



# Bilateral Fund Guide

EEA Financial Mechanism and Norwegian Financial Mechanism 2014 – 2021

## 1. Introduction

- 1.1. The Bilateral Fund Guide (hereinafter referred to as the “Guide”) is intended for entities applying for or receiving funds from the Fund for Bilateral Relations under the EEA Financial Mechanism and the Norwegian Financial Mechanism 2014 – 2021 (hereinafter referred to as the “Fund”).
- 1.2. The Guide is divided into the part intended for Applicants (PART A), and part intended for Beneficiaries and their partners (PART B).

## 2. Legal framework and Implementation Rules

- 2.1. This Guide shall be read in conjunction with the current versions of the following documents which constitute the Legal Framework of the Fund:
  - a) Memorandum of Understanding on the Implementation of the EEA Financial Mechanism 2014 – 2021;
  - b) Memorandum of Understanding on the Implementation of the Norwegian Financial Mechanism 2014 – 2021;
  - c) Regulation on the Implementation of the EEA Financial Mechanism 2014 – 2021 and Regulation on the Implementation of the Norwegian Financial Mechanism 2014 – 2021 (hereinafter referred to as “Regulations”);
  - d) Agreement between the Financial Mechanism Committee and the Norwegian Ministry of Foreign Affairs and the Office of the Government of the Slovak Republic on the Fund for Bilateral Relations;
  - e) Bilateral Guideline, issued by the Donor States;
  - f) any guidelines adopted by the Financial Mechanism Committee/Norwegian Ministry of Foreign Affairs after consultation with the Beneficiary States.
- 2.2. This Guide shall further be read in conjunction with the current versions of the following documents which, together with this Guide and its annexes and with the Legal Framework constitute the Implementation Rules:
  - a) The Management System of the EEA and Norwegian Financial Mechanism 2014 – 2021, laying down the management and control systems applied in Slovakia in respect of the financial mechanisms approved by the Resolution of the Slovak Government No. 146/2017;
  - b) The System of Funding and Financial Management of EEA FM and NFM for the Programming Period 2014 – 2021, laying down the financial arrangements applied in Slovakia in respect of the financial mechanisms approved by the Resolution of the Slovak Government No. 143/2017;
  - c) Guideline U-NKB-1/2017 on Irregularities and on the Financing of Financial Corrections, issued by the National Focal Point;
  - d) any guidelines adopted by the National Focal Point, the Programme Operator or the Certifying Authority.

## 3. Terms and Definitions

**Accounting document:** a document defined in Article 10 (1) of the Act No. 431/2002 on Accounting, as amended. For foreign partners, the document must comply with the generally accepted accounting standards in effect in the partner’s country.

**Activities:** individual tasks which must be completed before the tangible, material results created through the implementation of an initiative, i.e. goods, services and works can be delivered.

**Additional own funds:** the Beneficiary’s own funds expended in excess of the amount of the Initiative financing. They may include any funds that are used by the Beneficiary or a partner to finance expenditure and subsequently claimed for the reimbursement.

**Advance payment:** payment of funds up to the amount specified in the Contract provided by the NFP/PO to the Beneficiary. The partner will receive the funds through the Beneficiary, in form of either reimbursements or advance payments.

**Applicant:** an entity that has submitted a Grant Application.

**Beneficiary:** an entity having the responsibility for initiating, preparing and implementing an initiative.

**Budget:** a structured, itemized budget included in the Grant Application.

**Cooperation Committee (hereinafter the "CC"):** body established at the Programme level, to advise *inter alia* on bilateral Initiatives and possible partners in the Donor States, as appropriate. The CC evaluates Grant Applications received by the Programme Operator.

**Contract:** a written agreement between the NFP/PO and the Beneficiary regulating the conditions of implementation of the initiative and; the status, rights and obligations of the parties in relation to the initiative implementation.

**Donor states:** Norway, Iceland and Liechtenstein.

**Eligible expenditure:** expenditure that meets the eligibility criteria laid down in this Guide.

**Expenditure incurred:** expenditure for which both the subject matter was delivered and the financial transaction have been completed.

**Final Report:** a report to be submitted by the Beneficiary to the NFP/PO within two months following the completion of substantive implementation of the Initiative. A Final Report constitutes at the same time a payment claim. The Final Report templates are attached to this Guide.

**Financial Mechanism Committee (hereinafter the "FMC"):** committee established by the European Free Trade Association in order to manage the EEA Financial Mechanism 2014 – 2021.

**Financial Mechanism Office:** the body set up by the Donor States ensuring management of EEA FM and NFM 2014 – 2021 which is responsible for the day-to-day implementation of EEA FM and NFM 2014 – 2021.

**Grant:** financial contribution awarded to a Beneficiary to implement an Initiative.

**Grant Application:** application submitted by the Applicant to apply for the support under the Fund.

**Grant Offer Letter:** an offer letter through which the NFP/PO informs the Applicant about the approval of its Grant Application.

**Incurred expenditure:** expenditure in which both the realization and the financial transaction were carried out.

**Initiative:** an economically indivisible series of works with a clearly identifiable aim related to the Fund. An initiative may include one or more activities.

**Interim Report:** a report to be submitted by the Beneficiary to the NFP/PO at least once in six months in order to inform about the financial and substantive progress made in the initiative implementation. An Interim Report may also represent a payment claim. The Interim Report template is attached to this Guide.

**Irregularity:** an infringement of the Legal Framework, any provision of European Union law or any provision of the national law of the Beneficiary State, which affects or prejudices any stage of the implementation of the EEA FM/NFM, in particular, but not limited to, the implementation and/or the budget of any programme, project or other activities financed by the EEA FM/NFM.

**Joint Committee for Bilateral Funds (hereinafter the “JCBF”):** a committee established by the Beneficiary State to discuss matters of bilateral interest, decide on the use of the fund for bilateral relations and review progress in the implementation of the EEA FM and NFM 2014-2021 towards reaching the objective of strengthened bilateral relations. The JCBF evaluates Grant Applications received by the National Focal Point.

**List of accounting documents:** document whose purpose is to classify the different expenditure declared in the Interim/Final Report into budget items.

**National Focal Point (hereinafter the “NFP”):** national public entity having the overall responsibility for the management and implementation of EEA FM and NFM in the Beneficiary State. The entity carrying out the responsibilities of the NFP in the Slovak Republic is the Ministry of Investments, Regional Development and Informatization of the Slovak Republic.

**On-the-spot control:** procedure carried out in accordance with the Act no 357/2015 Coll. on Financial Control and Audit, as amended. The main aim of this control is the verification of the eligibility of expenditure and effective delivery of the goods or performance of the works or services declared in the accounting documents and supporting documentation, carried out at the Beneficiary’s/partner’s place in accordance with the Contract.

**Partner:** natural or legal person actively involved in, and effectively contributing to, the implementation of in Initiative. It shares with the Beneficiary a common economic or social goal which is to be realised through the implementation of that Initiative.

**Programme Operator (hereinafter the “PO”):** entity having the responsibility for preparing and implementing a programme under which the Initiative is implemented.

**Promptly:** no later than 5 working days from the occurrence of the event determining the time limit; this does not apply if in a specific provision of the Guide, or the Contract provides for a different time-limit applicable to the individual case.

**Reimbursement:** the provision of funds to the Beneficiary by way of reimbursing the incurred and documented expenditure of the Beneficiary and/or its partner(s) recognized as eligible by NFP/PO.

**Reporting period:** the period of time in respect of which an Interim Report/Final Report is being submitted.

**Request for Additional Information:** request sent by the NFP/PO electronically to the Applicant’s contact person, requesting the submission of additional information upon a certain deadline during the selection process.

**Settled expenditure:** expenditure declared in an Interim Report/Final Report that was accepted by the NFP/PO as eligible and was not declared ineligible by the NFP/PO or other audit body at a later time.

**State aid:** any aid granted from the state budget funds or through the public resources of an economic operator in any form which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods and may adversely affect trade between the Member States of the EU.

# PART A – GUIDE FOR APPLICANTS

## 4. Eligibility of applicants and their partners

- 4.1. The eligibility of Applicants and their partners is listed in the respective Call.
- 4.2. Unless otherwise stated in the Call, no more than two partners may participate in the implementation of an Initiative.
- 4.3. Unless otherwise stated in the Call, each Slovak applicant must have at least one partner from a Donor State<sup>1</sup> and vice versa.

## 5. Initiative title

- 5.1. The Applicants are advised to use short yet concise titles for their Initiative, e.g. Cooperation between the capitals, Matchmaking seminar, Conference on local development etc.

## 6. Initiative schedule

- 6.1. Unless otherwise stated in the Call, the Grant Application should be submitted generally not later than:
  - a) Four weeks prior to the scheduled start of the implementation of the Initiative in case of Travel Grants;
  - b) Eight weeks prior to the scheduled start of the implementation of the Initiative in case of other Initiatives.
- 6.2. The implementation of the Initiative shall not start prior to the date fixed in the Grant Offer Letter.
- 6.3. Applicants are advised not to enter into any binding relations, incl., but not limited to, purchase of flying tickets or contracts with suppliers prior to the date fixed in the Grant Offer Letter.

## 7. Recommendations before filling in the Grant Application form

- 7.1. Applicants are advised to read the Call before filling in the form to avoid making mistakes that prevent the Grant Application being accepted by the NFP/PO.
- 7.2. As a minimum, it is recommended to check the compliance with the following conditions detailed in the respective Call, as applicable:
  - a) Eligible Area of support;
  - b) Minimum and maximum grant requested;
  - c) Eligibility of Applicants and partners;
  - d) Eligibility of expenditures;
  - e) Eligibility of the timeline of initiative assessment and implementation;
  - f) Evaluation criteria and selection process.

## 8. Instructions for filling in the Grant Application form

- 8.1. General information:
  - 8.1.1. Applicants should provide clear and concise information about the planned Initiative.
  - 8.1.2. All the relevant fields of the Grant Application form needs to be filled in.
  - 8.1.3. The relevant fields must be completed in a manner indicated in the Grant Application.
  - 8.1.4. As a general rule, any information contained in the Grant Application and mandatory attachments, including information about the Applicant and partner/s, can be made accessible to the public by the NFP/PO according to Annex 9 of this Guide, in line with

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<sup>1</sup> If the Cal is funded from the Norwegian Financial Mechanism, the Donor State is Norway. If the Cal is funded from the EEA Financial Mechanism or from both financial mechanisms, the Donor States are Norway, Iceland and Liechtenstein.

relevant provisions of the Law on Personal Data Protection (18/2018), as amended and the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC.

8.1.5. In case of any questions and/technical issues with the form, Applicants are advised to contact the NFP/PO using the contact details listed in the Call.

## 9. Identity and contact details of the Applicant and partner(s)

9.1. In the Grant Application Form, fill in the following data:

<i>Full legal name</i>	Applicant's current full legal name, under which the Applicant is registered in the respective register.
<i>Legal form</i>	Select legal form from the predefined option – public, private or NGO.
<i>Identification number of organisation</i>	The official identification number of the organisation (IČO for Slovak entities).
<i>Registered address</i>	The Applicant's registered address needs to be inserted to the extent required.
<i>Contact person</i>	Contact person assigned to the Initiative, responsible for the communication with the NFP/PO
<i>Website /Facebook page</i>	Official website of the organization or link to Facebook, if applicable.
<i>Description of the partner and partner's involvement in the initiative</i>	Provide a short description of the partner institution and partner's role in the implementation of the initiative. Not bidding template for the Partnership statement for Initiatives is in Annex 10 to this Guide.

## 10. Description and justification

10.1. In the Grant Application form, fill in the following data:

<i>Initiative title</i>	The title of the initiative should be short and should clearly express the subject-matter of the initiative. It is advisable that the initiative will be assigned an abbreviation under which it will be known and communicated.
<i>Area of support (if relevant)</i>	Select relevant area of support, if applicable.
<i>Short description and justification</i>	Provide a short description of the initiative and its justification. Describe the main planned activities (i.e. study visits, seminars, workshops, studies, publications etc.).
<i>Involvement of the partners</i>	Refer to any other entities involved in the initiative. Describe their roles in the implementation of the initiative and other relevant details related to partnership.
<i>Initiative's objectives</i>	Specify the overall objectives of the initiative, e.g. Strengthening bilateral relations in the area of ...
<i>Expected results of bilateral cooperation</i>	Summarize what should be achieved by realization of the initiative. Describe the expected results of bilateral cooperation and explain how the

	proposed activities shall contribute to strengthening bilateral relations in terms of shared results, improved knowledge and mutual understanding.
<i>Sustainability of the initiative and results</i>	Describe the expected sustainability of the bilateral cooperation. This part may contain future expectations after the completion of the implementation of the initiative with focus on further/continued development of bilateral cooperation. The NFP recommends, if it is possible, describing the future cooperation by using concrete milestones instead of using a general description.
<i>Publicity</i>	Describe the planned publicity measures of the initiative.
<i>Location of initiative implementation</i>	Specify where the initiative will be implemented – venue (if applicable), town / city / area (if applicable) and country.
<i>Implementation period</i>	Select date of proposed planned start date and planned completion date of factual implementation of initiative.
<i>Detailed time schedule</i>	Describe briefly time schedule or agenda of the initiative.

## 11. Indicators

- 11.1. The list of most frequently used indicators, their explanations and sources of verifications is listed in Annex 4 to this Guide.
- 11.2. The NFP/PO may include also other indicators in the respective Call, as necessary.

## 12. Budget

### 12.1. Principles:

- 12.1.1. The budget shall be elaborated having regard to the General principles of the eligibility of expenditure set forth in Article 8.2 of the Regulations. These principles are reflected in this Guide.
- 12.1.2. The expenditure shall be used to reach the objective specified in the Call, especially for strengthening of bilateral relations.
- 12.1.3. The following eligible expenditure are the most relevant for the Fund:
- travel costs and subsistence allowance related to various kind of bilateral events (workshops, conferences, meetings, visits, seminars, secondments and internships, study trips and bilateral exchanges);
  - organization and/or co-organization costs of various kind of events;
  - expert fees;
  - costs of studies, costs of preparation of analyses and other documents focused on strengthening bilateral relations;
  - interpretation and translation of working materials;
  - costs associated with promotional and informational activities for strengthening bilateral relations;
  - costs of the audit report proving the eligibility of expenditures (especially partners from the Donor states).
- 12.1.4. Unless otherwise stated in the Call, travel costs and subsistence allowances shall be calculated using the rules and principles set forth in Annex 5 to this Guide. Under the Travel Grants Calls, the NFP/PO may limit the eligibility of expenditures to these categories only.

### 12.2. Budget summary:

12.2.1. The following summary information shall be included in the Grant Application:

- a) Total cost, i.e. the total amount of costs calculated as a sum of budget items listed in the Budget.
- b) Income generation, i.e. whether the Initiative is capable of generating any incomes. If yes, the use of this income shall be described and simple calculation of costs and revenue can be requested.
- c) Advance payment required. Generally, payments are provided as reimbursement of already incurred costs. If the grant amount exceeds € 25,000, an advance payment of up to 80 % may be provided by the NFP/PO following the signature of the Contract.
- d) Unless otherwise stated in the Call, co-financing is not required, i.e. 100% of incurred eligible expenditures may be reimbursed from the Fund based on an approved Interim/Final Report.

### 13. Declaration and signature

- 13.1. Applicants are advised to carefully read the declarations included in the Grant Application form.
- 13.2. By submitting the Grant Application, the Applicant confirms the consent with the presented declaration, even if the Application will not be signed.
- 13.3. By submitting the Grant Application, the Applicant confirms that has read the Privacy Statement listed in Annex 9 to this Guide, even if the Application will not be signed.

### 14. Submission of the Grant Application

- 14.1. Applications including mandatory annexes shall be sent electronically using the method listed in the Call.
- 14.2. Unless otherwise stated in the Call, the following rules shall apply:
  - 14.2.1. The Grant Application does not need to be signed.
  - 14.2.2. All standard formats such as PDF, DOC, DOCX, XLS, XLSX or ODF will be accepted.
  - 14.2.3. The size of the Grant Application, including all its annexes should not exceed 5 MB; otherwise, the Grant Application might be rejected by the server and thus not received.
  - 14.2.4. Mandatory annexes that need to be submitted signed shall be submitted in scanned PDF version.
  - 14.2.5. Applicants are requested **not** to send the printed version of the Grant Application by mail at this stage.
- 14.3. The deadline for submission of the Grant Application is stated in the respective Call (Call closure).

### 15. Selection process

- 15.1. The selection process is detailed in the respective Call, incl. the selection criteria.
- 15.2. Further information can be found in the Statutes and Rules of Procedures of the Joint Committee for Bilateral Funds and in the Annex I to the Work Plan for the Fund for Bilateral Relations (relevant for Grant Applications submitted to the NFP) and in the Statutes and Rules of Procedures of the Cooperation Committee (relevant for Grant Applications submitted to the PO), respectively in a similar document specified in the Call governing the scope, composition and decision-making of the competent collective body authorized to evaluate Grant Applications.
- 15.3. Unless otherwise stated in the Call, Grant Applications are evaluated using the FIFO system ("First In First Out"). The date and time when the Grant Application was received by the NFP/PO email server is decisive.

### 16. Reservation of Funds



- 16.1. In case the FIFO system applies, the NFP/PO will, upon the receipt of the Grant Application, try to reserve funds from the Fund in the amount of the grant requested by the Applicant. Applicants shall be notified within 3 working days whether reservation of funds was possible.
- 16.2. The NFP/PO is entitled to establish a reserve list (pipeline) of Grant Applications.
- 16.3. The reservation of funds shall be cancelled in case:
  - a) the Grant Application was rejected,
  - b) the Applicant informs the NFP/PO that their application is no longer valid (i.e. the Applicant is not going to implement the submitted initiative),
  - c) the Applicant has turned down the Grant Offer Letter,
  - d) the Applicant has refused to sign the Contract,
  - e) in other cases listed in the Call.
- 16.4. The reservation of funds may also be cancelled in case the Applicant fails to meet the deadline listed in the Call, in the Request for Additional Information, in the Grant Offer Letter or in the Contract. The reservation of funds can be cancelled even if the contracting process is not completed (i.e. the Contract is not concluded) according to point 20.4 or the recommendation of the Joint Committee for Bilateral Funds is cancelled.
- 16.5. The reservation of funds may also be cancelled in case the Applicant (Beneficiary) has violated the conditions listed in the Contract.
- 16.6. The cancellation of reservation shall be followed by the termination of the Contract, if applicable.

#### **17. Request for additional information**

- 17.1. Requests for additional information shall be accommodated within the deadline set by the NFP/PO, generally within 5 working days following the date the request was sent to the Applicant.
- 17.2. Based on duly justified request for extension of the deadline submitted by the Applicant, the deadline can be extended usually by another 5 working days.

#### **18. Rejection of the Grant Application**

- 18.1. Applicant may appeal to the NFP/PO in case the Grant Application is rejected. This does not apply in case the Grant Application is rejected upon the recommendation made by a collective body according to point 15.2. of this Guide.
- 18.2. Appeal shall be submitted electronically according to the instructions of the NFP/PO stated in the rejection of the Grant Application within 5 working days following the day the Applicant was notified on the rejection of the Grant Application, unless a later date is set by the NFP/PO.
- 18.3. The NFP/PO will assess the appeal and inform the Applicant on the final decision within a reasonable deadline.
- 18.4. Appeals not submitted within the set deadline can be disregarded.
- 18.5. Grant Applications that have been rejected can be re-submitted. The NFP/PO is entitled to reject a re-submitted Grant Application in case the Grant Application does not provide for reasonable improvement as compared to the previous version.

#### **19. Final Decision**

- 19.1. Final decision shall be taken by the NFP/PO. Unless otherwise stated in the Call, final decision shall be taken after the recommendation is made by a collective body listed in point 15.2. of this Guide.
- 19.2. If the Grant Application is rejected, the NFP/PO shall provide justification to the Applicant.
- 19.3. Unless otherwise stated in the Call, no appeal procedure shall apply on the final decision.

#### **20. Contracting**

- 20.1. For each approved Grant Application, Grant Offer Letter shall be issued by the NFP/PO, which shall as a minimum include:
  - First day of eligibility of expenditures, which shall be not earlier than the date on which the collective body listed in point 15.2. of this Guide has recommended the Initiative for funding; the date shall be fixed in the Grant Offer Letter;
  - Specific conditions under which advance payments / reimbursement can be provided.
- 20.2. Within the date fixed in the Grant Offer Letter, generally within 5 working days following the date the Grant Offer Letter was submitted, the Applicant shall submit documents requested by the NFP/PO, including the signed final version of the Grant Application, as applicable.
- 20.3. Before any payment is made to the Beneficiary, a Contract between the NFP/PO and the Applicant/Beneficiary shall be concluded.
- 20.4. 20.4. If the Contract is not concluded within three months from the issuance of the recommendation by the competent authority according to point 15.2, the NFP/PO is entitled to suggest to the authority that issued the recommendation regarding the application for the contribution in question to cancel the recommendation.

# PART B – GUIDE FOR BENEFICIARIES AND PARTNERS

## 21. Bank accounts

- 21.1. With the exception of Slovak state budgetary organisations, Beneficiaries not receiving advance payments are not requested to open a separate bank account for receiving the payments of the Grant.
- 21.2. Every Beneficiary **receiving an advance payment** is obliged to set up separate account or accounts to receive payments of the Grant.
- 21.3. Slovak state budgetary organisations are obliged to open two separate bank accounts – one for the receipt of funds from the EEA Financial Mechanism and the other for the receipt of the funds from the Norwegian Financial Mechanism, while the accounts can be used for the receipt of funds under several initiatives supported from the Fund for bilateral relations.
- 21.4. Specific requirements for bank accounts are laid down in the current version of the System of Funding and Financial Management of EEA FM and NFM for the Programming Period 2014 – 2021.
- 21.5. Documents proving the ownership of the account shall be sent to the NFP/PO prior to the conclusion of the Contract.

## 22. Financial flows

- 22.1. Generally, payments are provided as reimbursement of already incurred costs.
- 22.2. If the Grant exceeds € 25,000, an **advance payment** of up to 80 % may be provided following the signature of the Contract.

## 23. Advance Payment

- 23.1. The amount of advance payment shall be fixed in the Contract.
- 23.2. Unless otherwise stated in the Contract, the advance payment shall be disbursed to the Beneficiary's account within 15 working days following the entry into force of the Contract.
- 23.3. The remaining part of the grant shall be retained by the NFP/PO and paid upon approval of the Final Report, based on the actually incurred eligible expenditure.

## 24. Reimbursement

- 24.1. When using the system of reimbursement, the Beneficiaries are required to cover the expenditures related to the Initiative from additional own funds.
- 24.2. Actually incurred eligible expenditures are reimbursed to the Beneficiary's bank account within two months following the receipt of the complete Interim/Final Report.
- 24.3. The reimbursement will be sent to the account of the Beneficiary within 15 working days from the approval of the Interim Report/Final Report.
- 24.4. The system of reimbursement also applies to retention.

## 25. Return of funds

- 25.1. If any funds remained unsettled after the Final Report was submitted, i.e. there is a positive difference between the disbursed grant and the **Settled expenditure**, the NFP/PO will request the Beneficiary to return the remaining advance payment.
- 25.2. The NFP/PO will send to the Beneficiary a request for return of funds according to the template provided in the Guideline of the Government Office of the SR No. U-NKB-1/2017 on Irregularities and Financial Correction Rules.

- 25.3. The Beneficiary shall transfer the funds to the account specified in the request no later than 15 working days from the receipt of the request for return of funds and within 3 working days will send a Notice on settlement of financial relations to NFP/PO.
- 25.4. The same procedure shall apply in case irregularities are identified in the Initiative.

## **26. Reporting**

- 26.1. Unless otherwise stated in the Contract, Interim Reports are requested provided that the implementation of the Initiative has lasted more than 6 months. Interim Report shall be submitted within 5 working days following the end of the 6<sup>th</sup> month of implementation.
- 26.2. Final Report shall be submitted within two months following the completion of the Initiative.
- 26.3. The mandatory attachment to the Interim/Final Report is:
- 26.3.1. List of Accounting Documents, if the Beneficiary accounts for other expenses than subsistence costs and travel costs calculated in accordance with the rules set out in Annex no. 5 of this Guide;
  - 26.3.2. documents according to Articles 31.1 and 31.2 of this Guide;
  - 26.3.3. documentation demonstrating the fulfilment of the target value of indicators according to Annex 4 of this Guide and other information provided in the Grant Application;
  - 26.3.4. other documents according to the Contract.
- 26.4. If the Beneficiary fails to submit the report within the set deadline, the NFP/PO is entitled to request return of the whole grant amount previously disbursed and terminate the Initiative.
- 26.5. Reports including mandatory annexes shall be sent electronically using the method listed in the Contract.
- 26.6. The templates of the Interim Report, Final Report and List of Accounting Documents are attached to this Guide as Annex 1, 2a (for Travel Grant), 2b and 3 respectively. The NFP/PO may customise the annexes based on the requirements of the Call in question; however, the extent of information requested should not be significantly exceeded.

## **27. Verification of reports**

- 27.1. Verifications of Interim/Final Reports shall proceed in line with the applicable Act on Financial Control and Audit.
- 27.2. Any submitted Interim/Final Report is subject to administrative financial control carried out by the NFP/PO generally within 2 months following the date of its receipt.
- 27.3. Any Interim/Final Report can be subject to on-the-spot financial control. In this case, the time limit referred to in the preceding point is suspended until the on-the-spot financial control is completed.
- 27.4. If there were no shortcomings identified, the NFP/PO shall approve the Interim/Final Report in full amount.
- 27.5. If the NFP/PO identifies shortcomings that may lead to ineligible expenditures, the Beneficiary will be electronically requested to rectify the shortcomings/submit additional information within 5 working days. If the shortcomings have been rectified, the NFP/PO shall approve the Interim/Final Report in full amount.
- 27.6. If the identified shortcomings have not been rectified, the NFP/PO will deliver to the Beneficiary a Draft Report on administrative financial control. Upon the receipt the Draft Report, the Beneficiary shall adopt the recommendations and measures generally within 15 working days and to submit a written list of adopted measures generally within 20 working days. The Beneficiary may object the Draft Report within reasonable time limit, generally within 5 working days from delivery of the Draft Report.
- 27.7. Should no objections be submitted within the deadline, the NFP/PO will send to the Beneficiary a Report on administrative financial control. If an objection of the Beneficiary is

submitted within the deadline, the NFP/PO shall evaluate the objection, elaborate the Report on administrative financial control and deliver it to the Beneficiary.

## **28. On-site control**

- 28.1. The NFP can execute on-site control/s of the approved initiatives. The aim of this control is to compare the reality with the data and information stated in the Interim/Final Reports, from financial as well as factual aspects.
- 28.2. The control is carried out by the NFP/PO and/or entities authorized by the NFP/PO, representatives of Certifying Authority, Audit Authority, FMO, the Financial Mechanism Committee, the Board of Auditors, EFTA, the Office of the Auditor General of Norway and The Norwegian Ministry of Foreign Affairs, as well as organisations and entities authorised by these organisations and other entities, if a separate regulation so provides.
- 28.3. If requested by the control authorities, the Beneficiary is obliged to cooperate with given entities on the executed control and to provide all documents and information to substantiate the fulfilment of the approved initiative.
- 28.4. In case the NFP/PO or other control authority detects irregularities, these are dealt with in accordance with the rules stated in the Chapter 33 of this Guide.

## **29. Modifications of the Initiative**

- 29.1. Unless otherwise stated in the Contract, the rules stipulated in points 29.2. to 29.5. of this Guide shall apply to the modifications of initiatives.
- 29.2. Basic rules:
  - 29.2.1. The Beneficiary shall inform the NFP/PO about all changes related to the Initiative.
  - 29.2.2. The modification request shall be submitted electronically using the using the method listed in the Contract.
  - 29.2.3. If changes are implemented without prior approval of the NFP/PO, the related expenditure can be considered ineligible.
- 29.3. Substantial modifications
  - 29.3.1. Substantial modifications are any modifications that require amendment to the Contract, including, but not limited to:
    - a) modification of indicator(s) set in the Contract;
    - b) modifications related to the objective and/or aims of the Initiative;
    - c) intention to include new activities under the Initiative;
    - d) modification of partner involved in the initiative;
  - 29.3.2. The NFP/PO may condition the approval of substantial modifications by an evaluation and approval of the modification by the relevant collective authority listed in point 15.2 of this Guide.
- 29.4. Minor modifications
  - 29.4.1. Minor modifications are modifications that do not require amendment to the Contract, including, but not limited to:
    - a) modification of the key persons involved in the implementation of the Initiative;
    - b) delays in the implementation of the Initiative;
    - c) merging of the reporting periods;
    - d) creation of new budget items;
    - e) changes/transfers between budget items above 20% of the original amount of all affected budget items (addition or deduction between items),
  - 29.4.2. Such modifications shall be evaluated and approved by the NFP/PO.
- 29.5. Reported modifications
  - 29.5.1. Reported modifications are modifications:

- a) changes/transfers between budget headings within the limit of 20 % of the initial amount of all the budget headings concerned (giving and receiving between headings), provided that the modification does not affect the purpose of the project,
  - b) organisational and personal changes not related to the key persons involved in the implementation of the Initiative,
  - c) modification of indicator(s) that are not included in the Contract,
  - d) other changes of purely technical or administrative nature.
- 29.5.2. The modifications to the budget made by the Beneficiary should be taken into account in a cumulative way.
- 29.5.3. Such modifications shall be reported on in the Interim/Final Report.

### **30. Eligibility of expenditures**

#### **30.1. General principles of eligibility of expenditures**

30.1.1. Any expenditure incurred shall comply with the following criteria, listed in Article 8.2 of the Regulations:

- a) they are incurred between the first and final dates of eligibility. Expenditures are considered to have been incurred when the cost has been invoiced, paid and the subject matter delivered (in case of goods) or performed (in case of services and works);
- b) they are proportionate and necessary for the implementation of the initiative;
- c) they are closely connected with the subject of the initiative and indicated in the detailed budget of the Grant Application;
- d) they must be used for the sole purpose of achieving the objective(s) of the initiative in a manner consistent with principles of economy, efficiency and effectiveness;
- e) they are identifiable and verifiable, in particular through being recorded in the accounting records of the Beneficiary/partner and determined according to the applicable accounting standards of the country where the applicant is established and according to generally accepted accounting principles;
- f) they comply with requirements of applicable tax and social legislation.

#### **30.2. Eligible expenditures under the Fund for bilateral relations**

30.2.1. According to the Article 8.8 of the Regulations, unless otherwise stated in the Call, eligible expenditures are those related to:

- a) activities aiming at strengthening bilateral relations between the Donor States and Slovakia;
- b) the search for partners for donor partnership projects prior to or during the preparation of a Project Application, the development of such partnerships and the preparation of an application for a donor partnership project;
- c) networking, exchange, sharing and transfer of knowledge, technology, experience and best practice between entities in Slovakia and entities in the Donor States and/or international organizations.

#### **30.3. Excluded costs**

30.3.1. In accordance with Article 8.7 of the Regulations, the following costs shall not be considered eligible:

- a) interest on debt, debt service charges and late payment charges;
- b) charges for financial transactions and other purely financial costs, except costs related to accounts required by the FMC/NMFA, the NFP/PO or the applicable law and costs of financial services imposed by the Contract;
- c) provisions for losses or potential future liabilities;
- d) exchange losses;
- e) recoverable VAT;

- f) costs that are covered by other sources;
- g) fines, penalties and costs of litigation, except where litigation is an integral and necessary component for achieving the outcomes of the Initiative;
- h) excessive or reckless expenditure.

### **31. Proof of expenditure**

#### **31.1. General principles**

- 31.1.1. Expenditure incurred by Donor States entities needs to be supported by a receipted invoices, or alternatively by accounting documents of equivalent probative value, unless an audit report is used in accordance with point 31.1.3.
- 31.1.2. The Donors States entities shall archive the accounting document at least 3 years following the approval of the Final Report and if necessary, provided to the National Focal Point, the Programme Operator, the Financial Mechanism Committee, the Norwegian Ministry of Foreign Affairs, the EFTA Board of Auditors, the Ministry of Finance of the Slovak Republic or any other entity recognised under the Legal Framework as being competent to carry audits and/or controls under the EEA Financial Mechanism / Norwegian Financial Mechanism.
- 31.1.3. Donor States entities may opt to submit proof of expenditure by way of a report by an independent auditor, qualified to carry out statutory audits of accounting documents, or a report issued by a competent and independent public officer certifying that the claimed costs are incurred in accordance with the Regulations, the relevant law and national accounting practices (Annex 7 of this Guide).
- 31.1.4. Slovak entities shall submit receipted invoices or accounting documents of equivalent probative value as detailed in the following chapter.

#### **31.2. Proof of specific types of expenditure**

- 31.2.1. Staff costs shall be supported by:
  - a) Summary sheets for staff costs, travel costs and subsistence costs (Annex 8 of this Guide);
  - b) Timesheets in case the employee did not work on the Initiative exclusively;
  - c) Work outputs, such as feasibility studies, if applicable;
  - d) Job contract or other similar document on request;
  - e) Payrolls on request;
  - f) Other supporting documents on request.
- 31.2.2. Subsistence allowances and travel costs shall be supported by:
  - a) Summary sheets for staff costs, travel costs and subsistence costs (Annex 8 of this Guide);
  - b) Attendance sheet, photo documentation, written confirmation by the receiving host or other document proving that the business trip has actually happened (e.g. a ticket purchased in connection with transport to, from or in a given country; document containing information as to the reason for the journey; eventually reports from the domestic business trip and foreign business trip, if relevant; program of the event, etc.);
  - c) Other supporting documents on request.
- 31.2.3. Any other costs entailed by other contracts, such as for the delivery of goods or provision of services shall be supported by receipted invoice and proof of payment and, if applicable, by the results of the contract.
- 31.2.4. In duly justified case and with prior consent of the NFP/PO, the Beneficiary may opt to claim the actually incurred expenditure on flying tickets instead of the unit costs. In this case, the expenditure needs to be supported by receipted invoice and, if applicable, the boarding ticket. In this case, the price of a return flying ticket shall not exceed EUR 900.

- 31.3. The PO may modify the rules listed under points 31.1. and 31.2. of this Guide in the Contract. In such case, the legislation prevails over the provisions contained in this Guide.

### **32. Public Procurement**

- 32.1. All expenses shall be made in accordance with national legislation on public procurement, EU legislation on public procurement and Article 8.15 of the Regulations.
- 32.2. The Beneficiary may submit to the NFP/PO documents in line with Annex 6 to this Guideline for a review.
- 32.3. The Beneficiary shall submit to the NFP/PO public procurement documentation in line with Annex 6 to this Guideline for a review prior to the conclusion of the estimated contract value of which exceeds EUR 10,000.
- 32.4. The Beneficiary shall submit to the NFP/PO the draft amendment of the contract before it is concluded whenever the contract value exceeds EUR 10,000.
- 32.5. More detailed information stipulated is listed in Annex 6 of the Guide. Annex 6 is relevant for Slovak Beneficiaries and Slovak partners only and thus it is available in Slovak language only.

### **33. Irregularities**

- 33.1. An irregularity under the Fund for Bilateral Relations may occur mostly in cases of an infringement of the Legal Framework, any provision of European Union law or any provision of the national law of the Slovak Republic, which affects or prejudices any stage of the implementation of the Fund for Bilateral Relations, in particular, but not limited to, the implementation and/or the budget of Fund and Initiatives funded by the Fund.
- 33.2. Entities involved in the implementation of the EEA FM and NFM 2014 – 2021 are required to promptly notify the NFP/PO in any case of suspected irregularity. In cases of suspected serious irregularity the NFP/PO may suspend payments for a given initiative for the necessary time, until action is taken to remedy the irregularity.
- 33.3. Detail provisions on reporting of the irregularities are stated in the Guideline of the Government Office of the SR No. U-NKB-1/2017 on Irregularities and Financial Correction Rules as amended.
- 33.4. An irregularity with or without a financial impact may be addressed in two ways:
- 33.4.1. By taking action to remedy the unlawful situation without recovery of funds or imposition of a financial correction – in particular, irregularities with no financial impact (e.g. incorrect booking of expenditure, amendment of internal procedures);
- 33.4.2. By imposing a financial correction.
- 33.5. The percentage of financial correction for identified public procurement shortcomings is determined according to the EC Decision no. C(2019) 3452 on setting out the financial corrections to be made to expenditure financed by the Union for non-compliance with the rules on public procurement, while the Guideline of the Government Office of the SR No. U-NKB-1/2017 on Irregularities and Financial Correction Rules shall be taken into account.
- 33.6. Unless otherwise stated in the Contract, for violation other than violations of public procurement, financial corrections are determined according to the Commission Decision C(2011) 7321 of 19. 10. 2011 on the approval of guidelines on the principles, criteria and indicative scales to be applied in respect of financial corrections made by the Commission under Articles 99 and 100 of Council Regulation (EC) No 1083/2006 of 11 July 2006.

### **34. Accounting, Incomes from Bilateral Initiative and Exchange Rates**

#### **34.1. Accounting**



- 34.1.1. The Beneficiary and Partners are obliged to maintain either a separate accounting system or an adequate accounting code for all transactions relating to the initiative, without prejudice to national accounting rules.
- 34.1.2. The Beneficiary's and Partners' internal accounting and auditing procedures must permit direct reconciliation of the expenditures and revenue declared in respect of the initiative with the corresponding accounting statements and supporting documents.
- 34.1.3. The Beneficiary and Partners shall maintain and protect the accounting and financial records and other documentation related to the initiative in accordance with Act no 431/2002 Coll. on accounting (in case of Slovak entities) and in line with Regulations for at least 3 years following the approval of the Final Programme Report by the Financial Mechanism Office.
- 34.1.4. The Beneficiary and Partners keep its accounting the technical form, where possible.
- 34.1.5. For the purposes of the Certification Verification, the Beneficiary and Partners shall, upon request, submit to the Certifying Authority the requested accounting and financial records in written and technical form, if the Beneficiary and Partners keep its accounting records in technical form. This obligation shall be borne by the Beneficiary and Partners for as long as they are obliged to keep and keep accounting documents, records or other documentation.
- 34.1.6. Foreign Partners shall keep accounting in accordance with national accounting rules and generally applicable accounting principles and comply with points 34.1.1 to 34.1.5 of this Guide.
- 34.1.7. The Beneficiary and Partners that are accounting entities under Act no. 431/2002 Coll. on Accounting shall record the data related to the initiative:
  - 34.1.7.1. on analytical accounts broken down by individual initiatives or in analytical records kept in a technical form pursuant to Act no. 431/2002 Coll. on Accounting, by initiative, without creating analytical accounts broken down by initiative, if they book in the double-entry accounting system, or
  - 34.1.7.2. in accounting books pursuant to section 15 of Act no. 431/2002 Coll. on Accounting with narrative and numeric identification of the initiative, if they are keeping accounts in a single-entry accounting system.
- 34.1.8. The Slovak Beneficiary and Slovak partners that are not accounting entities under Act no. 431/2002 Coll. on Accounting keep records of assets, liabilities, revenues and expenditures (defined in Section 2 (4) of Act No. 431/2002 Coll. on Accounting) relating to the initiative in accounting books used in single-entry accounting system (section 15 (1) of Act No. 431/2002 Coll.) with the narrative and numeric identification of the initiative when registered, while the provisions of Act No. 431/2002 Coll. On Accounting related to accounting records, accounting documentation valuation methods shall, *mutatis mutandis*, apply.
- 34.1.9. The Beneficiary and Partners shall prove that all revenues and expenditure have been accounted for by submitting a copy of the relevant ledger page (in the case of double-entry bookkeeping) or a cash book (single-entry accounting), with the presented documents clearly showing that the revenue and / or the expenditure has been booked in the analytical account or separate accounting system dedicated to the initiative.
- 34.1.10. The Beneficiary shall set the obligations of the Partner related to the accounting in line with the above requirements, as appropriate.

## **34.2. Revenues from bilateral initiatives**

- 34.2.1. The initiatives shall not generate profit.
- 34.2.2. The use of any revenues generated by the implementation of the initiative shall be listed in the Grant Application.

34.2.3. All economic benefits, including revenues shall be used shall be used in a manner which supports the objectives of the initiative.

### 34.3. Exchange rates

34.3.1. The Beneficiary and Partners may pay their expenses in a currency other than the euro. When using the exchange rate for the purpose of converting the amount of expenses paid in a foreign currency, it is necessary to proceed according to §24 of the Act no. 431/2002 Coll. on Accounting as amended. For the transfer of funds denominated in foreign currencies from an account opened in euros to the account of a supplier<sup>2</sup> established in a foreign currency, the bank's rate applicable on the date of transfer of the funds from the euro account shall be used, i.e. the transaction date. This amount paid in euro represents the eligible (declared) amount of expenditure.

34.3.2. In case the foreign Beneficiary or foreign Partner keeps accounts in a currency other than euro, they shall recalculate the amount of expenditure to euro by using the exchange rate announced by the European Commission in the month when the expenditure was booked in their accounting. The amount of expenditure in euro represents the eligible (declared) amount of expenditure.

### 35. Publicity

35.1. The Beneficiary shall comply with the following basic requirements related to publicity:

35.1.1. The Beneficiary shall inform about the results of the Initiative at its website or in social media in case the Beneficiary has no website.

35.1.2. All information and communication material related to the initiative shall be in line with the Communication and Design Manual. The Manual sets out detailed technical requirements in respect of the use of logos, as well as billboards, plaques, posters, publications, web presence and audio-visual material and can be found at <https://eeagrants.org/resources/2014-2021-communication-and-design-manual>.

35.1.3. The logo of the EEA or Norway Grants, as relevant, shall be used in all information and communication material, where possible and shall be in line with the Communication and Design Manual.

35.1.4. The slogan 'Working together for a green, competitive and inclusive Europe' shall be used in all information and communication material, where possible.

35.1.5. The drafts of information and communication material should be sent to the NFP/PO for comments. Expenditure on material not meeting the requirements above can be considered ineligible.

35.1.6. The Beneficiary shall keep with photo documentation related to the implementation of the initiative, including, but not limited to, photo documentation from study trips, seminars, meetings, workshops and conferences and provide it upon request NFP/PO.

### 36. Annexes

- Annex 1 – Interim Report template
- Annex 2a – Final Report template for Travel Grants
- Annex 2b – Final Report template
- Annex 3 – List of Accounting Documents template
- Annex 4 – List of Indicators

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<sup>2</sup> Supplier means contractor, employee, sole trader or an agent

- Annex 5 – Methods for calculating the subsistence costs and travel cost
- Annex 6 – Special conditions regarding public procurement (only in Slovak language)
- Annex 6a – Conflict of interest verification table (only in Slovak language)
- Annex 7 – Audit report template
- Annex 8 – Summary sheet for staff costs, travel costs and subsistence costs
- Annex 9 – Privacy statement
- Annex 10 – Partnership statement template