

## **ADDENDUM**

to

**Norwegian Financial Mechanism 2009-2014**

### **PROGRAMME AGREEMENT**

for the financing of the Programme “Research Cooperation”  
hereinafter referred to as the “Programme Agreement”

between

The Norwegian Ministry of Foreign Affairs  
hereinafter referred to as the “NMFA”

and

The Ministry of Finance  
hereinafter referred to as the “Focal Point”,  
representing Estonia,  
hereinafter referred to as the “Beneficiary State”  
together hereinafter referred to as the “Parties”

Article 1

1. The Annexes to the Norwegian Financial Mechanism Programme Agreement for the financing of the Programme EE06 “Research Cooperation” are replaced by the Annexes sent with this addendum.
2. The modifications contained in the new versions of Annex I and Annex II to the Programme Agreement entered into force on the 1<sup>st</sup> October 2014.

Article 2

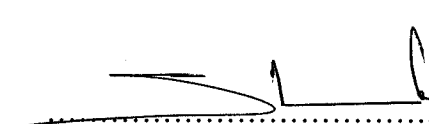
1. This addendum and the Annexes accompanying it constitute an integral part of the Programme Agreement. Except from the modifications stated above, the Programme Agreement remains unchanged.

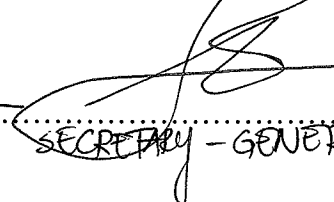
Signed in Brussels on... <sup>2/14/2014</sup> /.../2014

For the NMFA

Signed in <sup>30.10.2014 parandus sigl</sup> VIKOTALI on <sup>30.10.2014</sup> /.../2014

For the Focal Point

  
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Stine Andresen  
Director  
Financial Mechanism Office

  
.....  
SECRETARY - GENERAL

## Annex I - Programme Decision

### 1. Expected Outcomes & Indicators for Outputs

**Expected Outcome(s):** Increased research cooperation between Norway and the Beneficiary States

#### Output

Cooperating research institutions

Output indicator(s)	Baseline	Target	Source of Verification
The number of cooperating research institutions of Estonia	0	15	Research institutions participating in the financed research projects
The number of cooperating research institutions of Norway	0	15	Research institutions participating in the financed research projects

#### Output

Cooperating researchers

Output indicator(s)	Baseline	Target	Source of Verification
The number of cooperating Estonian researchers	0	45	Researchers participating in the financed research projects
The number of cooperating Norwegian researchers	0	30	Researchers participating in the financed research projects
The number of female project leaders	0	6	Researchers participating in the financed research projects
Percentage of researchers supported by the programme that are female	0	30	Researchers participating in the financed research projects

**Expected Outcome(s):**

Strengthened research capacity in the Beneficiary States and increased application of research results through research cooperation between Norway and the Beneficiary States

#### Output

Experts visits to Estonia

Output indicator(s)	Baseline	Target	Source of Verification
The number of Norwegian scientists coming to Estonia for a short period of time	0	15	The number of high-level Norwegian scientists involved in the Programme

#### Output

Staff exchange visits to access unique facilities or training opportunities

Output indicator(s)	Baseline	Target	Source of Verification
The number of researchers participating in the staff exchange visits	0	15	Staff exchange visits to strengthen researchers capacity in Estonia
Number of PhD students participated in the staff exchange visits	0	15	PhD students participating in the financed research projects

## 2. Conditions

### 2.1 General

1. The National Focal Point shall ensure that any public support under this Programme complies with the procedural and

substantive State Aid rules applicable at the time when the public support is granted. The National Focal Point shall, by way of the Programme Implementation Agreement, ensure that the Programme Operator maintains written records of all assessments concerning compliance with State Aid rules, particularly decisions to award grants and set grant rates, and provides such records to the NMFA upon request. The approval of the Programme by the NMFA does not imply a positive assessment of such compliance.

2. Bilateral, output and outcome indicators shall be reported on in the annual report.
3. A methodology on the calculation of the flat rate to be applied to indirect eligible costs (overheads) in accordance with Article 7.4.1(b) of the Regulation shall be submitted to the FMO no later than two weeks prior to the deadline for providing to the NMFA the text of the call for proposals, as required by Article 6.3.4 of the Regulation.
4. The portion of the advance payment corresponding to the Programme's Outcomes shall be disbursed no later than one month after the deadline for receipt of applications under the call for proposals.

## 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

## 3. Eligibility of costs

### 3.1 Eligibility of costs - period

Eligibility of costs (excluding prog prep costs): 30/10/2012-31/12/2017

Eligibility of programme proposal preparation costs: 09/06/2011-29/10/2012

### 3.2 Grant rate and co-financing

Programme estimated total cost (€)	€3,333,333
Programme estimated eligible cost (€)	€3,333,333
Programme grant rate (%)	90.0000%
Maximum amount of Programme grant (€)	€3,000,000

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

Budget heading	Eligible expenditure	Advance payment*
Programme management	€294,996	€150,966
Increased research cooperation between Norway and the Beneficiary States	€1,479,166	€631,810
Strengthened research capacity in the Beneficiary States and increased application of research results through research cooperation between Norway and the Beneficiary States	€1,479,167	€631,811
Fund for bilateral relations	€50,000	€12,500
Complementary action	€25,000	€3,250
Preparation of programme proposal	€5,004	€5,004
Reserve for exchange rate losses	€0	€0
	€3,333,333	€1,435,341

\* The advance payment is composed of €1,291,807 in grant amount and €143,534 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	€26,550

**3.5 Small Grant Scheme**

Not applicable

## **Annex II - Operational Rules**

### **1. Eligibility**

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

The programme can fund collaborative research projects in all areas of research. Social sciences and humanities will be the subject of particular concern during the call phase and the Programme Operator and the Donor Programme Partner will together ensure that information about research cooperation opportunities is distributed to all potential partners. The call text will encourage the projects in this field.

Proposals will be evaluated on the basis of

- scientific and/or technical excellence, and
- sustainability of the bilateral collaboration.

€ 2,958,333 is foreseen to be re-granted to research projects selected on the basis of calls for proposals (according to the timeline provided in the Programme proposal and described in point 3.2 below).

Where applicable, the programme will take into account the activities of the EU Strategy for the Baltic Sea Region (EUSBSR Priority Area 7 on Innovation and Research).

The Programme Operator shall be the Estonian Ministry of Education and Research. Certain tasks of the Programme Operator may be delegated to the Estonian Research Council, however this does not in any way reduce or restrict the responsibility of the Programme Operator.

The Research Council of Norway is the Donor Programme Partner.

#### **1.2 Eligible applicants:**

By way of limitation of paragraph 1 of Article 6.2 of the Regulation, Research Organisations, as defined in the Community Framework for State Aid for Research and Development and Innovation (2006/C 323/01) are eligible applicants under this Programme.

In accordance with the third paragraph of point 2.3.1 of Annex 12 to the Regulation, eligible project partners may be Research Organisations, as defined in the Community Framework for State Aid for Research and Development and Innovation (2006/C 323/01) as well as private law enterprises.

#### **1.3 Eligibility of costs:**

The eligibility of costs is determined by reference to Chapter 7 of the Regulation. The rules on eligibility of costs shall apply equally and without limitation to both Project Promoters and project partners.

Indirect costs shall be eligible in line with the Regulation and in particular, Annex 12 thereto. By way of exception to the provisions of the Regulation and Annex 12, project promoters and project partners established in Estonia, shall identify their indirect costs by the use of a flat-rate not exceeding 20% of their total direct eligible costs, excluding their direct eligible costs for subcontracting and the costs of resources made available by third parties which are not used on the premises of the Project Promoter or project partner.

### **2. Financial parameters**

#### **2.1 Minimum and maximum grant amount per project:**

The minimum amount of grant assistance applied for is € 50,000; the maximum amount is € 300,000.

#### **2.2 Project grant rate:**

Grants from the programme may be up to 95% of total eligible project costs, provided all applicable National and EU rules on State Aid are complied with. Any remaining costs of the project shall be provided or obtained by the Project Promoter and the project partners.

### **3. Selection of projects**

#### **3.1 Selection procedures:**

The selection procedures shall be in accordance with Annex 12 to the Regulation.

#### **3.2 Open calls and availability of funds:**

There shall be at least one call for applications. The first call shall be launched no later than in the first quarter of 2013 and make

available the total re-granting amount. A second shall be launched if the total re-granting amount is not committed as a result of the first call.

### 3.3 Selection criteria:

All projects to be implemented under this Programme are to be based on equal partnerships between research institutions in Norway and research institutions in Estonia, with the leading role of the latter. More specifically, there is to be at least one partner from Norway co-operating with the Project Promoter of each project.

The project selection criteria shall be approved by the Programme Committee and shall be in line with Article 3.5 of Annex 12 to the Regulation. They shall as a minimum contain the following criteria:

- scientific and/or technical excellence;
- relevance in relation to the objectives and prioritised areas of the research programme;
- quality and efficiency of the implementation and management, including quality and implementation capacity of the applicants and contribution to capacity and competence building; and
- the potential impact through the development, dissemination and use of project results.

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

### 4.1 Payment flows

The Programme Operator shall ensure that funds are available for payments to projects in a timely manner. All relevant rules on payment flows and proof of expenditure contained in the Regulation and in particular Annex 12 thereto, shall be complied with.

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 to projects are made on the basis of approved interim reports.

The first advance payment shall be requested by the Project Promoter in the application form and may amount up to 60% of project eligible expenditure. Subsequent advance payments shall be requested through interim financial reports but only after 70% of the previously provided advance payment has been incurred.

The advance payment shall be offset against incurred expenditure reported in the interim reports.

The Programme Operator may retain up to 10% of the Project Grant until the final report is approved.

### 4.2 Verification of payment claims

Project promoters shall submit interim reports to the Programme Operator containing information on project progress, advance payment requests, and incurred expenditure.

Verification and approval of interim reports of Projects' Promoters will be performed by the Programme Operator. The interim reports of the Programme Operator are verified and approved by the Certifying Authority.

A report by an independent and certified auditor, certifying that the claimed costs are incurred in accordance with the Regulation, the national law and accounting practices of the project partner's country, shall be seen as sufficient proof of costs incurred by a project partner whose primary location is in Norway.

### 4.3 Monitoring and reporting

Project Promoters shall be required to report on project progress and outputs in financial reports, annual scientific progress reports and at the end of the project in a final report.

A detailed annual monitoring will be conducted of a sample of projects, selected on the basis of risk assessment and including random samples. The detailed monitoring plan for the projects will be presented in the Annual Programme Report.

Information on Reporting and Monitoring, and periodicity of reporting, will further be outlined in the description of the Programme's management and control systems according to article 4.8.2 of the Regulation.

## 5. Additional mechanisms within the programme

### 5.1 Funds for bilateral relations

The detailed agenda for the capacity building activities and the technical details of the modules will be elaborated in close cooperation with the Donor Programme Partner and will be subject to the approval of the Programme Committee.

The following activities will be supported under the fund for bilateral relations:

Capacity building activities, networking and the sharing of best practice between Project Promoters and entities in Norway where such activities increase the added value of the Programme and provide the Estonian research community and the research and development institutions with the opportunity to establish international best practice standards and broaden the competence of the project participants.

Activities will be on specific topics/thematic areas (e.g. leadership, ethics, evaluation, financial management, issues, or other topics suggested by the target group) and will be organised by the Estonian Research Council in close cooperation with the Programme Operator and the Donor Programme Partner.

#### 5.2 Complementary action

Complementary action under this programme shall be further defined by the Programme Operator in accordance with Article 7.11 of the Regulation. In particular, funds for complementary actions shall facilitate the participation of relevant stakeholders in events/seminars/activities agreed with the Donors.

#### 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**

Not Applicable

### **8. Programme proposal version**

Any reference to the programme proposal in this programme agreement shall be interpreted as the version signed by the Programme Operator on 9 February 2012 and shall include all subsequent correspondence and communication between the NMFA, the Financial Mechanism Office, the National Focal Point and the Programme Operator..

### **9. Miscellaneous**

Not Applicable