

**EEA Financial Mechanism 2009-2014**

**PROGRAMME AGREEMENT**

between

The Financial Mechanism Committee  
established by Iceland, Liechtenstein and Norway

and

The Ministry of Finance,  
hereinafter referred to as the "National Focal Point",  
representing Estonia ,  
hereinafter referred to as the "Beneficiary State"

together hereinafter referred to as the "Parties"

for the financing of the Programme "Scholarship "

hereinafter referred to as the "Programme"

## Chapter 1

### Scope, Legal Framework, and Definitions

#### Article 1.1

##### Scope

This programme agreement between the Financial Mechanism Committee (hereinafter referred to as the FMC) and the National Focal Point lays down the rights and obligations of the Parties regarding the implementation of the Programme and the financial contribution from the EEA Financial Mechanism 2009-2014 to the Programme.

#### Article 1.2

##### Legal Framework

1. This programme agreement shall be read in conjunction with the following documents which, together with this programme agreement, constitute the legal framework of the EEA Financial Mechanism 2009-2014:

- a. Protocol 38b to the EEA Agreement on the EEA Financial Mechanism 2009-2014;
- b. the Regulation on the implementation of the EEA Financial Mechanism 2009-2014 (hereinafter referred to as the "Regulation") issued by the Donor States in accordance with Article 8(8) of Protocol 38b;
- c. the Memorandum of Understanding on the Implementation of the EEA Financial Mechanism 2009-2014 (hereinafter referred to as the "MoU"), entered into between the Donor States and the Beneficiary State; and
- d. any guidelines adopted by the FMC in accordance with the Regulation

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

3. The legal framework is binding for the Parties. An act or omission by a Party to this programme agreement that is incompatible with the legal framework constitutes a breach of this programme agreement by that Party.

#### Article 1.3

##### Definitions

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

## Article 1.4

### Annexes and hierarchy of documents

1. The programme decision, including the financial plan (Annex I), and the operational rules (Annex II) form an integral part of this programme agreement. Any reference to this programme agreement includes a reference to its annexes unless otherwise stated or clear from the context.

2. The provisions of the annexes shall be interpreted in a manner consistent with this programme agreement. Should the meaning of any provision of the said annexes, so interpreted, remain inconsistent with this programme agreement, the provisions of the former shall prevail, provided that these provisions are compatible with the Regulation.

3. Commitments, statements and guarantees, explicit as well as implicit, made in the programme proposal are binding for the National Focal Point and the Programme Operator unless otherwise explicitly stipulated in the annexes to this programme agreement.

## Chapter 2

### The Programme

#### 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 programme agreement.

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

4. In executing this programme 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 programme agreement.

## Article 2.2

### Main responsibilities of the Parties

1. The National Focal Point is responsible and accountable for the overall management of the EEA Financial Mechanism 2009-2014 in the Beneficiary State and for the full and correct implementation of this programme agreement. In particular, the National Focal Point undertakes to:

- a. comply with its obligations stipulated in the Regulation and this programme agreement;
- b. ensure that the Certifying Authority, the Audit Authority, the Monitoring Committee and the Programme Operator properly perform the tasks assigned to them in the Regulation, this programme agreement and the programme implementation agreement;
- c. take all necessary steps to ensure that the Programme Operator is fully committed and able to implement and manage the Programme;
- d. take the necessary measures to remedy irregularities in the implementation of the Programme and ensure that the Programme Operator takes appropriate measures to remedy irregularities in Projects within the Programme, including measures to recover misspent funds;
- e. make all the necessary and appropriate arrangements in order to strengthen or change the way the Programme is managed.

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

## Article 2.3

### Objective and outcomes of the Programme

1. The programme decision sets out the objective, outcome(s), outputs, indicators and targets for the Programme.
2. The National Focal Point shall ensure that the Programme Operator implements and completes the Programme in accordance with the objective, outcome(s), outputs, indicators and targets set for the Programme.

## Article 2.4

### Programme grant

1. The maximum amount of the programme grant, the programme grant rate, and the estimated eligible cost of the Programme shall be as specified in the programme decision.

2. In case the Programme is also supported by the Norwegian Financial Mechanism, this programme agreement shall be interpreted in conjunction with the agreement regulating that support.

3. The financial plan shall:

- a. contain a breakdown between the Programme's budget headings using the description put forward in the template for the programme proposal;
- b. indicate the agreed advance payment, if any.

4. The management cost of the Programme Operator shall not exceed the amount specified in the programme decision.

## Article 2.5

### Special conditions and programme specific rules

1. The programme decision shall list any conditions set by the FMC with reference to paragraph 3 of Article 5.3 of the Regulation. The National Focal Point shall ensure compliance with these conditions and, in a timely manner, take the necessary steps to ensure their fulfilment.
2. The National Focal Point shall ensure compliance with any other programme specific rules laid down in the operational rules.

## Article 2.6

### Programme implementation agreement

1. With reference to Article 5.8 of the Regulation and without prejudice to paragraph 2 thereof, the National Focal Point shall, before any payment is made to the Programme, sign a programme implementation agreement with the Programme Operator. The National Focal Point shall notify the FMC of such signing.
2. The signed programme implementation agreement shall be identical to the draft programme implementation agreement confirmed by the FMC in accordance with paragraph 5 of Article 5.8 of the Regulation with regard to the content required according to paragraph 3 thereof. The National Focal Point shall inform the FMC of any deviation from that confirmed draft which may be subject to a new confirmation according to paragraph 5 of Article 5.8 of the Regulation prior to any payment to the Programme.

## Article 2.7

### Reporting

The National Focal Point shall ensure that the Programme Operator provides financial reports, annual programme reports and a final programme report in accordance with Chapter 8 and Articles 5.11 and 5.12 of the Regulation as well as statistical reporting in accordance with the Programme Operator's Manual (Annex 9 to the Regulation).

## Article 2.8

## External monitoring

The external monitoring and audit referred to in Articles 10.1, 10.2, 10.3 and 10.4 of the Regulation shall not in any way relieve the National Focal Point or the Programme Operator of its obligations under the programme agreement regarding monitoring of the Programme and/or its projects, financial control and audit.

## Article 2.9

## Modification of the Programme

1. Unless otherwise explicitly stipulated in this programme agreement, any modification of the Programme is subject to prior approval by the FMC.
2. Modifications that do not affect the objective, outcomes, outputs, indicators or targets of the Programme are permitted without FMC's prior approval provided that they are limited to the following:
  - a. cumulative transfers between budget headings related to outcomes of an amount less than 10 % of total eligible expenditure of the Programme or € 1,000,000, whichever is higher, and
  - b. changes of internal practices of the Programme Operator that are not stipulated in the programme agreement.
3. Programme specific exceptions from paragraphs 1 and 2, if any, are set in the operational rules.
4. Expenditures incurred in breach of this article are not eligible.
5. Should there be a doubt as to whether the proposed modifications require approval by the FMC, the National Focal Point shall consult the FMC before such modifications take effect.
6. Requests for modifications shall be submitted and assessed in accordance with Article 5.9 of the Regulation.

## Article 2.10

## Communication

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

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.

4. The FMC shall ensure that the National Focal Point is informed about communication between the FMC and the Programme Operator that is relevant for the responsibilities of the National Focal Point under this programme agreement.

## Article 2.11

## Contact information

1. The contact information of the National Focal Point and the Programme Operator is as specified in the programme proposal.
2. The contact information for the FMC and the Financial Mechanism Office are:  
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 programme agreement.

## Article 2.12

## Representations and Warranties

1. This programme agreement and the awarding of the programme grant is based on information provided by, through, or on behalf of the National Focal Point to the FMC in the programme proposal or other communication prior to the signing of this programme agreement.

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

## Chapter 3 Projects

### Article 3.1 Selection of projects

1. The National Focal Point shall ensure that the Programme Operator selects projects in accordance with Chapter 6 of the Regulation and the operational rules.
2. Eligibility of applicants is stipulated in Article 6. 2 of the Regulation and, in accordance with paragraph 3 thereof, subject only to the limitations stipulated in the operational rules.
3. Pre-defined projects shall be outlined in the operational rules.
4. The National Focal Point shall take proactive steps to ensure that the Programme Operator complies fully with Article 6.6 of the Regulation.

### Article 3.2 Project contract

1. For each approved project a project contract shall be concluded between the Programme Operator and the Project Promoter.
2. In cases where a project contract cannot, due to provisions in the national legislation, be made between the Programme Operator and the Project Promoter, the Beneficiary State may instead issue a legislative or administrative act of similar effect and content.
3. The content and form of the project contract shall comply with Article 6.7 of the Regulation.
4. The National Focal Point shall ensure that the obligations of the Project Promoter under the project contract are valid and enforceable under the applicable law of the Beneficiary State.

### Article 3.3 Project partners and partnership agreements

1. A project may be implemented in a partnership between the Project Promoter and project partners as defined in paragraph 1(w) of Article 1.5 of the Regulation. If a project is implemented in such a partnership, the Project Promoter shall sign a partnership agreement with the project partners with the content and in the form stipulated in Article 6.8 of the Regulation.
2. The partnership agreement shall be in English if one of the parties to the agreement is an entity from the Donor States.
3. The eligibility of expenditures incurred by a project partner is subject to the same limitations as would apply if the expenditures were incurred by the Project Promoter.

4. The creation and implementation of the relationship between the Project Promoter and the project partner shall comply with the applicable national and European Union law on public procurement as well as Article 7.16 of the Regulation.

5. The National Focal Point shall ensure that the Programme Operator verifies that the partnership agreement complies with this article before the signing of the project contract.

### Article 3.4 Reallocation of funds

1. Reallocation of unused or cancelled financial contributions to projects shall be made in compliance with Article 6.9 of the Regulation.
2. Project grants not reallocated shall be reimbursed to the FMC in accordance with Article 6.9 of the Regulation.

## Chapter 4 Finance

### Article 4.1 Eligible expenditures

1. Subject to Article 7.6 of the Regulation, eligible expenditures of this Programme are:
  - a. management costs of the Programme Operator in accordance with the detailed budget in the financial plan;
  - b. payments to projects within this Programme in accordance with the Regulation, this programme agreement and the project contract;
  - c. expenditure of funds for bilateral relations in accordance with Article 7.7 of the Regulation;
2. Expenditure related to the categories referred to in subparagraphs (d), (e) and (f) of Article 7.1 of the Regulation are eligible in accordance with Chapter 7 thereof if such expenditures are explicitly approved by the FMC in the programme decision. The implementation of the activities under these categories shall be in compliance with the operational rules.
3. Eligible expenditures of projects are those actually incurred by the Project Promoter or project partners, meet the criteria set in Article 7.2 of the Regulation and fall within the categories and fulfil the conditions of direct eligible expenditure set in Article 7.3 of the Regulation as well as indirect costs in accordance with Article 7.4 of the Regulation.

## Article 4.5

## Irregularities, suspension and reimbursements

4. The first date of eligibility of expenditures in projects shall be set in the project contract in accordance with Article 7.14 of the Regulation. The first date of eligibility of any pre-defined projects shall be no earlier than the date on which the National Focal Point notifies the FMC of a positive appraisal of the pre-defined projects by the Programme Operator in accordance with paragraph 3 of Article 5.5 of the Regulation.

5. The maximum eligible costs of the categories referred to in paragraphs 1 and 2 are set in the programme decision. Programme specific rules on the eligibility of expenditure set in the programme decision or in the operational rules shall be complied with.

## Article 4.2

## Proof of expenditure

Costs incurred by Programme Operators, Project Promoters and project partners shall be supported by documentary evidence as required in Article 7.13 of the Regulation.

## Article 4.3

## Payments

1. Payments to the Programme shall be made when all relevant conditions for payments stipulated in this programme agreement and the Regulation have been fulfilled.

2. Payments to the Programme 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 Regulation.

3. Payments of the project grant to the Project Promoters may take the form of advance payments, interim payments and payments of the final balance. The level of advance payments and their off-set mechanism is set in the operational rules.

4. The National Focal Point shall ensure that payments are transferred in accordance with paragraph 2 of Article 8.1 of the Regulation.

5. Chapter 8 of the Regulation shall apply to all aspects related to payments, including currency exchange rules and handling of interests on bank accounts.

## Article 4.4

## Transparency and availability of documents

The National Focal Point shall ensure an audit trail for financial contributions from the EEA Financial Mechanism 2009-2014 to the Programme in accordance with Article 8.8 of the Regulation.

The FMC has the right to make use of the remedies provided in the Regulation, 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 Regulation regarding irregularities, suspension of payments, financial corrections and reimbursement are complied with.

## Chapter 5

## Final provisions

## Article 5.1

## Dispute settlement

1. The Parties waive their rights to bring any dispute related to the programme 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 FMC 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 5.2

## Termination

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

a. a general suspension decision according to Article 12.6 of the Regulation or a decision to suspend payments according to paragraph 1(h) of Article 12.1 of the Regulation has not been lifted within 6 months of such a decision;

b. a suspension of payments according to Article 12.1 of the Regulation, 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 Regulation has not been complied with within one year from such a decision;

d. the Programme Operator becomes bankrupt, is deemed to be insolvent, or declares that it does not have the financial capacity to continue with the implementation of the Programme; or

e. the Programme Operator has, in the opinion of the FMC, been engaged in corruption, fraud or similar activities or has not taken the appropriate measures to detect or prevent such activities or, if they have occurred, nullify their effects.

2. This programme 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 5.1 or the right of the FMC to make use of the remedies provided in Chapter 12 of the Regulation.

Article 5.3  
Waiver of responsibility

1. Any appraisal of the Programme undertaken before or after its approval by the FMC, does not in any way diminish the responsibility of the National Focal Point and the Programme Operator to verify and confirm the correctness of the documents and information forming the basis of the programme agreement.

2. Nothing contained in the programme agreement shall be construed as imposing upon the FMC or the FMO any responsibility of any kind for the supervision, execution, completion, or operation of the Programme or its projects.

3. The FMC does not assume any risk or responsibility whatsoever for any damages, injuries, or other possible adverse effects caused by the Programme or its projects including, but not limited to inconsistencies in the planning of the Programme or its projects, other project(s) that might affect it or that it might affect, or public discontent. It is the full and sole responsibility of the National Focal Point and the Programme Operator to satisfactorily address such issues.

4. Neither the National Focal Point, the Programme Operator, entities involved in the implementation of projects, nor any other party shall have recourse to the FMC for further financial support or assistance to the Programme in whatsoever form over and above what has been provided for in the programme agreement.

5. Neither the European Free Trade Association, its Secretariat, including the FMO, its officials or employees, nor the FMC, its members or alternate members, nor the EFTA States, can be held liable for any damages or injuries of whatever nature sustained by the National Focal Point or the Beneficiary State, the Programme Operator, Project Promoters or any other third person, in connection, be it direct or indirect, with this programme agreement.

6. Nothing in this programme agreement shall be construed as a waiver of diplomatic immunities and privileges awarded to the European Free Trade Association, its assets, officials or employees.

Article 5.4  
Entry into force and duration

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

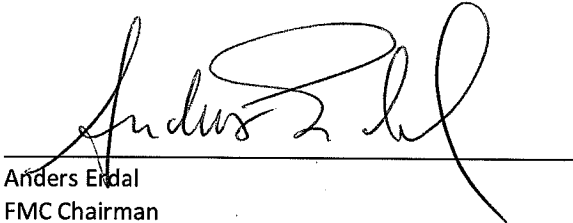
2. This programme agreement shall remain in force until five years have elapsed after the date of the acceptance of the final programme report.

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

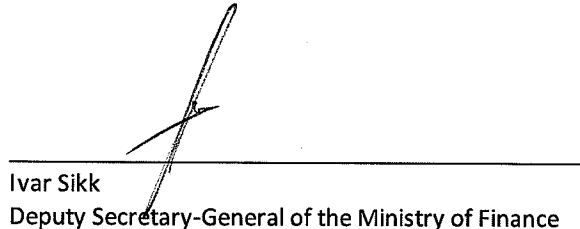
For the FMC

Signed in Oslo on 19.4.2013

  
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Anders Erdal  
FMC Chairman

For the National Focal Point

Signed in Tallinn on 02.05.2013

  
\_\_\_\_\_  
Ivar Sikk  
Deputy Secretary-General of the Ministry of Finance

## Annex I - Programme Decision

### 1. Expected Outcomes & Indicators for Outputs

#### Expected Outcome(s):

Increased and strengthened institutional cooperation at all levels of the education sector (school education, higher education, vocational training/education and adult education) between Beneficiary and EEA EFTA States

#### Output

Inter-institutional cooperation projects in the upper secondary education sector between Estonia and EEA EFTA States

Output indicator(s)	Baseline	Target	Source of Verification
Number of projects where new teaching tools or methods are being developed or prepared	0	4	According to projects reports: progress reports financial statements, annual reports to the FO and monitoring visits
Number of projects where school management and development plans are being developed or prepared in order to integrate environmental and sustainability issues	0	4	According to projects reports: progress reports financial statements, annual reports to the FO and monitoring visits

#### Output

Increased mobility for staff related to the inter-institutional cooperation projects at upper secondary education level

Output indicator(s)	Baseline	Target	Source of Verification
Number of teachers of upper education schools and vocational schools benefiting	0	20	According to projects reports: progress reports financial statements, annual reports to the FO and monitoring visits. Individual feedback to home institution
Number of educational officers from school owner institutions, members of school councils and school managers benefiting	0	20	According to projects reports: progress reports financial statements, annual reports to the FO and monitoring visits. Individual feedback to home institution

#### Output

Preparing and working on innovative measures in teaching process (as the result of the cooperation projects)

Output indicator(s)	Baseline	Target	Source of Verification
Number of new teaching tools or methods that have been developed or prepared	0	4	According to projects reports: progress reports financial statements, annual reports to the FO and monitoring visits. Individual feedback to home institution
Number of developed or prepared school management and development plans where environmental and sustainability issues are integrated	0	4	According to projects reports: progress reports financial statements, annual reports to the FO and monitoring visits. Individual feedback to home institution

## 2. Conditions

### 2.1 General

- 1) Bilateral, outcome and output indicators shall be reported on in the Annual Programme Report. More qualitative bilateral indicators reflecting the increased country and education sector knowledge of the cooperating countries shall be developed.
- 2) The indicators under section 1. above shall be revised and submitted to the FMO for approval prior to the first disbursement to the projects.

### 2.2 Pre-eligibility

Not applicable.



**2.3 Pre-payment**

Not Applicable.

**2.4 Pre-completion**

Not applicable.

**2.5 Post-completion**

Not applicable.

**2.6 Other**

Not applicable.

**3. Eligibility of costs****3.1 Eligibility of costs - period**

Eligibility of costs (excluding prog prep costs): 20/12/2012-30/04/2017

Eligibility of programme proposal preparation costs: 10/06/2011-19/12/2012

**3.2 Grant rate and co-financing**

Programme estimated total cost (€)	€666,667
Programme estimated eligible cost (€)	€666,667
Programme grant rate (%)	90.0000%
Maximum amount of Programme grant (€)	€600,000

**3.3 Maximum eligible costs (€) and Advance payment amount (€)**

Budget heading	Eligible expenditure	Advance payment*
Programme management	€60,000	€15,375
Increased and strengthened institutional cooperation at all levels of the education sector (school education, higher education, vocational training/education and adult education) between Beneficiary and EEA EFTA States	€568,811	€227,405
Fund for bilateral relations	€30,000	€13,125
Complementary action	€5,625	€375
Preparation of programme proposal	€2,231	€2,231
Reserve for exchange rate losses	€0	€0
<b>Total</b>	<b>€666,667</b>	<b>€258,511</b>

\* The advance payment is composed of €232,660 in grant amount and €25,851 in co-financing.

**3.4 Retention of management costs**

Retention of management costs - percentage of the management costs	10.00%
Retention of management costs - planned Euro value	€2,025

**3.5 Small Grant Scheme**

Not applicable

## Annex II - Operational Rules

### 1. Eligibility

#### 1.1 Eligible measures (sub-measures if any):

The Programme Operator is the Ministry of Education and Research of the Republic of Estonia (MoER). The Archimedes Foundation will act as Fund Operator.

The Donor Programme Partners are the Icelandic Centre for Research (RANNIS), Iceland; the National Agency for International Education Affairs (AIBA), Liechtenstein; and the Norwegian Centre for International Cooperation in Education (SIU), Norway (lead DPP).

The EEA Scholarship and the Norwegian-Estonian Scholarship Programme will be implemented jointly. In addition, they will be linked with the Norwegian-Estonian Research Cooperation Programme (RCP) under the Norwegian Financial Mechanism (EE06).

The programme comprises the following measures:

Measure 1: Preparatory visits (to be funded from the bilateral fund).

The measure supports the mobility of staff in:

- Higher educational institutions wishing to establish contacts with prospective partner institutions with a view to establishing an inter-institutional agreement relating to student, academic and administrative staff mobility.
- Upper secondary education level institutions wishing to establish a cooperation project.
- Research organisations wishing to establish contacts with prospective Norwegian partner institution(s) in order to participate in the RCP.

Measure 2: Mobility projects in higher education, which consist of student and staff mobility

Student mobility

- Study periods of three up to 12 months, normally not shorter than one semester, and within one academic year.
- Practical placements of six weeks up to 12 months within one academic year.
- Participation in research projects funded by the Estonian-Norwegian Research Cooperation Programme for a period of six weeks up to six months within one academic year (applies only for the call in 2014). Degree students mobility for participating in research projects supported from the RCP.

Academic and administrative staff mobility

- Short teaching assignments for a period up till six weeks. A minimum requirement of teaching is five teaching hours per assignment
- Participation in conferences, seminars, workshops and other training events or work shadowing for a period of one day till six weeks.

Measure 5: Inter-institutional cooperation in education/training

- Inter-institutional cooperation projects between institutions and organisations engaged in education in Estonia and the EEA EFTA states on topics relevant for upper secondary level education, with special focus on the priorities set in the Programme and in the call for proposals.

#### 1.2 Eligible applicants:

The rules on eligibility of applicants are set in Article 6.2 of the Regulation. The following specifications apply to this Programme:

Measure 1:

- The following institutions from all the participating countries (i.e. Estonia, Norway, Iceland and Liechtenstein) can apply for funding:
  - Higher education institutions, owners of Erasmus University Charter (EUC), or placement consortia
  - Upper secondary education level institutions - upper secondary schools, vocational secondary schools
  - Research institutions (applies only for the call in 2013)
  - Applications are submitted by institutions and cover usually one, in exceptional cases two individuals.

Measure 2:

- Estonian educational institutions holding European University Charter (EUC);
- Estonian placement consortiums working together to facilitate placements for HE students (group of HEIs that are holders EUC, and possibly other organisations (enterprises, associations, chambers of commerce, foundations, etc.); and
- Estonian educational institutions holding EUC with a special focus on degree students and staff related to approved research

projects financed by the RCP.

Measure 5:

- Estonian upper secondary education level schools i.e. upper secondary schools and vocational secondary schools.

1.3 Special rules on eligibility of costs:

Chapter 7 of the Regulation contains the rules on eligibility of costs. In-kind will not be eligible.

## 2. Financial parameters

2.1 Minimum and maximum grant amount per project:

Measure 1:

Support for preparatory visits is provided in the form of an individual mobility grant issued to the home institution of the visiting person. Eligible items for preparatory visits are: a) subsistence costs (accommodation included), b) travel costs, and c) insurance and seminar fees.

Travel costs are covered on the basis of real costs, while subsistence allowances are covered based on country-specific maximum rates submitted as Annex VI to the Programme proposal.

Measure 2:

Grants to natural persons will be calculated as a lump sum. Eligible items are: a) monthly stipend b) allocation for study material; c) travel costs, insurance and conference fees; and d) tuition fees. Country-specific maximum rates for travel costs and subsistence costs were submitted as Annex VI to the Programme proposal.

The maximum rate for organisation of mobility in Estonia will be 225-390 euros per person, based on the number of incoming and outgoing mobility, as described in Annex VI to the programme proposal.

The maximum rates for sending institutions/consortia for the organisation of mobility are calculated per person and on the basis of the rates set by the European Commission for LLP Erasmus programme. The payments are made according to these rates and the beneficiary institutions/consortia do not have to justify the costs incurred. Maximum rates for sending institutions/consortia for the organisation of mobility are further specified in Annex IV to the Programme proposal.

Measure 5:

The minimum amount of grant assistance applied for is €50,000; the maximum amount is €80,000.

2.2 Project grant rate:

Measure 1:

Maximum rates in accordance with Annex VI to the Programme proposal apply to activities under this measure. Any remaining costs shall be provided or obtained by the beneficiary.

Measure 2:

Maximum rates in accordance with Annex VI to the Programme proposal apply to activities under this measure. Any remaining costs shall be provided or obtained by the beneficiary.

Measure 5:

Grants from the Programme will not exceed 90% of total eligible project costs. The remaining costs of the project shall be provided or obtained by the beneficiary.

## 3. Selection of projects

3.1 Selection procedures:

Measure 1:

In accordance with Article 6.5.8 of the Regulation, a simplified selection procedure will apply, which follows the scheme of LLP Erasmus preparatory visits.

Each application that meets the administrative and eligibility criteria will be reviewed by an impartial expert, which may be a staff member of the Fund Operator. The Fund Operator will develop standardised checklists and assessment forms. The Fund Operator's grant award proposal will be submitted to and must be approved by the Selection Committee.

Measure 2:

In accordance with Article 6.5.8 of the Regulation, a modified selection procedure will apply, which follows the scheme of LLP/Erasmus student mobility procedures.

Based on the applications received, the Fund Operator will establish a ranking list for the allocation of funds to higher education institutions. The list will be submitted to the Selection Committee, who will make a final selection. The selection of individuals will be done by their home HEIs.

**Measure 5:**

The project selection procedures are in compliance with Articles 6.1 and 6.5 of the Regulation. The tasks of the Selection Committee will be set up in accordance with the rules set in the Article 6.4 of the Regulation.

The project selection procedures are in compliance with Articles 6.4 and 6.5 of the Regulation. The selection procedure will be organised on the basis of a peer review system (independent experts). The Fund Operator has an existing pool of experts, which was formed for the evaluation of actions under the Lifelong Learning Programme.

The evaluation of grant applications is based on formal eligibility checks and a quality assessment. The Fund Operator will develop standardized checklists and assessment forms. The formal eligibility check performed by the Fund Operator will result in a list of grant applications that will be submitted to the independent experts for a quality assessment.

The Fund Operator will provide a list of ranked grant applications to the Selection Committee that will make a proposal for grant applications to be accepted, rejected or put on a reserve list. The grant award decision shall be based on the grant award proposal prepared by the Selection Committee.

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

For all calls: The Programme Operator shall, in cooperation with the Norwegian Embassy in Tallinn, ensure that the information regarding the open calls reaches as broad an audience as possible, including the Russian-speaking minority in Estonia.

**Measure 1:**

There shall be one rolling call for applications, which will make available €80,000 for the years 2013-2014. The call shall be launched no later than in the first quarter of 2013 and shall be kept open until all funds are committed, but no later than the first quarter of 2015.

**Measure 2:**

There shall be at least two calls for applications. The calls shall be launched no later than in the first quarter of the years 2013 and 2014, respectively. The calls shall make available €474,009 each.

In case of an insufficient number of applications, insufficient value, or insufficient quality of the applications submitted in the planned calls, a third call may be launched no later than in the first quarter of 2015 to allocated any unused funds.

All calls shall be open at least for 2 months.

**Measure 5:**

There shall be at least two calls for applications. The calls shall be launched no later than in the first quarter of the years 2013 and 2014, respectively. The calls shall make available €284,405 in 2013 and €284,406 in 2014.

In case of an insufficient number of applications, insufficient value, or insufficient quality of the applications submitted in the planned calls, a third call may be launched no later than in the first quarter of 2015 to allocated any unused funds.

All calls shall be open at least for 2 months.

**3.3 Selection criteria:**

For all three measures, the selection criteria will take into account formal/administrative and content-related/quality aspects.

The following selection criteria will be taken into account:

**Measure 1: Preparatory visits**

- Content and duration
- Relevance

**Measure 2: Higher education student and staff mobility:**

- Relevance

- Quality of the application

#### Measure 5: Institutional co-operation in the education sector

- Objectives and relevance
- Quality of the work programme
- Quality of the partnership
- Expected impact
- Quality of dissemination of results
- Coherence of budget planning

Social sustainability issues, in particular initiatives that help combat discrimination and intolerance, shall be reflected in the selection criteria in the open calls and shall be reported on to the Donors.

The final selection criteria shall be discussed in the Cooperation Committee and will be included in the text of the call for proposals.

## **4. Payment flows, verification of payment claims, monitoring and reporting**

### 4.1 Payment flows

Payments towards the final beneficiaries will be in the form of advance payments, interim payments and a final payment in the form of a reimbursement of incurred expenditure. Payments are made on the basis of approved interim reports.

An advance payment depending on project duration of up to 40% - 80% of grant awarded will be paid after the Project Contract is signed. The total pre-financing payments may not exceed 80% of the total grant awarded. Interim payments will be made on the basis of approved interim reports. A request for an interim payment can be made when at least 70% of the previous payments have been reported as incurred cost.

The final payment shall be made after the approval of the final report.

### 4.2 Verification of payment claims

Verification and approval of project interim reports and final reports will be conducted by the Fund Operator. Project Promoters shall submit interim reports and supporting documents to the Fund Operator within the deadlines specified by the Fund Operator. Interim reports shall contain information on project progress, interim payment requests, and incurred expenditure, and shall be submitted to the Fund Operator. Verification and approval of interim reports will be performed by the Fund Operator.

The procedure for verification of Interim project reports, periodicity of reporting periods, and deadlines for reporting outlined in the Programme proposal will further be detailed in the description of the Programme Operator's Management and Control Systems according to Article 4.8.2 of the Regulation.

### 4.3 Monitoring and reporting

The monitoring and reporting for this Programme is described in the Monitoring Plan attached to the Programme Proposal as Annex II.

## **5. Additional mechanisms within the programme**

### 5.1 Funds for bilateral relations

€80,000 from the funds for bilateral relations at Programme level will be used to fund measure 1. Further information is provided in the relevant sections of this Annex II.

From the remaining funds, the Programme Operator in Cooperation with the Fund Operator will organize a national valorisation conference no later than in the first quarter of 2017 for exchange, sharing and transfer of knowledge, technology, experience and best practices between Project Promoters and entities in the Donor States. The conference will be used to disseminate and exploit at national level the results of the activities supported under the Programme.

### 5.2 Complementary action

€15,000 of the Programme budget will be set aside for complementary action. Complementary action under this Programme must facilitate the participation of relevant stakeholders in events/seminars/activities agreed with the Donors.

Complementary action under this Programme shall be further defined by the Programme Operator in accordance with Article 7.11 of the Regulation.

### 5.3 Reserve for exchange rate losses

Not applicable.

5.4 Small Grant Schemes

Not applicable.

**6. Pre-defined projects**

Not Applicable.

**7. Modification of the programme**

The rules on modifications of Programmes are in Article 5.9 of the Regulation and Article 2.9 of the Programme Agreement.

**8. Programme proposal version**

Any reference to the Programme proposal in this Programme Agreement shall be interpreted as version signed by the Programme Operator on 09 February 2012 including any subsequent correspondence and communication between the Donors, the Financial Mechanism Office, the National Focal Point and the Programme Operator.

**9. Miscellaneous**

Not Applicable.