter: EEA and Norway Grants) in the Republic of Slovenia, namely [www.norwaygrants.si](http://www.norwaygrants.si) or [www.eeagrants.si](http://www.eeagrants.si) (hereinafter: website of the EEA and Norway Grants in the Republic of Slovenia), accessible at [www.norwaygrants.si/en/calls/education](http://www.norwaygrants.si/en/calls/education) and [www.norwaygrants.si/en/calls/environment](http://www.norwaygrants.si/en/calls/environment).

Wherever used in this document, a pronoun in the masculine gender shall be considered as including the feminine gender in line with the principles of gender-inclusive language.

**General warning: The situation caused by the new coronavirus Covid-19 is unpredictable and can affect implementation of the project activities. It is therefore recommended to take that into account while planning and developing the project.**

## 2 Partnership and other programme requirements

### 2.1 Introduction of appropriate project partnership

The quality of the project greatly depends on the comprehensive structure of its partnership. A good partnership combines all of the skills and competences of the participants with the purpose of achieving the set objectives.

The following general aspects are considered at the introduction of partnership:

- the partnership shall include institutions relevant for achieving the project outcomes (e.g. themes, geographical outcomes, management level, institutional competence);
- only institutions with interests closely connected with project objectives and planned measures shall cooperate as Project Partners. They need to have the capacities to create strong connections with the target groups addressed by the project. To best represent the interests of target groups, representatives of key target groups or project

stakeholders shall be included in the wider (as stakeholders) or closer (as partners) partnership;

- the Results Based Management (RBM) approach must be used to include institutions that are able to carry out the activities to successfully achieve outputs and outcomes (e.g. if the project considers environmental topics, project partners should have appropriate knowledge in the subject area);
- every Project Partner shall have a clearly determined role in the project, which is supplemented by other Project Partners. Project Partners must be of key importance for the implementation of the project and shall cooperate in most work packages of the project;
- if necessary, professional organisations (e.g. universities, research institutions) shall be included as the source of knowledge;
- the partnership size shall be manageable (up to seven Project Partners in the project). A large number of Project Partners is not the objective of project preparation and does not guarantee higher project quality;
- the engagement of all Project Partners from the beginning must be ensured, including their active role in the preparation phase. This contributes to a higher quality of the application and to a more successful implementation of the project;
- the partnership should horizontally (intersectoral) and vertically (between management levels) reflect the connecting approach in accordance with the project content.

The Project Partner shall not act as the supplier (e.g. contractor or subcontractor that provides services and products for payment). In general, Project Partners cannot hire one another: organisations that operate in the market and carry out activities that can also be tendered by other Project Partners are considered to be suppliers.

In accordance with the provision that the Project Promoter shall not act as the mediator, the Project Promoter cannot be a company whose main registered activity is business consultancy, coordination, management, communication, etc.

The Project Promoter carries the role of the partnership driving force, who harmonises the work of the Project Partners and communicates with the Programme Operator in the name of all Project Partners.

## 2.2 Partnership requirements

### 2.2.1 Eligibility of the Applicant and the responsibility of Project Promoter

**An Applicant can be any public or private entity, commercial or non-commercial, as well as non-governmental organisations (NGO), established and registered as legal entity in the Republic of Slovenia.**

Natural persons and natural persons registered as sole proprietors in accordance with Companies Act, are not eligible applicants.

An **NGO** is an organisation that fulfils the conditions as per Article 1.6 (n) of the Donor States regulations and Article 2 of the Non-governmental Organisations Act (Official Gazette of the Republic of Slovenia [Uradni list RS], No. 21/18), i.e.:

- is a legal entity under the rules of private law with head office in the Republic of Slovenia;
- founded exclusively by a domestic or foreign natural or legal entities under private law;
- is a non-commercial organisation (that is on the basis of the law not founded with the purpose of acquiring profit or with the purpose of generating profit or with the purpose of developing, facilitating or promoting the profit activity of its founders or members);
- is a non-profit organisation (which on the basis of the law or its foundation act uses the profit or surplus of income over outcome exclusively for achieving its purpose or goals, it does not share its property among its founders, members or other persons, and its property is in case of termination and upon the settlement of all obligations, transferred to another NGO with equal or similar purpose or a non-profit legal entity under public law);
- is not dependant on other entities (an organisation where the managerial or supervisory authority has no more than one fourth of representatives of the state, self-governing local communities, other public law persons, holders of public authority, international intergovernmental organisations, political parties, trade unions, chambers and companies or natural persons who independently perform profitable activities in the market, or representatives of other persons that do not act in a non-profitable manner);
- is not organised as a political party, church or other religious community, trade union or chamber. Irrespectively, an organisation, i.e. church or other religious community, can be a beneficiary, if they are part of the registered church or other religious community on the basis of the law governing religious freedom and if its main activity in the Business Register of Slovenia is not registered as an activity of religious organisations.

An organisation that has acquired the status of a non-governmental organisation on the basis of the relevant act (hereinafter non-governmental organisation) shall have the right to participate in the call for proposals if it additionally meets the following conditions:

- a) if a non-governmental organisation is organised as an association, it shall have at least 50 active members, whereby a member is considered active if they have continuously and for the last two calendar years been present at the assembly of members and have paid a membership fee;
- b) if a non-governmental organisation is organised as an institute, it shall have, at all times, in the current and in the past two calendar years at least three full-time employees with a level 7 professional qualification under the Slovenian Qualifications Framework in the field of work of a non-governmental organisation.

The non-governmental organisation shall meet the conditions specified in the previous paragraph already at the time of submission of the documents relating to the call for proposals.

The non-governmental organisation organised as an association shall prove the fulfilment of the conditions by submitting authentic documents demonstrating the participation of individual members at the assembly of members and their payment of the membership fee to the bank account of the non-governmental organisation.

The non-governmental organisation organised as an institute shall prove the fulfilment of the conditions by submitting a certificate from the Health Insurance Institute of Slovenia on the inclusion of an individual employee in compulsory insurance and by submitting a certified copy of the certificate of educational qualification for an individual employee.



To participate in the public call for proposals, the Applicant shall fulfil all the conditions, stated in the Declaration by the Project Promoter and the Declaration by the project partner. The Applicant shall prove the fulfilment of all criteria by signing both declarations.

The Applicant shall be liable for the preparation of the project and submission of the application. If the project is approved, the Applicant shall assume the role of the **Project Promoter** and shall, in the name of the partnership, be liable for the implementation of the project and all procedures, related to the project. The Applicant shall:

- sign a contract for the co-financing from the EEA or Norway Grants and the corresponding Slovenian contribution (hereinafter: project contract) with GODC as the Programme Operator;
- sign the *Partnership Agreement* with Project Partners (submitted with the submission of the project application);
- ensure the achievement and quality of the immediate project outputs, outcomes and impacts;
- ensure that all expenditure, submitted by Project Partners, is paid for the purposes of project implementation and that they are compliant with the activities, agreed by the Project Partners;
- monitor that all certificates of eligible expenditure are issued by the control unit for all Project Partners and are included in the joint project report;
- collect information from Project Partners to submit the joint project report to the Programme Operator and shall do a cross-verification of the confirmed activities and project progress;
- harmonise the project modifications with other Project Partners and Programme Operator;
- transfer the reimbursement of eligible expenditure to Project Partners (send funds to Project Partners).

More details about the introduction of the managerial partnership structure are shown in [Sub-section 3.2](#) of this document.

## 2.2.2 Eligibility of Project Partners and partnership requirements

**As eligible Project Partner is considered any public or private entity, commercial or non-commercial, as well as non-governmental organisations, established and registered as legal entity in the Republic of Slovenia or in one of the Donor States<sup>1</sup>, or or any international organisation or agency or body thereof, actively involved in and effectively contributing to the implementation of a project.**

The eligible Project Partner in projects within the scope of the **Climate Change Mitigation and Adaptation Programme**, which contribute to the achievement of one of the outputs, with the exception of B.3.1, is also any public or private, commercial or non-commercial entity and NGO with the head office in the **Kingdom of Norway, Iceland or the Principality of Liechtenstein**, and an eligible Project Partner in projects that contribute to the output B.3.1.

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<sup>1</sup> The planning of project, including the Project Partner from the donor state, must consider that the reports from Project Partner from the donor state and the control and certification of eligibility of their expenditure differs from the reporting system and the system of certifying expenditure of Slovenian Project Partners and the Project Promoter. The reporting of Project partner from the donor state is determined in Part 5 of the Guide for Beneficiaries.

is also any public or private, commercial or non-commercial entity and NGO with head office in the **Kingdom of Norway**.

The eligible Project Partner in projects within the scope of the **Education Programme** is also any public or private, commercial or non-commercial entity and NGO with head office in the **Kingdom of Norway**.

The Project Partner and Project Promoter have a common economic and social objective, which they are pursuing through project implementation. Besides the Project Promoter, all Project Partners have an active role in the project and have the financial and human resources needed for the implementation of the planned project activities. Project Partners have to be aware of the fact that time delays between the occurrence of expenditure and their reimbursement can cause cash flow issues. This is especially relevant for private institutions and associations.

Each participant in the project, including the Applicant in the role of the Project Promoter, shall have to sign the **Declaration by the project partner** to demonstrate the fulfilment of criteria on participation.

To enable the Project Promoter to effectively manage, and supervise the project and due to the active role of every Project Partner, it is recommended not less than 3<sup>2</sup> and not more than **7 institutions** are included in the project partnership.

If any of the Project Partners is not eligible for participation, the application shall be rejected.

### Partnership Agreement

The Project Promoter and Project Partners sign a *Partnership Agreement*. The Partnership Agreement shall include:

- the provisions on the roles and responsibilities of contracting parties;
- the provisions on financial agreements between the contracting parties, including advance payments and expenditure that are reimbursed to Project Partners from the project budget;
- the provisions on the method of indirect cost calculation and their highest amount;
- the rules on the currency exchange rates for such expenditure and their reimbursement;
- the provision of Project Partner audit;
- a detailed budget plan;
- the provisions on dispute resolution.

The Partnership Agreement shall be construed in English, if the project includes Project Partners from Donor States (hereinafter: Donor Project Partners).

The signed Partnership Agreement shall be submitted with the submission of the project application.

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<sup>2</sup> Recommendation for Climate Change Mitigation and Adaptation Call for Proposals.



### 2.2.3 Examples of eligible Project Promoters and Project Partners

The examples of potential beneficiaries<sup>3</sup> who fulfil the conditions within the scope of each outcome under every programme, are:

#### ***Climate Change Mitigation and Adaptation Programme***

- **Outcome B.1 Increased renewable energy production**
  - local energy agencies, research institutes, education organisations, specialised engineering companies and other support organisations, especially in the field of renewable energy sources;
  - municipalities, public utility service providers, remote heating management companies (as potential investors in pilot/demonstration projects);
  - companies, private institutions, cooperatives from various sectors (as potential investors in pilot/demonstration projects);
  - NGOs, especially in renewable energy sources promotion.
- **Outcome B.2: Enhanced sustainable mobility management**
  - Professional institutions in the area of sustainable mobility,
  - regional development agencies, research institutes and similar support organisations;
  - municipalities, public agencies and public utility service providers and other institutions in traffic;
  - companies performing various forms of public transport;
  - large employers and managers of areas generating a large rate of transport (business zones and commercial centres managers, hospitals, school and sport centres, managers of protected areas and attractions, tourist organisations, and similar);
  - NGOs in sustainable mobility.
- **Outcome B.3: Increased application of circular economy principles**
  - companies, especially innovative small and medium-sized companies;
  - innovation centres, creative centres, design centres, research institutes, chambers, development agencies, development cooperatives, social companies and other institutions;
  - municipalities, public utility service providers, education and other public institutions, NGOs committed to transiting to circular economy.
- **Outcome B.4: Improved management of ecosystems under climate change pressures**
  - public institutions, institutes, research institutions, regional development agencies, organisations for protected areas management and Natura 2000 areas;
  - municipalities, public utility service providers, companies in agriculture, forestry, water management and other spatial planning stakeholders;
  - education institutions, tourist organisations, NGOs, companies, media and other organisations with a key role in biodiversity and ecosystem preservation.

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<sup>3</sup> Potential Project Promoters and Project Partners are not only limited to the listed beneficiaries; the latter are provided only as examples.

## Education Programme

- **Outcome I.1: Improved institutional cooperation at all levels of formal and informal education**  
All types of education and training institutions on all levels of formal or informal education in collaboration with other relevant stakeholders in education (municipalities, NGOs, the business sector, support institutions, research institutions, etc.) which are included in project partnerships.
- **Outcome I.2: Improved education and social environment to support disadvantaged groups**
  - people who are not in employment, education or training (*NEET*): public and private entities or NGOs, operating at the regional or local level (e.g. youth centres, municipalities, social work centres, training centres, etc.);
  - the youth in less dynamic environments: public or private entities or NGOs who operate at the local level (e.g. local or regional centres and agencies to support companies, municipalities, training centres, joint working premises, etc.);
  - precarious workers: public or private entities or NGOs who operate at the local level (e.g. local or regional centres and agencies to support companies, municipalities, training centres, joint working premises, etc.);
- **Outcome I.3: Improved work-life balance**  
Public or private entities or NGOs that operate within the subject sector, i.e. municipalities, kindergartens, youth centres, centre for elderly care, intergenerational centres, business entities, education and training organisations on all levels of formal and informal education, etc.

## 2.3 Partner cooperation criteria

Various aspects of partnership quality are recognised as important and shall be assessed in the project quality assessment. The following should be considered when forming a partnership:

### Appropriate and diverse partnership

Project partnership is appropriate from the aspect of implementing and achieving envisaged project outputs and outcomes.

Partnership may connect partners from various sectors or different levels with regard to project objectives. On a programme level partnership with Donor States entities is highly encouraged and recommended.

### Professional suitability of partnership, managerial ability of the Applicant and experience of the Project Partners, HR and financial ability

There must be a strong connection between the envisaged objectives, outcomes and outputs of the project and the qualification and competence of each institution that carries the role of Project Promoter or Project Partner. It is expected that the Applicant and Project Partner have extensive knowledge and experience in the project under the considered problem area.

The Applicant in the role of the Project Promoter plays a key role in the preparation and implementation of the project. It is expected that the Project Promoter is one of the key

stakeholders with extensive experience and knowledge in the area of the project. The Project Promoter is responsible for managing and coordinating the project and for internal communication between Project Partners, and shall also carry the financial responsibility for the granted funds in the name of the partnership. Therefore, it shall be expected for the Applicant in the role of the Project Promoter to have experience and knowledge in project management as this shall be awarded with more points in the phase of project quality assessment. It shall also be assessed in the assessment of partnership quality, whether the Applicant has appropriate knowledge and experience in project management and if they have the appropriately qualified personnel for project management and coordination. Project with Applicant's knowledge and experience in project management, financed with EU funds and other international sources shall be awarded with more points in the phase of project quality assessment.

Institutions with strong human resources and funds that enable undisturbed and quality implementation of project activities are more likely to constitute a quality partnership.

### **Active role of Project Partners**

Every Project Partner shall have a clearly defined role in the project that will actively contribute to the achievement of planned outputs, outcomes and project objectives. It is expected that all Project Partners will be actively included in the process of Application preparation and committed to engage and successfully implement project activities. The so-called ghost partners with insignificant role in the project or partners that only function as intermediates must be avoided in the formation of partnerships. Active role or responsibility in project preparation and implementation assigned to Project Partners, including Donor Project Partners, shall be awarded with more points in the phase of project quality assessment.

### **Bilateral partnership**

Programmes put a special emphasis on promoting active cooperation between the institutions from Slovenia and the institutions from the Donor States. It is therefore desired that the project will be implemented in partnership with institutions from Norway and/or Iceland and/or Liechtenstein that can significantly contribute to achieving the planned objectives and outputs of the project. When assessing partnership quality, the inclusion of the institution from the Donor State in partnership will be assessed alongside its active inclusion in the implementation of the project. As donor project partnerships are strongly encouraged, these partnerships shall be awarded additional points in the phase of project quality assessment. Further information can be found in Part 1 of the Guide for Beneficiaries.

## **2.4 Available funds and co-financing**

The available funds and the minimum and maximum amounts of project grant applied for within the *Education* and the *Climate Change Mitigation and Adaptation* Programmes are shown in Part 1 of the Guide for Beneficiaries.

For projects the grant shall be up to 100% of the total eligible expenditure, including in the case of projects where the Project Promoter is an NGO.

The valid rules on state aid are considered in the process of awarding grants to individual projects.

The amount of the co-financing shall be reduced in the case of revenue-generating projects or in case of application of State aid rules. The beneficiaries shall contribute the remaining share of the project budget in the form of own resources (hereinafter: own co-financing).

## 2.5 Project duration

The projects shall last at least **12 months** and not more than **24 months**. Projects must be completed by **30 April 2024** at the latest.

Regardless of the project duration, special conditions must be respected in some cases, which are indicated in the project contract, and further described in Part 4 of the Guide for Beneficiaries, also upon the confirmation of the final project report.

## 2.6 Eligible area

The project activities shall be primarily carried out in the area of the **Republic of Slovenia** but can, when relevant, be carried out in Donor Project Partner's country. The project outcomes and outputs must always manifest in the Republic of Slovenia.

The project activities within the scope of the ***Climate Change Mitigation and Adaptation Programme***, shall be – besides the area of the Republic of Slovenia – carried out in **Norway, Iceland and Liechtenstein** (in the case of projects within the scope of B.1, B.2 and B.4 outcomes) or in **Norway** (in case of projects within the scope of B.3 outcome).

The project activities within the scope of the ***Education Programme*** shall be – besides the area of the Republic of Slovenia – carried out in **Norway**.

Generally, the expenditure of project activities, carried out outside the eligible area, shall not be eligible. Exceptions are permissible in well-founded cases, for which the Project Promoter shall acquire a preliminary approval from the Programme Operator. An exception shall be appropriately explained in the application form during the project proposal preparation. The approval of the application form with the explained exception already means that the eligibility of the implementation of a certain project activity outside the eligible area is approved.

Regardless of where the project activities take place, their outcomes and outputs shall always be reflected in the Republic of Slovenia. A typical example of project activities, which can in certain explained cases be carried out outside the area of the Republic of Slovenia, include study visits, whose output is a higher level of ensuring the qualification of experts from the Republic of Slovenia.

## 2.7 State aid

State aid is any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the internal market<sup>4</sup>.

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<sup>4</sup> Article 107(1) of the Treaty on the Functioning of the European Union

**An undertaking is any entity that implements a commercial activity, regardless of its legal status and method of funding. When deciding on the application of state aid rules, the type of activity performed by a company is relevant.**

The rules on state aid are equal for all EU countries, although the systems of monitoring and supervision differ. Rules determining state aid are:

- Commission Regulation (EU) 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid (Official Gazette of the Republic of Slovenia [Uradni list RS] No. 352 of 24 December 2013;
- Commission Regulation (EU) 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union (Official Gazette of the Republic of Slovenia [Uradni list RS] No. 187 of 26 June 2014, p.1), finally amended by the Commission Regulation (EU) 2017/1084 of 14 June 2017 amending Regulation (EU) No 651/2014 as regards aid for port and airport infrastructure, notification thresholds for aid for culture and heritage conservation and for aid for sport and multifunctional recreational infrastructures, and regional operating aid schemes for outermost regions and amending Regulation (EU) No 702/2014 as regards the calculation of eligible costs (Official Gazette of the Republic of Slovenia [Uradni list RS] No. 156 of 20 June 2017, p.1).

The use of the appropriate state aid scheme for Slovenian beneficiaries is regulated by the Guidelines of the Programme Operator on the awarding of state aid as per *de minimis* rule and state aid.

The following five criteria determine whether a measure is considered state aid or not:

– **Company**

The recipient of aid is a company that carries out commercial activity within the scope of the project.

A company is every entity that carries out an activity with market characteristics and offers goods and services in the market, regardless of its legal form and financing method. Non-profitable entities can also offer goods and services in the market, therefore, the rules for state aid also apply for them if they are competing with companies that carry out profitable activities. The categorisation of a company among the companies depends on specific activities. An entity that carries out commercial and non-commercial activities shall be considered as a company only in relation to commercial activities. When determining whether activities in the project are considered to be state aid, the only valid criterion is the fact of whether or not a company carries out a commercial activity within the scope of the project.

– **Transfer of state funds**

The rules on state aid comprise measures that include the transfer of state funds, including national, regional or local authorities, public banks and foundations. It is not necessary for state aid to be granted by the state, although it can also be granted by a private or public intermediary body, named by the state. This would apply in cases

when a private bank receives the authorisation for managing an aid scheme, financed by the state.

State aid comes in different forms: it is not limited to grants, it includes lower interest rates, loan guarantees, accelerated depreciation, increase in capital, price discounts, etc. EEA or Norway Grants and the appertaining Slovenian contribution shall be considered as a state source, therefore, this criterion must be considered as fulfilled in any project.

– **Commercial advantage**

Aid is a commercial advantage (indirect, direct), which the company would not have within the scope of normal operation or could not acquire it under normal market conditions without the mediation of a public authority. For projects that receive EEA or Norway Grants and the appertaining Slovenian contribution this means that state aid may not only be granted at the level of project stakeholders, but also at the level of the target group. This is indirect state aid, for instance: when a Project Partner offers free training for companies in their region, the advantage is transferred to the latter.

– **Selectivity**

State aid is selective and thus impacts the balance between certain companies and their competitors. “Selectivity” differentiates state aid from the so-called “general measures” that are used without differentiation for all companies in all commercial sectors in the Republic of Slovenia (e.g. most tax measures at the national level).

The scheme is considered to be “selective”, if the authorities, managing the scheme, hold a certain discretion right (applies for all regional and sectoral aid schemes).

– **Impact on competitiveness and trade**

The aid must also have a potential impact on competition and trade between the EU member states. It is sufficient if it can be proven that the beneficiary is included in a commercial activity and operates in the market where EU member states trade. The beneficiary type is irrelevant from this aspect (even non-profit organisations can be active in commercial activities).

The European Commission has taken a standpoint that smaller aid amounts (*de minimis* aid in the amount of EUR 200,000.00 of total public aid in 3 budget years per beneficiary) do not significantly impact competitiveness and trade between EU member states. Therefore, the Commission believes that such aid cannot be included in the framework of Article 107 (1) of the Treaty on the Functioning of the European Union.

This means that specific public funds that are considered state aid, are awarded only by considering the EU rule that enables such a rate of grants. This shall be assessed for each project separately. The Programme Operator in the Guidelines on the awarding of aid as per the *de minimis* rule and state aid explains whether the support to a project or its part (individual activity) can be considered as state aid. The majority of appropriate aid for projects within the scope of *Climate Change Mitigation and Adaptation Programme* and *Education Programme* is considered as the *de minimis* aid (on the basis of Regulation 1407/2013(EC) and state aid schemes, included in the Regulation on Block Exemptions (on the basis of Articles 41 and 47



of Regulation 651/2014/EC), under which different aid intensity thresholds are defined with regard to related activities and aid categories.

This is further explained in the Guidelines on awarding aid as per the *de minimis* rule and state aid rules.

## 2.8 Revenue

Net revenue is the inflow of cash that the user directly pays for goods or services, provided by the project, such as fees that the user directly covers for the use of infrastructure, sale or rental of land or buildings or payments for services, reduced by operating costs and the costs of compensation for short life span devices that occur in the subject period.

Rules that apply for revenue, do not apply for projects subject to state aid and *de minimis* aid.

Further information regarding the revenue is described in Part 4 of the Guide for Beneficiaries and must be taken in consideration while developing the project.

## 2.9 Project modifications

Generally, project implementation must run in accordance with the approved application form to the maximum extent possible. If this is impossible due to unpredictable circumstances, the following changes are permissible within the scope of the project:

- modification of project partnership;
- modification of budget plan;
- modification of work plan (activities);
- extension of project duration;
- modification of reporting periods;
- modification of project outcomes.

The Project Promoter shall immediately notify the contract manager regarding any potential project modification. In any case, the modification cannot impact the attainment of project and programme objectives or outcome indicators and the outputs of the programme, which must be achieved by the project.

The **modifications of the project** are divided into **minor and major** categories, depending on the impact that they have on the project. Before they are submitted to the contract manager, all project modifications must be explained and agreed between the project partners. A minor modification is granted by the contract manager. A major modification is granted by the Head of Programme Operator.

### Minor modification

A minor modification of the project is the adaptation of the project that does not have a significant impact on the project outcomes, outputs and objectives or their implementation. It includes administrative/managerial matters and the work plan as well as the budget plan within the scope of limitations enabled by the programme.

Examples of minor modifications:

- minor adaptation of the work plan that does not impact the type and use of direct outputs and outcomes;
- minor redistribution of funds in the project budget plan between individual cost categories, that cumulatively, including all proposed modifications, does not exceed the sum of 20% of the eligible project expenditure with regard to the primarily approved budget plan;
- extension of the project to six months, but no later than 30 April 2024;
- single approval of an equipment purchase, whose total purchase value is considered to be an eligible project cost subject to art. 8.3.1 (c) and 8.3.2 of the Donor States regulations;
- modification of administrative elements (e.g. modification of contact data, bank account data, legal representative, type of employment, etc.).

### Major modification

A major modification of the project is any deviation of the primarily approved application form that exceeds the adaptable limitations of minor modifications. Major modifications are permissible only in exceptional and well justified cases.

Examples of major modifications:

- extension of the project by more than 6 months to 12 months, but no later than 30 April 2024;
- modification of partnership structure: resignation or replacement of Project Partner;
- redistribution of funds in the project budget plan between individual cost categories, that exceeds the sum of 20% of eligible project expenditure with regard to the primarily approved budget plan;
- redistribution of funds between Project Partners/Project Promoter;
- modification of project indicator value that does not exceed 20% of the primarily approved values. The values of approved outcome indicators and outputs that are determined at the programme level and must be achieved in accordance with the public call conditions, cannot be modified downwards;
- the implementation of activities outside the eligible programme area.

**Project modification can be approved only if the project still achieves the main indicators, direct outputs and project and/or programme outcomes that are determined at the programme level.**

**A major modification is approved by the Programme Operator only once, and in exceptional and well justified cases for a maximum of two times during the project period.**

## Impermissible modifications

Examples of impermissible modifications:

- Modification of objectives, outcomes and outputs of the project that are determined at the programme level<sup>5</sup>;
- extension of project duration after 30 April 2024;
- modification of Project Promoter.

## The procedure for the submission of the project modification request

When the Project Partners agree on project modification, the Project Promoter notifies the contract manager on the agreed project modifications.

The Project Promoter completes and submits the “**request for modification**” in the eMS. The requested project modification must be clearly described and justified, including the cause and the effects of the proposed project modification. The contract manager shall ensure technical support in the entire project modification procedure.

The contract manager shall study the proposed request for project modification and carry out the decision-making procedures with regard to the modification type. In the case of a minor modification, the decision shall be made by the contract manager, if the modification is major, the final decision shall be made by the Head of Programme Operator.

The obligations under the project contract and the Partnership Agreement from the aspect of audits, the retention of supporting documents and the continuity of outputs, shall remain valid even upon any type of project modification.

If the outcome of the procedure is positive, the contract manager shall enable the Project Promoter to change the application form in the eMS. The Project Promoter shall update the appropriate parts of the application form in accordance with the approved request for modification. If additional supporting documentation must be submitted to the request for project modification, the Project Promoter shall upload it into eMS as an attachment.

The contract manager shall verify the corrections on the application form. If necessary, the manager shall demand the Project Promoter to submit additional explanations and/or supplementations.

On the basis of the final submission of the corrected application form in the eMS, the contract manager shall notify the Project Promoter on the final decision with regard to the requested modification.

## 2.10 Project sustainability

It is expected that effective mechanisms and structures that will ensure financial and institutional **sustainability** of project outputs and outcomes will be introduced within the scope of the project. Projects that will introduce partnerships and structures that will enable the continuation of activities after the project completion, thus bringing sustainable, long-term

<sup>5</sup> The indicators of outcomes and direct programme outputs, to which the project must contribute.

solutions for target groups, shall be considered of higher quality. The project with the potential of becoming an example for solving the same or similar problems and challenges in the Republic of Slovenia and exceeding the current practices on the selected area, will also be recognised as being of higher quality.

Whenever **new or second hand equipment** is purchased within the scope of the project and the entire purchase price of the equipment is considered as eligible cost, the beneficiary shall fulfil special conditions, determined in Part 4 of the Guide for Beneficiaries.

**Real estate (also restored) and/or land**, purchased within the scope of the project, shall be used for the purposes and objectives of the project, described in the project contract, for a minimum of five years following the approval of the final project report. The real estate or land, purchased within the scope of the project, shall also fulfil special conditions with regard to its usage and ownership, as determined in Part 4 of the Guide for Beneficiaries.

## 2.11 Risks connected to project implementation

The projects shall consider the approach that is based on risk management. Risks bring problems that can aggravate or disable the implementation of project activities and consequently the achievement of objectives, outputs and project outcomes. Risks can be internal factors that can be monitored, although factors can also come from the outside and cannot be influenced.

**If risks are envisaged in advance and if appropriate measures are planned, they can be reduced or even avoided.**

When completing the application form, the risks and measures shall be described to manage or eliminate them. The measures for managing liquidity problems and the lack of appropriate human resources must be envisaged for the project implementation, which is planned under **general risks**. If there are **specific risks**, the Applicant shall determine them for each individual activity and state the measures for their reduction.

### General risks

When ensuring liquidity, it must be considered that the beneficiary pays all costs for the implementation of project activities, and submits all invoices for supervision; the expenditure is reimbursed in appropriate share only after the approval of the joint project report. Before any expenditure that occurs in the aforementioned period, is reimbursed, the beneficiaries must provide their own funds for the current period. Therefore, before applying the organisation must consider how much funds can be ensured without the consequences for project implementation, thus a project of an appropriate scale shall be prepared.

### Specific risks

Besides general risks every beneficiary also has internal specific features that can endanger the project. If there are any specific risks, the Applicant shall state the activities, where such risks can be present, describes them and states the measures for their reduction or elimination.

## 2.12 Irregularities

An irregularity is a violation of the legal framework of the EEA and Norway Grants, of any EU legal provisions or of any provision of the national legislation of the beneficiary state that impacts or harms any phase of EEA and Norway Grants implementation in the beneficiary state, including the implementation and/or budget of any programme, project or other activities financed from the EEA or Norway Grants.

During the implementation or upon the conclusion of the project, the Programme Operator, the Certifying Authority, the Audit Authority, the Irregularities Authority or the independent external auditor or competent public official from the Donor State who reviews the eligibility of Project Partner expenditure from the Donor State, can find potential irregularities with regular monitoring of project implementation and by controlling interim reports. Irregularities can also be found by subsequent audits, which can lead to a situation where expenditure that has been certified by the control unit as eligible becomes ineligible.

If irregularities are found, the Project Promoter carries the entire financial responsibility. If the irregularity was found on the side of the Project Partner, the Project Promoter shall use all legal means to recover potentially ineligibly paid funds to the Project Partner in accordance with the valid national legislation and the Partnership Agreement.

If irregularities are found, the Programme Operator can carry out the following measures:

- the payments of the Project Promoter can be suspended;
- demand the Project Promoter to reimburse the paid funds that were recognised as incorrectly spent due to irregularities;
- reduce the next claim of the Project Promoter for the payment of funds in the amount of the ineligibly paid funds, including interest.

If the Project Promoter does not reimburse the funds in the envisaged period, the Programme Operator shall charge all default interest and use all legal means to recover the due amounts in accordance with national regulations and the project contract.

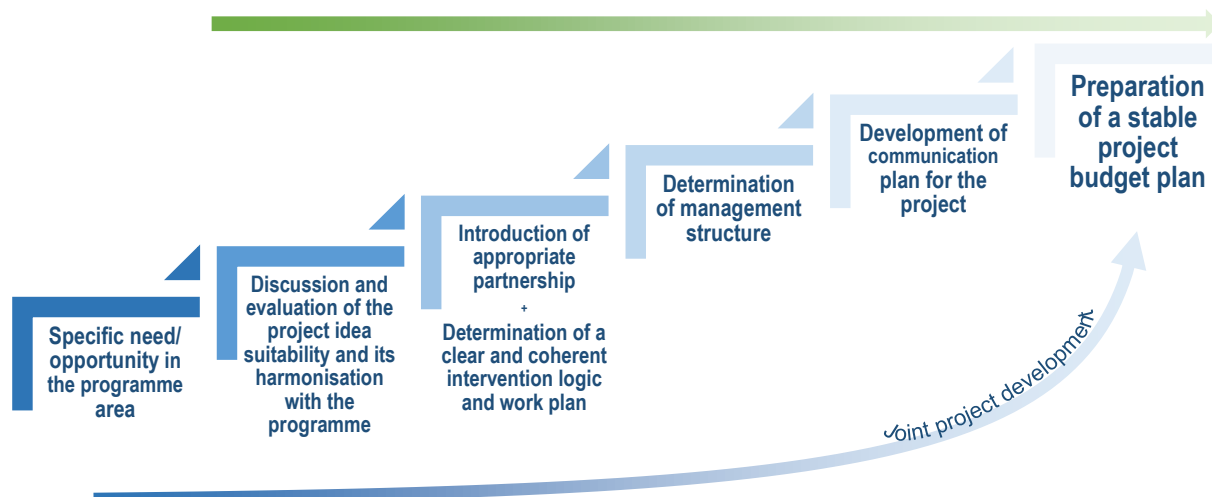
## 3 How to develop a good project

A good project arises from a specific need/opportunity detected by organisations in their line of work or environment. On the basis of problem analysis, the first project idea is designed and further developed in cooperation with Project Partners and in accordance with the programme guidelines. It is recommended to follow the application form structure, because the project designers can see the expected information so that they do not miss any important topic.

This chapter is considered to be an aid for the application form preparation. It contains practical instructions that guide through the working process from the project idea to the application form, prepared for submission.

Figure 1: Project development: from an idea to utilisation





### 3.1 Development of project intervention logic

The management of the EEA and Norway Grants and programmes are based on the RBM. The essence of the method is its focus on the achievement of objectives and outcomes and not on activities and procedures. It is of key importance to determine clear objectives and determine appropriate indicators for measuring the progress to achieve them. The fundamental element of the RBM method is the “chain of achievement”, a red line that shows the expected cause and effect connections between different elements (Figure 2).

Figure 2: Results Based Management



- Input: it can be financial, human, material, technological, information, etc., and is used for the project.
- Activity: operating by using inputs.
- Output: products, goods or services, made, supplied or carried out within the programme/project for a defined target group. The output arises from used inputs and implemented activities. Example of output: construction of a new school.
- Outcome: short- or middle-term impact of output on certain target groups or final beneficiaries. Example of outcome: increased number of children with access to education.
- Impact: long-term impact or change of the society or the environment. Example of impact: higher literacy rate.

The *Climate Change Mitigation and Adaptation* and the *Education Programmes* have introduced a clear impact, outcomes and outputs of an individual programme area (detailed information in Part 1 of the Guide for Beneficiaries), to the achievement of which projects have to contribute.



Before designing the project idea, the Applicants and potential Project Partners have to be informed on the content of the selected areas and they have to face and harmonise all interests that have been recognised by the project partnership with the programme interests. It is important to consider the intervention logic of the programme when designing the project (Figure 3 and Figure 4).

The project must have the same impacts, outcomes and outputs as the selected programme areas and it has to follow the RBM method. Every project can contribute to the achievement of *only one outcome and within this outcome to only one output*. The exception is *Outcome I.1* within the *Education Programme*, where the condition is that the *project contributes to both outputs* (Figure 4).

The project intervention logic determines how the desired modification shall be achieved. It appropriately reflects the current situation, its causes and the modification that is envisaged through the implementation of planned activities within the project.

Figure 3: Schematic presentation of the programme model for the *Change Mitigation and Adaptation Programme*

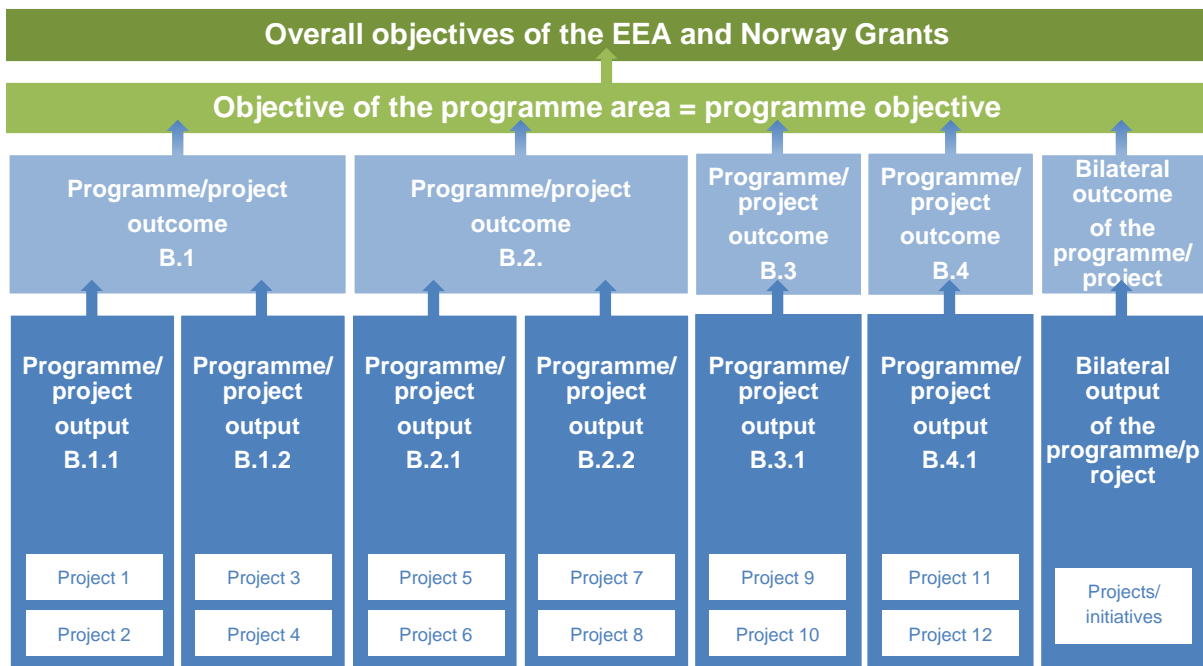
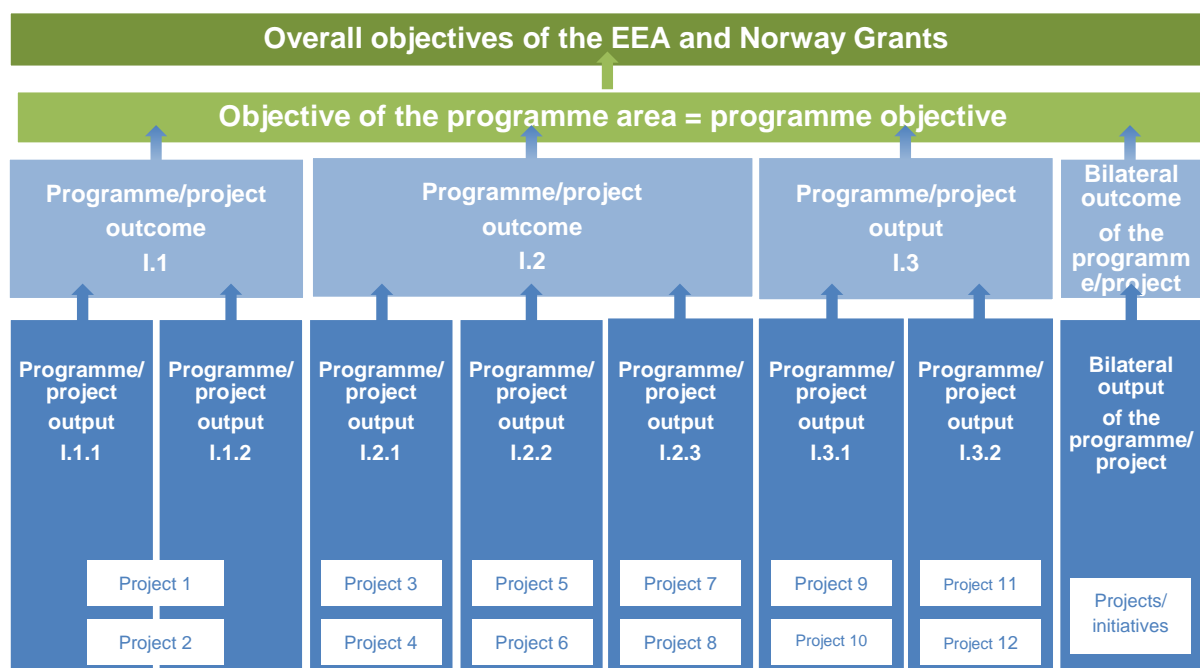


Figure 4: Schematic presentation of the programme model for *Education Programme*

The content conformity of the project proposal with appropriate areas or sub areas of the call for proposals and the selected result and output of the programme shall be measured from different aspects in the phase of project quality assessment:

- appropriate argumentation of the project, which includes a comprehensive problem analysis and is based on the available knowledge and practices;
- the conformity of project objectives with relevant national and international strategic documents and public policies' objectives for the chosen result or output;
- the relevance of outputs and outcomes of the project to the programme objectives, programme output indicators and programme outcome indicators;
- the outcomes and main outputs of the project are determined (measurable and defined) and real (they can be realised with the given means);
- the suitability of target project groups and project activities with regard to the needs of those target groups.

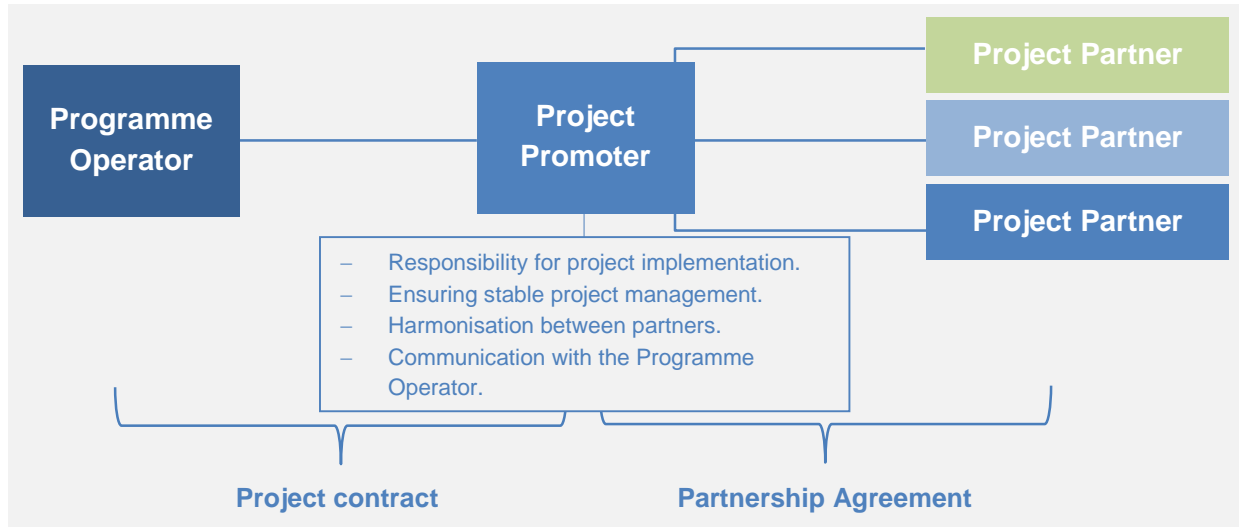
### 3.2 Development of a stable project management structure

Stable project management relates to conditions with the introduction of quality management tools. The partnership is regulated according to the **Project Promoter** and **Project Partners** principle. This means that among the project implementation entities, one of the institutions is the Project Promoter, who is responsible for the successful implementation of the entire project. The Project Promoter is responsible for ensuring stable project management, including internal communication between project partners.

It is recommended that a team is formed at the level of the Project Promoter and Project Partners, comprising the head of project, the head of finances and the head of communication activities, to ensure a good flow of information and successful coordination.

Figure 5 presents the relations between the Programme Operator, the Project Promoter and the Project Partners.

Figure 5: Project management structure



### 3.3 Introduction of effective project communication

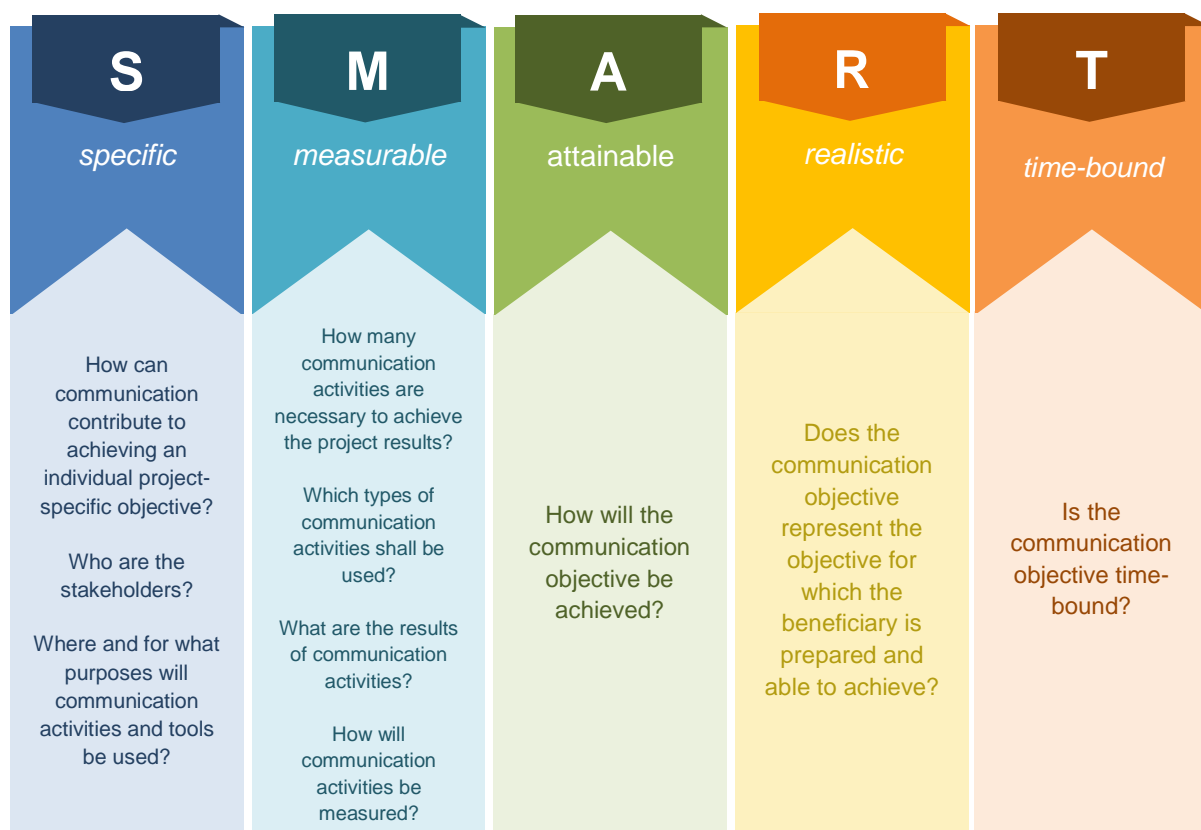
Communication plays an important role and requires diligent planning and sufficient human and financial resources. Communication activities significantly contribute to achieving the set project objectives and outcomes.

All projects must contain a **communication plan**, where the following should be considered:

- planning (determining the objectives of communication, determining target groups and objectives);
- acting (introducing the strategy/approach of the project to achieve objectives);
- assessing (regular check of activities' effectiveness).

The communication objectives shall be based on the **SMART** approach (Figure 6).

Figure 6: SMART approach



The determination of project communication objectives merely by raising awareness and/or informing about the activities and outcomes is not sufficient.

When the project communication **objectives** and **target groups** are clearly determined, you need to consider **how** (which approach) and in **what manner** (which activities) will the project achieve its communication objectives?

Communication activities and budget plan for their implementation should be described in the application form under the work package "Communication". More details about completing the application form are provided in Part 3 of the Guide for Beneficiaries.

More details about the requirements for information and communication are provided in Part 6 of the Guide for Beneficiaries.

### **3.4 Introduction of an appropriate project budget plan**

An appropriate and realistically designed project budget plan follows the project cost efficiency principle. All project costs are necessary and carefully planned to achieve the envisaged objectives, outcomes and outputs by carrying out the planned activities, which must be appropriately explained, especially if there are high costs involved. This mostly involves the explanation of the value for money, where projects follow the principle of getting the lowest price for the best quality of services or goods. When planning individual budget categories, up to 5% can be envisaged for potential non-planned expenses, which still presents an effective and realistic design of a budget plan.

The majority of funds are intended for carrying out project activities that directly contribute to the realisation of project outputs. A smaller share of funds is dedicated to support project activities (such as management). Although the call for proposals does not set a limit, it is desired that the amount of management costs do not exceed 10% of all eligible project expenditure. The following limitations must be considered for planning the project budget plan:

- the purchase of real estate and/or land can present maximum 10% of total eligible project expenditure;
- indirect office and administrative costs as a flat rate can amount to a maximum of 15% of eligible direct staff costs.

The project budget plan is compliant with the time plan for the implementation of project activities by reporting periods and is economically feasible (the Project Promoter and Project Partners have ensured the funds for the implementation of project activities to get through the period until the reimbursement of eligible expenditure).

### **3.5 From the project idea to the results**

The project development from the initial idea to project approval and its implementation is a several step process. The main steps are shown in Figure 7.

Figure 7: From the project idea to the results





### 3.6 Support within the programme

The Programme Operator ensures support, connected to the preparation of the application form and project development, specifically:

- provides information about the programme,
- provides information about the call for proposals and the call related documentation,
- provides information about the preparation and submission of the application form,
- organises informative workshops (information will be published on the website of the EEA and Norway Grants in the Republic of Slovenia),
- publishes frequently asked questions (FAQ) and answers on the website of EEA and Norway Grants in the Republic of Slovenia,
- publishes information about projects, selected for co-financing.

For any additional information during the call for proposals, please send all questions to: [nor\\_eqp.svrk@gov.si](mailto:nor_eqp.svrk@gov.si).

FAQs and answers are published on [www.eeagrants.si](http://www.eeagrants.si) and [www.norwaygrants.si](http://www.norwaygrants.si). The names of people sending questions are not published.

#### Support in searching for and making contacts with Donor Project Partners

One of the two main objectives of the EEA and Norway Grant is to increase cooperation and relations between the beneficiary and donor countries. Partnerships are therefore a fundamental part of the Grants and it offers a unique opportunity to tackle common challenges.

The form with a short presentation of the Project Promoter, the project idea and expected role of the Project Partner in the project is published on the website of the EEA and Norway Grants in the Republic of Slovenia to assist in searching for and making contact with Donor Project Partners. The Project Promoter shall send a complete form to the Programme Operator to the following address: [nor\\_eqp.svrk@gov.si](mailto:nor_eqp.svrk@gov.si) or use it to contact the identified Project Partners directly or via the below mentioned contacts.

The Royal Norwegian Embassy with its head office in Budapest that also covers the Republic of Slovenia provides support in searching for and making contacts with Donor Project Partners from Norway:

**Royal Norwegian Embassy**  
 Ostrom u. 13, H-1015 Budapest  
 E-mail: [emb.budapest@mfa.no](mailto:emb.budapest@mfa.no)  
 Tel: + 36 1 325 33 00

Within the scope of the ***Climate Change Mitigation and Adaptation Programme*** the following institution provides support in searching for and making contacts with Donor Project Partners:

**Norwegian Environment Agency – NEA**  
 Website: <https://www.miljodirektoratet.no/>  
 Contact person: Ms Kari Aa  
 E-mail: [kari.aa@miljodir.no](mailto:kari.aa@miljodir.no)  
 Tel: +47 73 58 05 00

**National Energy Office of Iceland**

Contact person: Mr Baldur Petursson

E-mail: baldur.petursson@os.is

Within the scope of the **Education Programme** the following institution provides support in searching for and making contacts with Donor Project Partners:

**Norwegian Agency for International Cooperation and Quality Enhancement in Higher Education – Direktoratet for internasjonalsisering og kvalitetsutvikling i høgare utdanning – DIKU**

Website: <https://diku.no/en/resources-and-tools/eea-and-norway-grants>, with the [contact form](#).

Information about NGOs from Donor States is available on the Active Citizens Fund website, managed by the Norwegian Helsinki Committee and the Icelandic Human Rights Centre:

**Active Citizens Fund**

Website: [www.ngonorway.org](http://www.ngonorway.org) with partner database: <https://ngonorway.org/partners/>

E-mail: [acf@nhc.no](mailto:acf@nhc.no)

**Icelandic Human Rights Centre**

Website: [www.humanrights.is](http://www.humanrights.is)

E-mail: [info@humanrights.is](mailto:info@humanrights.is)