**FRAMEWORK AGREEMENT**

between

THE GOVERNMENT OF THE REPUBLIC OF SLOVENIA

and

 THE SWISS FEDERAL COUNCIL

on

THE IMPLEMENTATION OF THE SECOND SWISS CONTRIBUTION TO SELECTED MEMBER STATES OF THE EUROPEAN UNION TO REDUCE ECONOMIC AND SOCIAL DISPARITIES WITHIN THE EUROPEAN UNION

 THE GOVERNMENT OF THE REPUBLIC OF SLOVENIA (hereinafter referred to as “Slovenia”),

and

THE SWISS FEDERAL COUNCIL (hereinafter referred to as “Switzerland”),

Hereinafter collectively referred to as the “Parties" and individually as the “Party”

* NOTING the solidarity of Switzerland with the endeavours of the European Union (EU) to reduce economic and social disparities within the EU;
* COMMITTED to further reducing the economic and social disparities within the EU and within Slovenia;
* BUILDING upon the successful cooperation between the Parties during Slovenia’s transition process leading to its accession to the EU and within the framework of the Swiss contribution to the enlarged EU;
* SHARING AND PROMOTING the fundamental values of democracy, the rule of law and political pluralism;
* RESPECTING AND DEFENDING human rights, human dignity and fundamental freedoms;
* REFERRING to the United Nations Sustainable Development Goals;
* HAVING REGARD to the friendly relations between the Parties;
* DESIRING to further strengthen these relations and the fruitful cooperation between the Parties;
* REFERRING to the “Memorandum of Understanding between the European Union and Switzerland on a contribution by Switzerland towards reducing economic and social disparities and for cooperation in the area of migration in the European Union” signed on 30 June 2022 for a total amount of CHF 1’302’000’000 (one billion three hundred and two million Swiss francs) to selected EU Member States for cooperation in the areas of cohesion and migration (hereinafter referred to as the “second Swiss Contribution”);
* NOTING the cooperation in the area of migration of up to CHF 200’000’000 (two hundred million Swiss francs) under the second Swiss Contribution;
* IN VIEW of the cooperation in the area of cohesion of up to CHF 1’102’000’000 (one billion one hundred and two million Swiss francs) under the second Swiss Contribution;

hereby agree as follows:

**Article 1 – Definitions**

For the purposes of this Framework Agreement:

“Contribution” means the maximum non-refundable financial contribution granted by Switzerland to Slovenia under this Framework Agreement;

“Country-Specific Set-Up” (Annex) means the thematic and geographical allocations of the Contribution and specific rules agreed between Slovenia and Switzerland as well as the attribution of responsibilities and tasks to entities involved in the implementation of the Slovenian-Swiss Cooperation Programme and in Support Measures respectively;

“Memorandum of Understanding” means the “Memorandum of Understanding between the European Union and Switzerland on a contribution by Switzerland towards reducing economic and social disparities and for cooperation in the area of migration in the European Union” signed on 30 June 2022 for a total amount of CHF 1’302’000’000 (one billion three hundred and two million Swiss francs) to selected EU Member States for cooperation in the areas of cohesion and migration;

“National Coordination Unit” means the national public entity of Slovenia designated to act on its behalf for the implementation of the Slovenian-Swiss Cooperation Programme;

“Programme” means a coherent set of Programme Components carried out in line with national priorities, policies or strategies of the Partner State with the support of the Contribution comprising a single comprehensive implementation and budget framework with overarching goals. A Programme may be accompanied by a policy dialogue;

“Project” means an indivisible series of activities, carried out with the support of the Contribution, which is aimed at achieving agreed objectives and outcomes and is not part of a Programme;

“Regulations” means the Regulations on the implementation of the second Swiss Contribution in the area of cohesion issued by Switzerland and containing the general rules and procedures on the implementation of the Slovenian-Swiss Cooperation Programme;

“Support Measure” is used as a generic term and means a specific Project, Programme or Technical Support within the framework of the Slovenian-Swiss Cooperation Programme;

“Support Measure Agreement” means an agreement between the Parties and, if need be, additional contracting parties, on the implementation of a Support Measure;

“Slovenian-Swiss Cooperation Programme” means the bilateral programme for the implementation of this Framework Agreement;

“Technical Support” means part of the Contribution provided under the Cooperation Programme for the preparation of Support Measures and for the efficient and effective implementation of the Cooperation Programme.

**Article 2 – Legal Framework**

1. This Framework Agreement, together with the following documents, constitutes the legal framework of the implementation of the second Swiss Contribution in the area of cohesion:

1. the Regulations and subsequent amendments thereof;
2. support Measure Agreements, or other agreements between the Parties, resulting from the Framework Agreement; and
3. any operational procedures or guidelines adopted by Switzerland after consultation with Slovenia.

2. In the event of conflicts or inconsistencies between the provisions of these instruments, the aforementioned order of precedence shall apply.

**Article 3 – Objectives and Principles**

1. The overall objective of the Slovenian-Swiss Cooperation Programme is to contribute to the reduction of the economic and social disparities within the EU and within Slovenia, building upon and further strengthening the bilateral relations between Switzerland and the EU and its Member States.

2. The Parties shall select Support Measures that contribute to the achievement of the overall objective and which, with the exception of Technical Support, contribute to at least one of the five objectives of the second Swiss Contribution, which are:

1. promoting economic growth and social dialogue, reducing (youth) unemployment;
2. managing migration and supporting integration. Increasing public safety and security;
3. protecting the environment and the climate;
4. strengthening of social systems;
5. civic engagement and transparency.

3. Support Measures, with the exception of Technical Support and unless otherwise agreed upon by the Parties, shall be assigned to at least one thematic area of cooperation, as set out in the Regulations. The Parties shall achieve a thematic focus for the Contribution. Therefore, the Parties shall mutually agree on a limited number of thematic areas to receive support under the Slovenian-Swiss Cooperation Programme, as set out in the Country-Specific Set-Up.

4. The Parties shall encourage partnerships and the exchange of expertise between actors from Slovenia and Switzerland.

5. Support Measures shall respect social inclusion and ensure environmental sustainability.

6. All actions under the Slovenian-Swiss Cooperation Programme shall be implemented in line with the objectives, principles, strategic directions, and geographical and thematic focus as outlined in the Country-Specific Set-Up and the Regulations.

**Article 4 – Financial Framework**

1. Switzerland agrees to grant a Contribution to Slovenia of up to CHF 16’000’000 (sixteen million Swiss francs) with reference to the agreed thematic areas and geographical allocation and according to the indicative allocation defined in the Country Specific Set-Up.

2. The Contribution in paragraph 1 does not include expenditures by Switzerland on the management costs of the “Slovenian-Swiss Cooperation Programme” and on the “Swiss Expertise and Partnership Fund Cohesion”. The latter is a fund administered by Switzerland, aimed at making Swiss expertise available to selected EU Member States, ensuring the quality and sustainability of Support Measures, strengthening bilateral relations and fostering partnerships between Slovenia and Switzerland.

3. The period of eligibility of expenditures from Support Measures, as defined in Chapter 6 of the Regulations, ends on 3 December 2029, inclusive. Funds not used until this date shall no longer be available to Slovenia.

4. Under the Slovenian-Swiss Cooperation Programme, with the exception of the amounts reserved for Swiss management costs and the Swiss Expertise and Partnership Cohesion Fund, the Contribution should be provided in the form of non-refundable grants or concessional financial facilities such as credit lines, guarantee schemes, equity, debt participation, and loans.

5. The financing from the Contribution shall not exceed 60% of the eligible expenditures from the Support Measure, except for:

1. Projects or Programmes receiving additional financing in the form of budget allocations from national, regional or local authorities, in which case the financing from the Contribution may not exceed 85% of the total eligible expenditures;
2. Projects or Programmes implemented by non-governmental organisations, which may be financed to a degree higher than 60% or fully by the Contribution;
3. Technical Support, which may be financed to a degree higher than 60% or fully by the Contribution;
4. Support Measures in the form of credit lines, guarantee schemes, equity and debt participation and loans to the private sector, which may be financed to a degree higher than 60% or even fully by the Contribution.

6. Slovenia shall ensure compliance with applicable rules on state aid and public procurement.

**Article 5 – Principles for Support Measures**

1. Support Measures shall be implemented in accordance with the legal Framework pursuant to Article 2.

2. Slovenia is responsible for the identification of Support Measures, which are

1. relevant and in line with national priorities;
2. effective in addressing the identified needs;
3. feasible and efficient to implement;
4. expected to have impact;
5. designed to create sustainable benefits.

3. Slovenia shall avoid any duplication of and/or overlap with any part of a Support Measure which is receiving support from any other structural and/or cohesion funds, such as the European Funds, the European Economic Area Financial Mechanism or the Norwegian Financial Mechanism, as the case may be.

4. Each Support Measure shall be approved first by Slovenia and then by Switzerland.

5. Each Support Measure shall be subject to a Support Measure Agreement.

6. The Parties attach high importance to the monitoring, evaluation and auditing of the Support Measures and the Contribution. Each Party shall share, without delay, any useful information requested by the other Party. The Parties shall ensure effective coordination and monitoring of the Slovenian-Swiss Cooperation Programme.

7. Switzerland, or any third party appointed to act on its behalf, shall have the right to visit, monitor, review, audit and evaluate all activities and procedures related to the implementation of the Support Measures as deemed appropriate by Switzerland. Slovenia shall provide any and all information, assistance and documentation, which may be requested or useful, to allow Switzerland to exercise such right.

8. In order to ensure effective implementation of the Slovenian-Swiss Cooperation Programme, the competent authorities referred to in Article 6 shall hold annual meetings. The purpose of such meetings shall be to review the progress achieved in the Slovenian-Swiss Cooperation Programme, agree on any necessary measures to be taken, and provide a forum for discussion of issues of bilateral interest.

**Article 6 – Competent Authorities**

1. Slovenia has authorised a national public entity to act on its behalf as the National Coordination Unit (see Country-Specific Set-Up). The National Coordination Unit shall have overall responsibility for reaching the objectives of the Slovenian-Swiss Cooperation Programme as well as for its implementation in accordance with this Framework Agreement.

2. Switzerland has authorised the Federal Department of Foreign Affairs, acting through the Swiss Agency for Development and Cooperation (SDC), and the Federal Department of Economic Affairs, Education and Research, acting through the State Secretariat for Economic Affairs (SECO), to act on its behalf for the implementation of the Slovenian-Swiss Cooperation Programme. Support Measures are assigned to either the SDC or SECO in line with their respective fields of competence.

**Article 7 – Liability**

The responsibility of Switzerland with regard to the Slovenian-Swiss Cooperation Programme is limited to providing funds in accordance with the relevant Support Measure Agreements. No liability to Slovenia, to any public or private entity involved in a Support Measure or to any third parties is or will be assumed by Switzerland.

**Article 8 – Common Concern**

The Parties share a common concern to prevent and fight against corruption, which jeopardises good governance and the proper use of resources needed for development, and, in addition, endangers fair and open competition in procurement procedures based upon price and quality. The Parties therefore agree to combine their efforts to fight corruption and, in particular, agree that any offer, gift, payment, remuneration or benefit of any kind whatsoever, made to whomsoever, directly or indirectly, with a view to being awarded a mandate or contract under this Framework Agreement, or during the performance hereof, will be construed as an illegal act or corrupt practice. Any act of this kind constitutes sufficient grounds for terminating this Framework Agreement and the relevant Support Measure Agreement, cancelling the procurement or resulting award, or taking any other proportionate corrective measure laid down by applicable law. The Parties shall promptly inform each other of any well-founded suspicion of an illegal act or corrupt practice.

**Article 9 – Amendments**

1. Any amendment to this Framework Agreement shall be made in writing with the mutual agreement of the Parties.

2. Notwithstanding paragraph 1 above, the Country-Specific Set-Up may be amended by mutual agreement of the competent authorities referred to in Article 6 through an exchange of letters between them.

**Article 10 – Final Provisions**

1. The Country-Specific Set-Up (Annex) shall form an integral part of this Framework Agreement.

2. This Framework Agreement shall enter into force, after its signature, on the date of receipt of the last notification confirming the completion by both Parties of their respective approval procedures. It applies until both Parties have fulfilled all their obligations. The Parties shall provisionally apply this Framework Agreement and the Annex hereto commencing on the date on which this Framework Agreement is signed by both Parties.

3. Any dispute which may result from the application of this Framework Agreement shall be resolved by diplomatic means.

4. This Framework Agreement may be terminated at any time by one of the Parties giving six months’ prior written notice. Prior to making such a decision, the Parties shall enter into consultation regarding the reasons for the termination.

5. In the event of termination of this Framework Agreement, its provisions shall continue to apply to the relevant Support Measure Agreements concluded before the termination of this Framework Agreement. The Parties shall decide by mutual agreement on any other consequences of the termination.

Signed in Ljubljana on 28 August 2023 in two original copies in the English language.

|  |  |
| --- | --- |
| For the Government of the Republic of Slovenia | For the Swiss Federal Council |
| dr. Aleksander Jevšek | Ignazio Cassis |

**Annex**

**COUNTRY-SPECIFIC SET-UP**

**to the**

**FRAMEWORK AGREEMENT**

between

 THE GOVERNMENT OF THE REPUBLIC OF SLOVENIA

and

 THE SWISS FEDERAL COUNCIL

on

THE IMPLEMENTATION OF THE SECOND SWISS CONTRIBUTION TO SELECTED MEMBER STATES OF THE EUROPEAN UNION TO REDUCE ECONOMIC AND SOCIAL DISPARITIES WITHIN THE EUROPEAN UNION

1. General provisions
	1. This Country-Specific Set-Up is an integral part of the Framework Agreement between the Government of the Republic of Slovenia (hereinafter referred to as “Slovenia”) and the Swiss Federal Council (hereinafter referred to as “Switzerland”) on the implementation of the second Swiss Contribution to selected Member States of the EU to reduce economic and social disparities within the EU (hereinafter referred to as the “Framework Agreement”).
	2. For the purposes of this Country-Specific Set-Up, the definitions in the Framework Agreement shall apply.
	3. This Country-Specific Set-Up lays down the thematic and geographical allocations of the Contribution and the specific rules agreed between Slovenia and Switzerland, as well as the attribution of responsibilities and tasks to entities involved in the implementation of the Slovenian-Swiss Cooperation Programme and in Support Measures respectively.
	4. For specific rules and procedures not provided in the Country Specific Set-Up, the provisions of the Regulations shall apply.
2. Roles and responsibilities for the Slovenian–Swiss Cooperation Programme

**2.1 National Coordination Unit**

The Partner State has authorised the Ministry of Cohesion and Regional Development (hereinafter referred to as “MCRD”) to act on its behalf as National Coordination Unit (hereinafter referred to as “NCU”) of the Slovenian-Swiss Cooperation Programme. The Financial Mechanisms Division within the Interreg and Financial Mechanisms Office of MCRD shall act as the NCU. The Head of the Financial Mechanisms Division within MCRD shall act as the Head of NCU. The role and responsibilities of the National Coordination Unit are set out in the Regulations.

**2.2 Intermediate Body**

The Intermediate Body for the Slovenian-Swiss Cooperation Programme is not foreseen.

**2.3 Paying Authority**

The Paying Authority is the Ministry of Finance, EU/CA Funds Management Division within the Budget Directorate. The Head of the EU/CA Funds Management Division within the Ministry of Finance shall act as the Head of the Paying Authority. The roles and responsibilities of the Paying Authority are set out in the Regulations.

**2.4 Audit Authority**

The Audit Authority is the Budget Supervision Office / Other European Funds and Mechanisms Audit Division. The Director of the Budget Supervision Office shall act at the Head of the Audit Authority. The roles and responsibilities of the Audit Authority are set out in the Regulations.

1. Parameters of cooperation

**3.1. Thematic allocation**

|  |  |
| --- | --- |
| **Specific objective & thematic area** | Indicative allocation of the Contribution[in CHF million] |
| 1. **Promoting economic growth and social dialogue, reducing (youth) unemployment**
 |
| (i) Vocational and professional education and training |  |
| (ii) Research and innovation |  |
| (iii) Financing for micro, small and medium-sized enterprises |  |
| 1. **Managing migration and supporting integration. Increasing public safety and security**
 |
| (iv) Providing support to migration management and promoting integration measures |  |
| (v) Improving public safety and security |  |
| 1. **Protecting the environment and the climate**
 |
| (vi) Energy efficiency and renewable energy | 15.12 |
| (vii) Public transport |  |
| (viii)Water and waste-water management |  |
| (ix) Waste management |  |
| (x) Nature conservation and biodiversity |  |
| 1. **Strengthening of social systems**
 |
| (xi) Health and social protection |  |
| (xii) Minorities and socially disadvantaged groups  |  |
| 1. **Civic engagement and transparency**
 |
| (xiii)Civic engagement and transparency |  |
| 1. **Technical support**
 |
| (xiv)Technical Assistance Fund | 0.48 |
| (xv) Support Measure Preparation Fund | 0.40 |
| Total Allocation | 16.00 |

Any unused balances in all the Support Measures including Programme Components of the Slovenian-Swiss Cooperation Programme may be transferred to any other approved Support Measure / Programme Component provided the feasibility is ensured until the end of the eligibility period, by mutual agreement (e.g. confirmed in the minutes of meetings or by correspondence) between the competent authorities mentioned in Article 6 of the Framework Agreement in the course of the implementation of the Slovenian-Swiss Cooperation Programme. For the consequent modification of the Support Measure, Article 4.12 of the Regulations shall apply.

**3.2 Geographical allocation**

The less-favoured Slovenian regions should receive at least 50% of the Contribution.

**3.3 Pre-specified parameters for thematic area “Energy efficiency and renewable energy”**

Being an Alpine country, Slovenia faces similar challenges related to climate change impacts as Switzerland. Climate change is a global trend, but the Alpine region is particularly sensitive and vulnerable in this respect. Increased temperatures and changed precipitation patterns leading more frequently to extreme weather events and changing the ecosystem are going to impact the Alpine environment, economy and society in different ways. It is therefore of vital importance for the Alpine region as such to engage in climate change mitigation and adaptation measures which could help to slow down this process and help Alpine countries to adapt to a new reality. The energy efficiency and renewable energy thematic area plays a key role in this process.

**Directly selected or pre-identified Support Measures**

|  |  |
| --- | --- |
| Support Measure name Programme name | Increasing energy efficiency and promoting renewable energy in alpine regions |
| Support Measure type | Programme |
| Programme Strategic Focus | The Programme will contribute to the reduction of greenhouse gas emissions by improving energy efficiency, promoting the use of renewable energy sources and raising awareness about the need to move to a low-carbon society. The Programme will also contribute to the transition from fossil fuels, to the use of renewable energy sources, which is in line with the current country targets for the share of renewables in overall energy use until 2030 and aiming for higher shares as planned in the RePower EU initiative.  |
| Programme Operator | The Ministry of the Environment, Climate and Energy |
| Swiss Support Measure / Programme Partner(s) | See description for each Programme Component below. |

The Programme “Energy efficiency and renewable energy” will consist of the following three Programme Components:

1) DIGI-LEC - Optimising energy efficiency and renewable energy planning through the digitalization of Local Energy Concepts (LECs)

2) Promotion of energy communities with renewables and promotion of shallow geothermal energy use

a) Sub-Component a - Increased share of renewable energy communities;

b) Sub-Component b - Replacement of fossil fuel boilers with geothermal heat pumps using shallow geothermal energy.

3) Piloting Agri-photovoltaics

**Programme Component No. 1**

|  |  |
| --- | --- |
| Programme Component name | DIGI-LEC - Optimising energy efficiency and renewable energy planning through the digitalization of Local Energy Concepts (LECs) |
| Programme Component type | Predefined Component |
| Programme Component Objectives | To create a national platform for the digitalisation of LECs in order to plan and manage the local energy systems in a more efficient and sustainable manner.To enable tracking, monitoring and reporting of energy planning and energy efficiency and renewable energy implementation progress with digital tools and methods. |
| Programme Component Strategic Focus | The Programme Component will provide local communities with support for planning their local energy concepts with an ambitious share of renewable energy sources. The digitalization of Local Energy Plans will make all relevant information available to the public at a single point of access, thus enabling to share good practices and to provide a general overview of all local plans.  |
| Swiss indicative Commitment | 1.7 million CHF |
| Swiss Support Measure Partner(s) | To be jointly identified at a later stage. |
| Other specificities related to the Programme Component | The Digital Local Energy Plans (DIGI-LEP) is a comprehensive and data-driven energy planning system. The evidence-based system approach identifies the most effective route for the local area to contribute towards meeting the national net zero target, as well as meeting its local net zero target. Through digitalization, a community can identify existing and future energy needs as well as priorities for action and opportunities to support its current and future energy system developments. Local energy plans are developed by local actors and are created in collaboration with other stakeholders, such as the local authority, the distribution network operator and local generators. DIGI-LEP can benefit, and indeed support, other local, regional, and national strategies. DIGI-LEP can also be the catalyst for green innovation – for example by establishing smart local energy systems. In a smart local energy system, local energy infrastructure works in a smart and connected way to reduce emissions and help bring additional economic or social value to a community. |

**Programme Component No. 2**

The Programme Component “Promotion of energy communities with renewables and promotion of shallow geothermal energy use” will consist of two Sub-Components:

**Programme Sub-Component No. 2a**

|  |  |
| --- | --- |
| Programme Component name | Promotion of energy communities with renewables and promotion of shallow geothermal energy use |
| Programme Sub-Component name | Increased share of renewable energy communities |
| Programme Sub-Component type | Grants awarded based on a selection through a call for proposals. |
| Programme Sub-Component Objectives | To establish representative, progressive, innovative practices in the field of renewable energy communities in the Slovenian sector of public high schools, high school centres and public universities. |
| Programme Sub-Component Strategic Focus | The focus of this Programme Sub-Component is to establish representative, progressive, innovative practices in the field of renewable energy communities in the Slovenian public education sector, which contributes to a faster green transition to a low-carbon society. The Programme Sub-Component includes educational and awareness-raising aspects. The proposed measures would thereby help reduce differences in RES deployment both at the EU level and within the country. The measure will help achieve the national 2030 RES targets, reduce GHG emissions, and establish a practice or a model for the implementation of similar RES energy community projects across the country. |
| Swiss Commitment | 6.21 million CHF |
| Swiss Support Measure Partner(s) | To be jointly identified at a later stage.  |
| Other specificities related to the Programme Sub-Component | The specific target of this Programme Sub-Component are public bodies with appropriate surface resources for a setup of photovoltaics.  |

**Programme Sub-Component No. 2b**

|  |  |
| --- | --- |
| Programme Component name | Promotion of energy communities with renewables and promotion of shallow geothermal energy use |
| Programme Sub-component name | Replacement of fossil fuel boilers with geothermal heat pumps using shallow geothermal energy |
| Programme Sub-Component type | Grants awarded based on a selection through a call for proposals. |
| Programme Sub-Component Objectives | To replace fossil fuel boilers with geothermal heat pumps using shallow geothermal energy. |
| Programme Sub-Component Strategic Focus | The Programme Sub-Component will promote the use of renewable energy sources and contribute to the transition from fossil fuels to the use of shallow geothermal energy by replacing fossil powered boilers with heat pumps using shallow geothermal energy. |
| Swiss Commitment | 5.21 million CHF |
| Swiss Support Measure Partner(s) | To be jointly identified at a later stage. |
| Other specificities related to the Programme Sub-Component | The specific target of this Programme Sub-Component are publicly owned buildings, including those of local communities, and local district heating systems owned by local communities. The Programme Sub-Component will support the installation of heat pumps using shallow geothermal energy. This will enable the transition to renewables where the use of biomass would negatively affect quality of air and the use of less expensive air-to-water heat pumps is not possible due to higher heat demand, unsuitable climate conditions, noise pollution, etc. |

**Programme Component No. 3**

|  |  |
| --- | --- |
| Programme Component name | Piloting Agri-photovoltaics |
| Programme Component type | Pilot activities |
| Programme Component Objectives | To install solar power capacity in pilot projects on agricultural land and to develop an acceptability analysis on the basis of these pilot projects.  |
| Programme Component Strategic Focus | The Programme Component focus is to implement pilot projects that will foster testing and trialling of a new innovative approach to renewable energy production in a real-life environment that enables simultaneous and more efficient land use. Many key actors, particularly in the agriculture sector, will gain insight into how photovoltaics systems work, learning and understanding the benefits of simultaneous use of land for solar photovoltaics power and agricultural production.  |
| Swiss indicative Commitment | 2 million CHF  |  |
| Swiss Support Measure Partner(s) | To be jointly identified at a later stage. |

1. Partner State specific rules and procedures

Slovenia and Switzerland agree to the following specific provisions in derogation / modification / complement / specification of the Regulations:

The following text replaces paragraph 2 of Article 6.3 of the Regulations:

The period of eligibility of expenditures incurred in the Support Measure Preparation Fund runs from the establishment of the Support Measure Preparation Fund under Article 5.3 paragraph 2 until the approval or rejection of the Programme with all Programme Components and Sub-Components.

The following text complements paragraph 4 of Article 4.10of the Regulations:

The eligibility of expenditures incurred by Swiss partners is subject to the same rules as would apply if the expenditures were incurred by Slovenian partners.

A report by an independent auditor qualified to carry out statutory audits of accounting documents, certifying that the claimed costs of Swiss partners are incurred in accordance with the Regulations, the Swiss law and relevant Swiss accounting practices, shall be accepted as sufficient proof of expenditure incurred by Swiss partners. A report issued by a competent and independent Swiss public officer recognised by the relevant Swiss authorities as having a budget and financial control capacity over the Swiss entity incurring the costs and who has not been involved in the preparation of the financial statements, certifying that the claimed costs of Swiss partners are incurred in accordance with the Regulations, the relevant Swiss law and Swiss accounting practices, shall also be accepted as sufficient proof of expenditure incurred by Swiss partners. The principle of proportionality shall be respected. Expenditures for the certification of costs claimed by Swiss partners involved in the Programme Components shall be covered from the Programme budget.

In the event of a conflict between the Regulations and these specific provisions, the specific provisions of this Annex shall prevail.