

ADDENDUM NO 2

to

EEA and Norwegian Financial Mechanism 2014-2021

PROGRAMME AGREEMENT

for the financing of the Programme “Climate Change Mitigation and Adaptation”
hereinafter referred to as the “Programme Agreement”

between

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

and

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

Article 1

1. The Annexes to the EEA and Norwegian Financial Mechanism Programme Agreement for the financing of the Programme SK-CLIMATE “Climate Change Mitigation and Adaptation” are replaced by the Annexes sent with this Addendum.
2. The modifications contained in the new versions of the Annexes to the Programme Agreement entered into force on 16/02/2022.

Article 2

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

Signed in Brussels on 10 March 2022

Signed in Bratislava on

For the FMC and NMFA

For the National Focal Point

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

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

Annex I to the Programme Agreement

Programme Operators and Partners	
Programme Operator:	Ministry of Environment of the Slovak Republic
Donor Programme Partner:	Norwegian Directorate for Civil Protection (DSB) Norwegian Environment Agency (NEA) Norwegian Water Resources and Energy Directorate (NVE)
IPO:	-
Other Programme Partner(s):	-

Programme Objective	Climate change mitigated and vulnerability to climate change reduced
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PA	Outcome/Output	Expected programme results	Indicator	Disaggregation	Unit of measurement	Source of verification	Frequency of reporting	Baseline values	Baseline year	Target value
PA13	Outcome 1	Increased climate change resilience and responsiveness within targeted areas	Share of Slovak population benefiting from living in more climate change resilient and responsive urban areas	N/A	Percentage	Statistical data (Statistical Office of the Slovak Republic)	2021, 2025	0 %	N/A	13.5 %
			Estimated annual CO2 emissions reductions of supported entities (in tonnes)	N/A	Annual number	Energy audit reports, Energy certificates	Annually (APR)	0	N/A	28,570
			Number of people self-reporting having more climate friendly behaviour	N/A	Cumulative number	Survey results	2021, 2025	0	N/A	15,200
	Output 1.1	Action plans for mitigation and adaptation implemented	Number of action plans completed	N/A	Cumulative number	Project Promoters' records, Audio/video/print	Semi-annually (APR and	0	N/A	9

		by local authorities in urban areas					September IFR)			
			Number of climate change mitigation and adaptation measures implemented	N/A	Cumulative number	Project Promoters' records, Audio/video/print	Semi-annually (APR and September IFR)	0	N/A	142
Output 1.2	Awareness raising activities on climate change mitigation and adaptation carried out by schools		Number of schools carrying out awareness raising campaigns	N/A	Cumulative number	Project Promoters' records, Audio/video/print material	Semi-annually (APR and September IFR)	0	N/A	30
			Number of students participating in awareness raising campaigns	N/A	Cumulative number	Project Promoters' records, list of participants	Semi-annually (APR and September IFR)	0	N/A	7,600
			Number of physical climate change responsive measures carried out in schools	N/A	Cumulative number	Project Promoters' records, Audio/video/print	Semi-annually (APR and September IFR)	0	N/A	86
Output 1.3	Awareness raising activities on climate change mitigation and adaptation carried out		Number of awareness raising campaigns carried out	N/A	Cumulative number	Project Promoters' records, Audio/video/print material	Semi-annually (APR and September IFR)	0	N/A	18
			Number of attendees reached by the campaigns	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	4,500
Output 1.4	Climate change and environment education centre in		Number of new outdoor climate change mitigation and adaptation measures completed	N/A	Cumulative number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	7

		Dropie supported for additional demonstration measures and educational programmes	Estimated annual reduced energy/electricity consumption (in kWh)	N/A	Annual number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	66,521
			Number of students completing educational activities/courses	N/A	Cumulative number	Project Promoter's records, Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	1,200
			Number of local decision-makers and administrators completing workshops/courses	Gender	Cumulative number	Project Promoters' records, Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	360
PA13	Outcome 2	Enhanced ability of targeted ecosystems to adapt to climate change	Improved environmental status of supported ecosystems	N/A	Binary	Survey results	2022, 2025	No	2017	Yes
			Estimated number of people benefiting from ecosystems improvement measures	N/A	Cumulative number	Statistical data (Statistical Office of the Slovak Republic), Survey results	2022, 2025	0	N/A	3,000
	Output 2.1	Restoration of degraded wetland ecosystems	Number of wetland ecosystems supported	N/A	Cumulative number	Project Promoters' records, Audio/video/print	Semi-annually (APR and September IFR)	0	N/A	6
			Estimated area of wetland ecosystems restored (in m2)	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	600,000
			Number of awareness campaigns carried out	N/A	Cumulative number	Project Promoters' records, Audio/video/print material	Semi-annually (APR and September IFR)	0	N/A	6

PA13	Bilateral Outcome	Enhanced collaboration between beneficiary and donor state entities involved in the programme	Level of trust between cooperating entities in Beneficiary States and Donor States	State type	Scale 1-7	Survey results	Annually (APR)	TBD	N/A	4.5 ¹
			Level of satisfaction with the partnership	State type	Scale 1-7	Survey results	Annually (APR)	TBD	N/A	4.5 ²
			Share of cooperating organisations that apply the knowledge acquired from bilateral partnership	State type	Percentage	Survey results	Annually (APR)	N/A	N/A	60 %
	Bilateral Output 1	Cooperation between Donor and Beneficiary State entities supported	Number of projects involving cooperation with a Donor project partner	Donor State	Cumulative number	Copies of contracts concluded with Project Promoters, Partnership agreements between Project Promoters and project partners	Semi-annually (APR and September IFR)	0	N/A	36
			Number of training courses co-organised by donor state and beneficiary state entities	N/A	Cumulative number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	10

¹ Target is ≥ 4.5 , and an increase on the baseline value

² Target is ≥ 4.5 , and an increase on the baseline value

Conditions

General

1. For pre-defined project no. 1 (numbering under Section 5.1 of Annex II to the Programme Agreement), the National Focal Point shall ensure that the Programme Operator ensures that the appraisal foreseen in Article 6.5.3 of the Regulation is externalised and carried out by a legal entity independent of and unrelated to the Programme Operator.

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

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

Pre-eligibility

No costs shall be eligible under pre-defined project 1 (number under Section 5.1 of Annex II to the programme agreement) before a detailed description, budget and the target for energy savings under the pre-defined project has been submitted and the FMC has confirmed the grant to the project as described in Annex II to this programme agreement. A detailed overview of the financing from all funding sources and the timeline for the realisation of all the activities related to the centre shall also be provided.

Pre-payment

Not applicable

Pre-completion

Not applicable

Post-completion

Not applicable

Eligibility of costs - period	First date	Final date
Eligibility of costs	29/11/2016	31/12/2024
Grant rate and co-financing		
Programme eligible expenditure (€)		€ 21,430,588
Programme grant rate (%)		85.00 %
Maximum amount of Programme grant - EEA Financial Mechanism (€)		€ 5,000,000
Maximum amount of Programme grant - Norwegian Financial Mechanism (€)		€ 13,216,000
Maximum amount of Programme grant - Total (€)		€ 18,216,000

PA	Budget Heading	EEA Grants	Norway Grants	Total grant	Programme grant rate	Programme co-financing	Programme eligible expenditure	Advance payment
PA13	Programme management	€ 429,688	€ 945,312	€ 1,375,000	85.00 %	€ 242,647	€ 1,617,647	€ 85,000
PA13	Outcome 2 (EEA Grants)					n/a		€ 0
PA13	Outcome 2 (Norway Grants)		€ 4,080,000	€ 4,080,000	85.00 %	€ 720,000	€ 4,800,000	€ 0
PA13	Outcome 1 (EEA Grants)	€ 4,570,312		€ 4,570,312	85.00 %	€ 806,526	€ 5,376,838	€ 887,578
PA13	Outcome 1 (Norway Grants)		€ 8,190,688	€ 8,190,688	85.00 %	€ 1,445,416	€ 9,636,104	€ 1,392,343
Total³		€ 5,000,000	€ 13,216,000	€ 18,216,000	85.00 %	€ 3,214,588	€ 21,430,588	€ 2,364,921

Retention of management costs	
Retention of management costs - Percentage of the management costs	10.00 %
Retention of management costs - Planned Euro value	€ 161,765

³ The Programme co-financing rounded to 2 decimal places is € 3,214,588.24. The above discrepancy appears because of displaying numbers rounded to the whole euro. The Programme eligible expenditure rounded to 2 decimal places is € 21,430,588.24. The above discrepancy appears because of displaying numbers rounded to the whole euro.

Climate Change Mitigation and Adaptation

Operational rules (Annex II)

1. Programme summary

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

The Programme Operator is the Ministry of Environment of the Slovak Republic. The Norwegian Water Resources and Energy Directorate (NVE), the Directorate for Civil Protection and Emergency Planning (DSB) and the Norwegian Environment Energy (NEA) are the Donor Programme Partners (DPPs).

The programme objective, “Climate change mitigated and vulnerability to climate change reduced”, shall be achieved through two outcomes:

- Outcome 1: “Increased climate change resilience and responsiveness within targeted areas” The outcome will be supported by way of two calls for proposals supporting projects on action plans and measures for mitigation and adaptation implemented by local authorities in urban areas (Call 1 under the EEA FM and call 2 under the Norwegian FM). Moreover, the outcome will be supported by way of one call and one Small Grant Scheme (SGS) supporting awareness-raising on climate change (Call 3 and SGS 1 under the Norwegian FM). The SGS is particularly targeted towards primary and secondary schools. Finally, the outcome will be supported by way of one pre-defined project supporting measures, education activities and awareness-raising at the Climate change and environment education centre (Living Lab) in Dropie under the EEA FM.
- Outcome 2: “Enhanced ability of targeted ecosystems to adapt to climate change” The outcome will be supported by way of one call for proposals on restoration of degraded ecosystems (Call 4) under the Norwegian FM.

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:

	Eligible applicants (Project Promoters)	Eligible partners
Call 1 Outcome 1/Output 1.1 “Action plans for mitigation and adaptation implemented by local authorities in urban areas” <i>EEA FM</i>	Municipalities with more than 15,000 inhabitants	In accordance with Article 7.2.2 of the Regulation on the implementation of the respective Financial Mechanism
Call 2 Outcome 1/Output 1.1		

“Action plans for mitigation and adaptation implemented by local authorities in urban areas” <i>Norwegian FM</i>		
SGS Outcome 1/Output 1.2 “Awareness raising activities on climate change mitigation and adaptation carried out by schools” <i>Norwegian FM</i>	Primary and secondary schools	In accordance with Article 7.2.2 of the Regulation on the implementation of the Norwegian Financial Mechanism

2.2 *Special rules on eligibility of costs:*

Costs are eligible in accordance with chapter 8 of the Regulation.

3. Bilateral relations

3.1 *Bilateral relations*

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

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

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

4. Selection of projects and financial parameters

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

	Indicative timing	Total available amount	Maximum/Minimum grant applied for
Call 1 Outcome 1/Output 1.1 “Action plans for mitigation and adaptation implemented by local authorities in urban areas” <i>EEA FM</i>	Second semester 2019	€4,176,838	€ 1,400,000/ € 500,000
Call 2 Outcome 1/Output 1.1 “Action plans for mitigation and adaptation implemented by local authorities in urban areas” <i>Norwegian FM</i>		€7,748,465	
Call 3	Second semester 2020	€ 819,825	€ 500,000/ € 200,000

<p>Outcome 1/Output 1.3</p> <p>“Awareness raising activities on climate change mitigation and adaptation carried out”</p> <p><i>Norwegian FM</i></p>			
<p>SGS 1</p> <p>Outcome 1/Output 1.2</p> <p>“Awareness raising activities on climate change mitigation and adaptation carried out by schools”</p> <p><i>Norwegian FM</i></p>	<p>Second semester 2019</p>	<p>€ 1,067,813</p>	<p>€ 50,000/ € 20,000</p>
<p>Call 4</p> <p>Outcome 2/Output 2.1</p> <p>“Restoration of degraded wetland ecosystems”</p> <p><i>Norwegian FM</i></p>	<p>Second semester 2020</p>	<p>€4,800,000</p>	<p>€ 1,000,000/ € 200,000</p>

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. The FMC and the National Focal Point shall be invited to participate in the meetings of the Selection Committee as observers. The DPPs shall be involved as non-voting members.

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 the 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 projects, 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 projects.

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. In duly justified cases, the Programme Operator may modify the decision of the Selection Committee. If the Programme Operator, in duly justified cases, modifies the decision of the Selection Committee, it shall inform the Selection Committee and the applicants affected and provide them with a justification.

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

There will be one pre-defined project implemented under the programme:

1) “Climate change and environment education centre (Living Lab) in Dropie”

Project Promoter:	The Slovak Environment Agency (SEA)
Donor project partner:	Norwegian Bjerknes Centre for Climate Research Municipality of Trondheim
Total maximum eligible project costs:	€ 1,200,000
Project grant rate:	100%
Maximum project grant amount:	€ 1,200,000
Programme outcome the project contributes to:	“Increased climate change resilience and responsiveness within targeted areas”

The PDP aims to create a complex educational centre that ensures the acquisition of relevant knowledge and skills needed to promote and implement climate mitigation and adaptation measures and community outreach. This includes providing relevant, digestible information, knowledge and skills to negotiate, plan and implement necessary mitigation and adaptation measures for relevant stakeholders on municipal level. Moreover, the PDP will establish an indoor and outdoor *Living Lab* with practical demonstrations of mitigation and adaptation measures. The outdoor measures shall be a mix of new and traditional measures.

Work package 1: Living lab - outdoor measures

- Implementation of adaptation measures such as construction and utilization of rainwater reservoirs, system for rainwater flushing and watering, domestic waste water treatment plant; construction of a rain garden, green walls, green roofs, laying strips, planting of trees, greenery, beds of resistant, indigenous plants; adaptation measures in walkways and surfaces, universal access to the lake and parking areas and types of waterproofing materials;
- Realization of mitigation measures e.g. solar power failure back-up system, new efficient water pump, photovoltaic charging stations for bicycles and cars, photovoltaic equipment for water quality improvement in the lake; separation toilet, separating rooms for waste, small furniture, climatic playground for children and adults.

Work package 2: Living Lab - indoor measures

- Realization of project documentation for Living Lab and application of mitigation and adaptation measures in order to achieve energy passive building (photovoltaic panels, heat pump, use of traditional materials, intelligent measuring systems, recuperation).

Work package 3: Living Lab – education and awareness measures

- Youth Climate Change Living Lab - practical realization of the best/selected students' works from the student's study seminar, rewarding of students in collaboration with external expert;
- Education program for adaptation and mitigation measures for climate change for kindergartens, elementary schools and secondary schools;
- Methodological manual for schools Climate change Living Lab;
- Practical guidelines of Climate Change Living Lab measures for decision makers;
- Workshops for municipalities decision makers - Adaptation plan on climate change and tools for its promotion;
- Interactive communication for visitors on outdoor and indoor measures.

The programme agreement shall be amended following the submission of the detailed description, budget and targets for this project to the FMC.

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 level of advance payment to projects shall be set out in the project contract. The maximum level of advance payment shall be linked to the project budget and duration as follows:

Project implementation duration⁴	Advance payment	1st Interim payment	2nd Interim payment	3rd Interim payment	Final payment⁵

⁴ 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 to proceed with these payments.

⁵ Retention may be applied at the end of the implementation or pro rata from each advance payment and interim payments.

Less than 12 months	35%	55%	-	-	10%
12-24 months	25%	45%	20%	-	10%
More than 24 months	20%	30%	25%	15%	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 1 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 1 month.

The approval of project interim and final reports shall take place within 3 months from the submission of the required information.

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

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 Regulations 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 Regulations 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 NFP to meet its obligations to the Donor States.

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

6.4 *Programme administrative structures*
Not applicable.

7. Communication

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

The Programme Operator shall in the Annual Programme Reports report on the number of Project Promoters under calls 1, 2 and 4 who have completed educational and/or awareness-raising activities at the Climate change and environment education centre (Living Lab) in Dropie.

8. Miscellaneous

Not applicable.