EEA Financial Mechanism 2014-2021

PROGRAMME AGREEMENT

between

The Financial Mechanism Committee
established by Iceland, Liechtenstein and Norway

and

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

together hereinafter referred to as the "Parties"

for the financing of the Programme "Cultural Entrepreneurship, Cultural Heritage and Cultural Cooperation"

hereinafter referred to as the "Programme"

Chapter 1
Scope, Legal Framework, and Definitions

Article 1.1
Scope

This programme agreement between the Financial Mechanism Committee (hereinafter referred to as the FMC) and the National Focal Point lays down the rights and obligations of the Parties regarding the implementation of the Programme and the financial contribution from the EEA Financial Mechanism 2014-2021 to the Programme.

Article 1.2
Legal Framework

1. This programme agreement shall be read in conjunction with the following documents which, together with this programme agreement, constitute the legal framework of the EEA Financial Mechanism 2014-2021:

(a) Protocol 38c to the EEA Agreement on the EEA Financial Mechanism 2014-2021;

(b) the Regulation on the implementation of the EEA Financial Mechanism 2014-2021 (hereinafter referred to as the "Regulation") issued by the Donor States in accordance with Article 10(5) of Protocol 38c;

(c) the Memorandum of Understanding on the Implementation of the EEA Financial Mechanism 2014-2021 (hereinafter referred to as the "MoU"), entered into between the Donor States and the Beneficiary State; and

(d) any guidelines adopted by the FMC in accordance with the Regulation.

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

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

Article 1.3
Definitions

Terms used and institutions and documents referred to in this programme agreement shall be understood in accordance with the Regulation, in particular Article 1.6 thereof, and the legal framework referred to in Article 1.2 of this programme agreement.

Article 1.4
Annexes and hierarchy of documents

1. Annexes attached hereto form an integral part of this programme agreement. Any reference to this programme agreement includes a reference to its annexes unless otherwise stated or clear from the context.

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

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

Chapter 2
The Programme

Article 2.1
Co-operation

1. The Parties shall take all appropriate and necessary measures to ensure fulfilment of the obligations and objectives arising out of this programme agreement.

2. The Parties agree to provide all information necessary for the good functioning of this programme agreement and to apply the principles of implementation as set out in the Regulation.

3. The Parties shall promptly inform each other of any circumstances that interfere or threaten to interfere with the successful implementation of the Programme.

4. In executing this programme agreement the Parties declare to counteract corrupt practices. Further, they declare not to accept, either directly or indirectly, any kind of offer, gift, payments or benefits which would or could be construed as illegal or corrupt practice. The Parties shall immediately inform each other of any indication of corruption or misuse of resources related to this programme agreement.

Article 2.2
Main responsibilities of the Parties

1. The National Focal Point is responsible and accountable for the overall management of the EEA Financial Mechanism 2014-2021 in the Beneficiary State and for the full and correct implementation of

this programme agreement. In particular, the National Focal Point undertakes to:

(a) comply with its obligations stipulated in the Regulation and this programme agreement;

(b) ensure that the Certifying Authority, the Audit Authority, the Irregularities Authority and the Programme Operator properly perform the tasks assigned to them in the Regulation, this programme agreement and the programme implementation agreement;

(c) take all necessary steps to ensure that the Programme Operator is fully committed and able to implement and manage the Programme;

(d) take the necessary measures to remedy irregularities in the implementation of the Programme and ensure that the Programme Operator takes appropriate measures to remedy irregularities in Projects within the Programme, including measures to recover misspent funds;

(e) make all the necessary and appropriate arrangements in order to strengthen or change the way the Programme is managed.

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

Article 2.3
Objective and outcomes of the Programme

1. This programme agreement sets out the objective, outcome(s), outputs, indicators and targets for the Programme.

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

Article 2.4
Programme grant

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

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

3. The financial plan annexed to this programme agreement shall:

(a) contain a breakdown between the Programme's budget headings;

(b) indicate the agreed advance payment, if any.

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

Article 2.5
Special conditions and programme specific rules

1. This programme agreement shall list any conditions set by the FMC with reference to paragraph 2 of Article 6.3 of the Regulation. The National Focal Point shall ensure compliance with these conditions and take the necessary steps to ensure their fulfilment.

2. The National Focal Point shall ensure compliance with any other programme specific rules laid down in this programme agreement.

Article 2.6
Programme implementation agreement

With reference to Article 6.8 of the Regulation and without prejudice to paragraph 2 thereof, the National Focal Point shall, before any payment is made to the Programme, sign a programme implementation agreement with the Programme Operator. The National Focal Point shall notify the FMC of such signing.

Article 2.7
Reporting

The National Focal Point shall ensure that the Programme Operator provides financial reports, annual programme reports and a final programme report in accordance with Chapter 9 and Articles 6.11 and 6.12 of the Regulation as well as statistical reporting in accordance with guidelines adopted by the FMC.

Article 2.8
External monitoring

The external monitoring and audit referred to in Articles 11.1, 11.2, 11.3 and 11.4 of the Regulation shall not in any way relieve the National Focal Point or the Programme Operator of their obligations under the legal framework regarding monitoring of the Programme and/or its projects, financial control and audit.

Article 2.9
Modification of the Programme

1. Unless otherwise explicitly stipulated in this programme agreement, any modification of the Programme is subject to prior approval by the FMC.

2. Programme specific exceptions from paragraph 1, if any, are set in the annexes to this programme agreement.

3. Expenditures incurred in breach of this article are not eligible.

4. Should there be a doubt as to whether the proposed modifications require approval by the FMC, the National Focal Point shall consult the FMC before such modifications take effect.

5. Requests for modifications shall be submitted and assessed in accordance with Article 6.9 of the Regulation.

Article 2.10
Communication

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

2. To the extent that original documents are not available in the English language, the documents shall be accompanied by full and accurate translations into English. The National Focal Point shall bear the responsibility for the accuracy of the translation that it provides and the possible consequences that might arise from any inaccurate translations.

Article 2.11
Contact information

1. The contact information of the Programme Operator is as specified in this programme agreement.

2. The contact information for the FMC and the Financial Mechanism Office are:

Financial Mechanism Office
Att: Director
EFTA Secretariat
Rue Joseph II, 12-16
1000 Brussels
Telephone: +32 (0)2 286 1701
Telefax (general): +32 (0)2 211 1889
E-mail: fmo@efta.int

3. Changes of or corrections to the contact information referred to in this article shall be given in writing without undue delay by the Parties to this programme agreement.

Article 2.12
Representations and Warranties

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

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

Chapter 3
Projects

Article 3.1
Selection of projects and award of grants

1. The National Focal Point shall ensure that the Programme Operator selects projects in accordance with Chapter 7 of the Regulation and this programme agreement.

2. Eligibility of project promoters and project partners is stipulated in Article 7.2 of the Regulation and, in accordance with paragraph 4 thereof, subject only to the limitations stipulated in this programme agreement.

3. Pre-defined projects shall be outlined in this programme agreement.

4. The National Focal Point shall take proactive steps to ensure that the Programme Operator complies fully with Article 7.5 of the Regulation.

Article 3.2
Project contract

1. For each approved project a project contract shall be concluded between the Programme Operator and the Project Promoter.

2. In cases where a project contract cannot, due to provisions in the national legislation, be made between the Programme Operator and the Project Promoter, the Beneficiary State may instead issue a legislative or administrative act of similar effect and content.

3. The content and form or the project contract shall comply with Article 7.6 of the Regulation.

4. The National Focal Point shall ensure that the obligations of the Project Promoter under the project

contract are valid and enforceable under the applicable law of the Beneficiary State.

Article 3.3
Project partners and partnership agreements

1. A project may be implemented in a partnership between the Project Promoter and project partners as defined in paragraph 1(w) of Article 1.6 of the Regulation. If a project is implemented in such a partnership, the Project Promoter shall sign a partnership agreement with the project partners with the content and in the form stipulated in Article 7.7 of the Regulation.

2. The partnership agreement shall be in English if one of the parties to the agreement is an entity from the Donor States.

3. The eligibility of expenditures incurred by a project partner is subject to the same limitations as would apply if the expenditures were incurred by the Project Promoter.

4. The creation and implementation of the relationship between the Project Promoter and the project partner shall comply with the applicable national and European Union law on public procurement as well as Article 8.15 of the Regulation.

5. The National Focal Point shall ensure that the Programme Operator verifies that the partnership agreement complies with this article. A draft partnership agreement or letter of intent shall be submitted to the Programme Operator before the signing of the project contract.

Chapter 4
Finance

Article 4.1
Eligible expenditures

1. Subject to Article 8.7 of the Regulation, eligible expenditures of this Programme are:

(a) management costs of the Programme Operator in accordance with the detailed budget in the financial plan;

(b) payments to projects within this Programme in accordance with the Regulation, this programme agreement and the project contract.

2. Eligible expenditures of projects are those actually incurred by the Project Promoter or project partners, meet the criteria set in Article 8.2 of the Regulation and fall within the categories and fulfil the conditions of direct eligible expenditure set in Article 8.3 of the Regulation, the conditions regarding the use of standard scales of unit costs set in Article 8.4 of the Regulation as well as indirect costs in accordance with Article 8.5 of the Regulation.

4. The first date of eligibility of expenditures in projects shall be set in the project contract in accordance with Article 8.13 of the Regulation. The first date of eligibility of any pre-defined projects shall be no earlier than the date on which the National Focal Point notifies the FMC of a positive appraisal of the pre-defined projects by the Programme Operator in accordance with paragraph 3 of Article 6.5 of the Regulation.

5. The maximum eligible costs of the categories referred to in paragraph 1 are set in this programme agreement. Programme specific rules on the eligibility of expenditure set in this programme agreement shall be complied with.

Article 4.2
Proof of expenditure

Costs incurred by Programme Operators, Project Promoters and project partners shall be supported by documentary evidence as required in Article 8.12 of the Regulation.

Article 4.3
Payments

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

2. Payments to the Programme shall take the form of an advance payment, interim payments and payment of the final balance and shall be made in accordance with Articles 9.2, 9.3 and 9.4 of the Regulation.

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

4. The National Focal Point shall ensure that payments are transferred in accordance with paragraph 2 of Article 9.1 of the Regulation.

5. Chapter 9 of the Regulation shall apply to all aspects related to payments, including currency exchange rules and handling of interests on bank accounts.

Article 4.4
Transparency and availability of documents

The National Focal Point shall ensure an audit trail for financial contributions from the EEA Financial

Mechanism 2014-2021 to the Programme in accordance with Article 9.8 of the Regulation.

Article 4.5
Irregularities, suspension and reimbursements

The FMC has the right to make use of the remedies provided in the Regulation, in particular Chapter 13 thereof. The National Focal Point has a duty to take all necessary measures to ensure that the provisions in Chapter 12 and 13 of the Regulation regarding irregularities, suspension of payments, financial corrections and reimbursement are complied with.

Chapter 5
Final provisions

Article 5.1
Dispute settlement

1. The Parties waive their rights to bring any dispute related to the programme agreement before any national or international court, and agree to settle such a dispute in an amicable manner.

2. If a demand for reimbursement to the FMC is not complied with by the Beneficiary State, or a dispute related to a demand for reimbursement arises that cannot be solved in accordance with paragraph 1, the Parties may bring the dispute before Oslo Tingrett.

Article 5.2
Termination

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

(a) a general suspension decision according to Article 13.6 of the Regulation or a decision to suspend payments according to paragraph 1(h) of Article 13.1 of the Regulation has not been lifted within 6 months of such a decision;

(b) a suspension of payments according to Article 13.1 of the Regulation, other than under paragraph 1(h), has not been lifted within one year of such a decision;

(c) a request for reimbursement according to Article 13.2 of the Regulation has not been complied with within one year from such a decision;

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

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

2. This programme agreement can be terminated by mutual agreement between the Parties.

3. Termination does not affect the right of the Parties to make use of the dispute settlement mechanism referred to in Article 5.1 or the right of the FMC to make use of the remedies provided in Chapter 13 of the Regulation.

Article 5.3
Waiver of responsibility

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

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

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

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

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

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

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

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

Article 5.4
Entry into force and duration

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

For the Donors

Signed in Bratislava on 15/11/2018

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Niels Engelschion
Chairman, EEA Financial Mechanism Committee

For the National Focal Point

Signed in Bratislava on 15/11/2018

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Matúš Šutaj Eštok
Head of the Government Office of the Slovak Republic

Annex I to the Programme Agreement

Programme Operators and Partners	
Programme Operator:	Ministry of Investments, Regional Development and Informatization of the Slovak Republic
Donor Programme Partner:	Norwegian Directorate for Cultural Heritage (RA) Arts and Culture Norway (ACN)
IPO:	-
Other Programme Partner(s):	-

Programme Objective	Social and economic development strengthened through cultural cooperation, cultural entrepreneurship and cultural heritage management

PA	Outcome/Output	Expected programme results	Indicator	Disaggregation	Unit of measurement	Source of verification	Frequency of reporting	Baseline values	Baseline year	Target value
PA14	Outcome 1	Cultural heritage conditions enhanced	Number of jobs created	Financial Mechanism, Gender, Age	Cumulative number	Payroll records, employment agreements	Annually (APR)	0	N/A	25
			Annual revenues generated by the restored monuments (€)	N/A	Annual number	Project promoters' records of revenues	Annually (APR)	1,576,980	2018	3,153,958[1]
			Annual number of visitors to supported cultural heritage sites, museums and cultural activities	N/A	Annual number	Ticketing recording system; tickets sold	Annually (APR)	231,379	2018	462,758[2]
			Annual number of monuments monitored by regional inspection teams	N/A	Annual number	Monument Technical reports; Photos; Annual	Annually (APR)	80	2017	100

[1] +100% increase compared to the baseline value

[2] +100% increase compared to baseline value

						Project Reports				
	Output 1.1	Cultural heritage restored and revitalised	Number of cultural monuments restored and revitalised	N/A	Cumulative number	Record of restoration works; On-site monitoring;	Semi-annually (APR and September IFR)	0	N/A	19
			Number of entrepreneurship strategies developed and implemented	N/A	Cumulative number	On-site monitoring; Project interim reports;	Semi-annually (APR and September IFR)	0	N/A	19
			Number of projects that have conducted consultations with the local community	N/A	Cumulative number	Project websites; Attendance sheets; Minutes from the meetings; Project promoters´ records	Semi-annually (APR and September IFR)	0	N/A	19
			Number of revitalisation projects promoting the culture and heritage of minorities	N/A	Cumulative number	Record of restoration works; On-site monitoring;	Semi-annually (APR and September IFR)	0	N/A	10
			Number of partnership agreements concluded between the owner of cultural heritage sites and other players	N/A	Cumulative number	Project interim reports; Project websites	Semi-annually (APR and September IFR)	0	N/A	35
	Output 1.2	Cultural heritage monitored and preserved	Number of craftsmen trained	Financial Mechanism, Gender	Cumulative number	Project Promoters' records, Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	15
			Number of new regional inspection teams' members	N/A	Cumulative number	Project interim reports;	Semi-annually (APR and	0	N/A	1

						Project Promoter´s records	September IFR)			
			Number of centres for construction crafts established	N/A	Cumulative number	Project interim reports; Project Promoter´s records	Semi-annually (APR and September IFR)	0	N/A	3
			Number of cultural monuments monitored	N/A	Cumulative number	Monument Technical reports;	Semi-annually (APR and September IFR)	0	N/A	210
			Number of bilateral workshops carried out	N/A	Cumulative number	Attendance sheets; Photos; Project Interim reports	Semi-annually (APR and September IFR)	0	N/A	3
PA14	Outcome 2	Access to contemporary arts improved	Annual number of people attending cultural activities[3]	N/A	Annual number	Ministry of Culture statistics	Annually (APR)	3,615,897	2017	4,000,000 [4]
			Expenses of households on culture services[5]	N/A	Cumulative number	Available statistical data	Annually (APR)	58.41	2017	60
	Output 2.1	Capacity of cultural players supported	Number of artists and cultural experts directly involved or benefiting from the support	N/A	Cumulative number	Project Promoters´ records; Project Interim reports	Semi-annually (APR and September IFR)	0	N/A	500
			Number of entrepreneurship strategies	N/A	Cumulative number	Project websites; Project	Semi-annually (APR and	0	N/A	20

[3] Includes all cultural activities in Slovakia, not only those supported by the programme.
[4] Number of people attending in the last year of programme implementation. Attendance at theatres, theatre festivals, shows, concerts and live performances - Ministry of Culture Statistics
[5] In EUR per month per person - Statistical Yearbooks of the Slovak Statistics Office.

			developed and implemented			Promoters 'records; Project interim reports	September IFR)			
			Number of cultural players (institutions) supported	N/A	Cumulative number	Concluded Project contracts	Semi-annually (APR and September IFR)	0	N/A	40
	Output 2.2	Audience development supported	Number of events targeting audience development	N/A	Cumulative number	Project Promoters 'records; Tickets sold; Project interim reports	Semi-annually (APR and September IFR)	0	N/A	100
			Number of events dedicated to artistic freedom and/or freedom of expression	N/A	Cumulative number	Project interim reports; Photos;	Semi-annually (APR and September IFR)	0	N/A	100
			Number of educational institutions involved	N/A	Cumulative number	Project Promoters 'records; Project interim reports	Semi-annually (APR and September IFR)	0	N/A	20
			Number of events focused on raising awareness about minority culture	N/A	Cumulative number	Project interim reports; Photos;	Semi-annually (APR and September IFR)	0	N/A	100
PA14	Bilateral Outcome	Enhanced collaboration	Level of satisfaction with the partnership	N/A	Scale 1-7	Survey results	Annually (APR)	6.33[6]	2023[7]	4.5[8]

[6] Survey conducted by the FMO
[7] Baseline updated in line with the most recent information
[8] Target is ≥4.5 and an increase on the baseline

		between beneficiary and donor state entities involved in the programme	Level of trust between cooperating entities in Beneficiary States and Donor States	N/A	Scale 1-7	Survey results	Annually (APR)	6.38[9]	2023[10]	4.5[11]
			Share of cooperating organisations that apply the knowledge acquired from bilateral partnership	N/A	Percentage	Survey results	Annually (APR)	N/A	N/A	50 %
	Bilateral Output 1	Bilateral cultural cooperation supported	Number of projects involving cooperation with a donor project partner	N/A	Cumulative number	Copies of contracts concluded with Project Promoters, Partnership agreements between Project Promoters and project partners	Semi-annually (APR and September IFR)	0	N/A	37
			Number of bilateral activities targeting minorities	N/A	Cumulative number	Project Promoters 'records; Project interim reports	Semi-annually (APR and September IFR)	0	N/A	10
			Number of joint cultural activities implemented	N/A	Cumulative number	Project Promoters 'records; Project interim reports	Semi-annually (APR and September IFR)	0	N/A	25

[9] Survey conducted by the FMO
[10] Baseline values for bilateral indicators updates in line with the most recent information
[11] Target is ≥4.5 and an increase on the baseline

Conditions

General

1. The maximum level of funding available from the total eligible expenditure of the programme for infrastructure (hard measures) shall be 70%.

2. The relevant public institution(s) in the Slovak Republic in charge of the policy area in question, including the Ministry of Culture, shall be actively involved in the preparation and implementation of the programme, specifically as member(s) of the Cooperation Committee.

3. The National Focal Point shall ensure that any revenues generated within projects are reinvested in compliance with the programme's outcomes and outputs.

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

• Keep any buildings purchased, constructed, renovated or reconstructed under the project in their ownership for a period of at least 5 years following the completion of the project and continue to use such buildings for the benefit of the overall objectives of the project for the same period;

• Keep any buildings purchased, constructed, renovated or reconstructed under the project properly insured against losses such as fire, theft and other normally insurable incidents both during project implementation and for at least 5 years following the completion of the project; and

• Set aside appropriate resources for the maintenance of any buildings purchased, constructed, renovated or reconstructed under the project for at least 5 years following the completion of the project. The specific means for implementation of this obligation shall be specified in the project contract.

5. For the outcome 1 indicators "Annual number of visitors to supported cultural heritage sites, museums and cultural activities" and "Annual revenues generated by the restored monuments (in €)", where the baseline value is "to be determined" (TBD), the Programme Operator shall submit to the FMO for approval the baseline value, together with a description of the data collection method used, no later than six months after the finalisation of the selection of projects under the call for proposals within this outcome. The updated baseline value shall be agreed upon through a modification of the programme agreement.

Pre-eligibility

Not applicable

Pre-payment

Not applicable

Pre-completion

Not applicable

Post-completion

Not applicable

Eligibility of costs - period	**First date**	**Final date**
Eligibility of costs	29/11/2016	30/04/2025
Grant rate and co-financing		
Programme eligible expenditure (€)		€ 28,089,412
Programme grant rate (%)		85.00 %
Maximum amount of Programme grant - EEA Financial Mechanism (€)		€ 21,642,810

Maximum amount of Programme grant - Norwegian Financial Mechanism (€)	€ 2,233,190
Maximum amount of Programme grant - Total (€)	€ 23,876,000

PA	Budget Heading	EEA Grants	Norway Grants	Total grant	Programme grant rate	Programme co-financing	Programme eligible expenditure	Advance payment
PA14	Programme management	€ 1,300,399	€ 0	€ 1,300,399	85.00 %	€ 229,482	€ 1,529,881	€ 286,875
PA14	Outcome 1 (EEA Grants)	€ 16,986,799		€ 16,986,799	85.00 %	€ 2,997,670	€ 19,984,469	€ 1,266,559
PA14	Outcome 1 (Norway Grants)		€ 2,233,190	€ 2,233,190	85.00 %	€ 394,092	€ 2,627,282	n/a
PA14	Outcome 2 (EEA Grants)	€ 3,355,612		€ 3,355,612	85.00 %	€ 592,167	€ 3,947,779	€ 0
PA14	Outcome 2 (Norway Grants)					n/a		n/a
Total		**€ 21,642,810**	**€ 2,233,190**	**€ 23,876,000**	**85.00 %**	**€ 4,213,412**	**€ 28,089,412**	**€ 1,553,434**

Retention of management costs	
Retention of management costs - Percentage of the management costs	10.00 %
Retention of management costs - Planned Euro value	€ 152,988

Cultural Entrepreneurship, Cultural Heritage and Cultural Cooperation

Operational rules (Annex II)

1. **Programme summary**

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

The Programme Operator is the Ministry of Investments, Regional Development and Informatization of the Slovak Republic. The Norwegian Directorate for Cultural Heritage (RA) and the Arts and Culture Norway (ACN) are the Donor Programme Partners (DPP).

The programme shall support projects within the Programme Area "Cultural Entrepreneurship, Cultural Heritage and Cultural Cooperation". The programme objective "Social and economic development strengthened through cultural cooperation, cultural entrepreneurship and cultural Heritage management" will be attained through two outcomes:

The programme shall support the outcome "Cultural heritage conditions enhanced" (Outcome 1) by way of one call for proposals on restoration and revitalisation of cultural heritage for the reuse or further use of cultural monuments and to foster entrepreneurial potential, and two pre-defined projects (PDPs): "Pro Monumenta II" (PDP no. 1) and "Red Monastery – Reborn" (PDP no. 2).

The ambition is that at least 30% of the projects under the outcome "Cultural heritage conditions enhanced" (Outcome 1) are implemented in partnership with entities from the Donor States.

The programme shall support the outcome "Access to contemporary arts improved" (Outcome 2) by way of one small grant scheme (SGS) which shall be implemented by way of two calls for proposals. The SGS shall support projects on capacity development of cultural players and audience development, resulting in the organisation of events targeting audience's interest in culture and arts and their involvement in culture and arts, events dedicated to artistic freedom and/or freedom of expression, events focused on raising awareness about minority culture and involvement of educational institutions.

2. Eligibility

2.1 Eligible applicants:

The rules on eligibility of project promoters and project partners are set in Article 7.2 of the Regulation. In accordance with Article 7.2.4 of the Regulation, the following entities shall be eligible:

	Eligible applicants (Project Promoters)	**Eligible partners**
Call for proposals **Outcome 1** "Cultural heritage conditions enhanced"	In accordance with Article 7.2.1 of the Regulation. Natural persons are not eligible.	Any public or private entity, commercial or non-commercial, as well as non-governmental organisations established as a legal person either in the Donor States or in the Beneficiary States, or any international organisation or body or agency thereof. Natural persons are not eligible.
SGS calls for proposals	Entities in accordance with Article 7.2.1 of the Regulation whose principal activity is in the cultural and creative sectors as defined in	Mandatory partner:

Outcome 2 "Access to contemporary arts improved"	Regulation (EU) No 1295/2013[12] of the European Parliament and of the Council establishing the Creative Europe Programme (2014-2020), provided that the applicant has at least one mandatory partner. Natural persons are not eligible.	Any public or private entity, commercial or non-commercial, as well as non-governmental organisations established as a legal person in one of the Donor States and whose principal activity is in the cultural and creative sectors as defined in Regulation (EU) No 1295/20131 of the European Parliament and of the Council establishing the Creative Europe Programme (2014-2020). Natural persons are not eligible. Other partner: Any public or private entity, commercial or non-commercial, as well as non-governmental organisations established as a legal person either in the Donor States or in the Beneficiary States, or any international organisation or body or agency thereof. Natural persons are not eligible.

All projects under the SGS shall be implemented in partnership with entities from the Donor States.

2.2 Special rules on eligibility of costs:
Costs are eligible in accordance with chapter 8 of the Regulation.

In accordance with Article 8.5.1 e) of the Regulation, project promoters or project partners that are international organisations or bodies or agencies thereof, may identify their indirect costs in accordance with the relevant rules established by such organisations.

3. Bilateral relations
3.1 Bilateral relations
The programme shall contribute to strengthening bilateral relations between the Slovak Republic and the Donor States.

[12] OJ L 347, 20.12.2013

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

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

4. Selection of projects and financial parameters

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

	Indicative timing	Total available amount	Maximum/Minimum grant applied for
Call for proposals **Outcome 1** "Cultural heritage conditions enhanced"	1st semester 2019	€15,621,144	€1,000,000/€200,000
SGS **Outcome 2** "Access to contemporary arts improved"	1st call: 1st semester 2019 2nd call: 2nd semester 2020	1st call: €1,524,095 2nd call: €1,796,644	€200,000/€50,000

Amounts uncommitted may be transferred to a call for the award of additional funds for the implementation of already supported projects under the Programme. When awarding additional funds, the maximum amount of grant awarded to a project can exceed the maximum amount referred to in the above table.

4.2 Selection procedures:

The project evaluation and award of grants shall be in accordance with Article 7.4 of the Regulation.

The Programme Operator shall be responsible for project evaluation and for the award of grants.

The Programme Operator shall establish two Selection Committees (one per outcome) that shall recommend the projects to be funded under the calls of the relevant outcome.

The Selection Committee for outcome 1 shall consist of at least six persons possessing the relevant expertise. At least one of them shall be external to the Programme Operator and its Partners. RA, the FMC and the National Focal Point shall be invited to participate in the meetings of the Selection Committee as observers.

The Selection Committee for outcome 2 shall consist of at least three persons possessing the relevant expertise. At least one of them shall be external to the Programme Operator and its Partners. ACN, the FMC and the National Focal Point shall be invited to participate in the meetings of the Selection Committee as observers.

The Programme Operator shall review the applications for compliance with administrative and eligibility criteria. Applicants whose applications are rejected at this stage shall be informed and given a reasonable time to appeal that decision.

Each application that meets the administrative and eligibility criteria shall be reviewed by two experts appointed by the Programme Operator. The experts shall be impartial and independent of the Programme Operator and the Selection Committee.

The experts shall separately score the project according to the selection criteria published with the call for proposals. For the purposes of ranking the projects, the average of the scores awarded by the experts shall be used.

If the difference between the scores given by the two experts is more than 30 % of the higher score, a third expert shall be commissioned by the Programme Operator to score the project independently. In such cases the average score of the two closest scores shall be used for the ranking of the projects.

The Programme Operator shall provide the Selection Committee with a list of the ranked projects. The Selection Committee shall review the ranked list of projects. It may modify the ranking of the projects in justified cases. The justification for the modifications shall be detailed in the minutes of the meeting of the Selection Committee. If such a modification results in a project's rejection, the affected applicant shall be informed in writing about the justification for the modification. The Selection Committee shall submit the list of recommended projects to the Programme Operator.

The Programme Operator shall verify that the selection process has been conducted in accordance with the Regulation and that the recommendations from the Selection Committee comply with the rules and objectives of the programme. Following such verification, the Programme Operator shall, based on the recommendation of the Selection Committee, make a decision on which projects shall be supported. Prior to making such decision, an on the spot visit may be carried out by the Programme Operator. If the Programme Operator modifies the decision of the Selection Committee or suggests modification of the project, it shall inform the applicants affected and provide them with a justification.

The Programme Operator shall notify the applicants about the results of the selection process within a reasonable time and publicise the results.

The process set out in this Article shall apply to all calls for proposals, including the SGS, under this programme.

4.3 Project grant rate:

Grants to projects from the programme may be up to 100% of total eligible expenditure of the project. In the case of projects where the project promoter is an NGO or a social partner, as defined in Article 1.6 of the Regulation, the project grant rate may be up to 90% of total eligible expenditure of the project. The project grant rate shall in all cases be set at a level that complies with the State Aid rules in force and takes into account any and all other forms of public support granted to projects. Any remaining costs of the project shall be provided or obtained by the project promoter.

5. Additional mechanisms within the Programme

5.1 Pre-defined projects

There will be two pre-defined projects implemented under the programme:

1) ""Pro Monumenta II""

Project Promoter:	Monuments Board of the Slovak Republic
Donor project partner(s):	Norwegian Directorate for Cultural Heritage (RA)
Total maximum eligible costs:	€ 1,500,000
Project grant rate:	100.00 %
Maximum project grant amount:	€ 1,500,000

The project will continue the support to Pro Monumenta and the system of preventive inspections of immovable cultural heritage developed under the EEA Financial Mechanism 2009-2014. The main aims are to further develop the system and make it sustainable, to raise awareness of the need for preventive maintenance of cultural heritage and to increase the competence and availability of craftsmanship.

Project activities shall include, inter alia, the following activities:

- Monitoring of immovable cultural heritage by inspection;
- Establishment of three regional training centres for training of craftsmen;
- Enhancement of the three regional inspection teams and training of inspectors;
- Purchase of small mobile workshops and drones equipped with cameras;
- Cooperation and transfer of know-how with the donor partner to explore the establishment of a similar system for preventive inspections in Norway;
- Communication of the project and the importance of preventive maintenance, including video tutorials on the maintenance of monuments and events in areas of cultural heritage.

2) ""Red Monastery - Reborn""

Project Promoter:	Monuments Board of the Slovak Republic
Donor project partner(s):	National Trust of Norway Norwegian Cultural Heritage
Total maximum eligible costs:	€ 1,958,975
Project grant rate:	100.00 %
Maximum project grant amount:	€ 1,958,975

The project will restore and revitalise an important part of the Red Monastery, make it accessible for the general public, carry out educational activities and generate cultural tourism.

The project shall include, inter alia, the following activities:

- The complete revitalisation of two buildings of the Red Monastery, including the monastery school as an education and training centre, a Cyprian pharmacy as a centre for renewal of traditional folk medicine and a space for meditation and digital detox in the tradition of the Monastery;
- Providing accessibility in the main buildings and around the exteriors of the monastery complex for the disabled visitors, including equipping the exhibition spaces for the visually impaired;
- The development and implementation of an entrepreneurship strategy in consultation with the local community;
- Training for professionals on cultural heritage management and protection;
- Presentations/workshops for visitors on traditional craft, including the historical manufacturing of local products such as medicinal herbs, honey and mead;

- The creation of at least three quality exhibitions on the history of the Monastery and cultural heritage;

- The exchange of experience and good practices with the donor project partners.

5.2 Financial Instruments

Not applicable

6. Programme Management

6.1 Payment flows

The Programme Operator shall ensure that payments to projects are made in a timely manner. Interim and final payments to the projects shall be based on approved project reports.

Payments of the project grant shall take the form of advance payments, interim payments and a final payment. The level of advance payment to projects shall be set out in the project contract. The maximum level of advance payment shall be linked to the project budget and duration as follows:

Project implementation duration[13]	Advance payment	1st Interim payment	2nd Interim payment	3rd Interim payment	4th Interim payment	Final payment [14]
Less than 24 months	20%	40%	30%	-	-	10%
24-36 months	15%	30%	25%	20%	-	10%
More than 36 months	10%	20%	20%	25%	15%	10%

The advance payment shall be paid following the signature of the project contract. Subsequent payments shall be paid after the approval of project interim reports. The final payment will be paid after approval of the final report.

An advance payment, if any, of a percentage of the total grant amount shall be paid within 15 working days from the submission of a request or within the period set in the project contract. The interim payments shall be paid within 1 month after the approval of project interim reports.

Upon approval of the final project report a final balance payment, if applicable, shall be made within 1 month.

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

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

6.2 Verification of payment claims

[13] The project contract may set suspensive conditions related to advance, interim and/or final payments. In justified cases, at the Programme Operator´s discretion, a project promoter may receive extraordinary payments to ensure sufficient funds for the projects during the implementation so as to avoid any liquidity problems, provided that the Programme Operator has sufficient capacity to proceed with these payments.

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

Project promoters shall submit interim and final project reports containing information on project progress and incurred expenditure.

In line with point i) of Article 5.6.2 of the Regulation incurred expenditure reported shall be subject to administrative verifications before the report is approved. Verifications to be carried out shall cover administrative, financial, technical and physical aspects of projects, as appropriate, and be in accordance with the principle of proportionality. Examination of proof of expenditure related to the administrative verifications may be carried out on a sample basis.

Additionally, in line with point ii) of Article 5.6.2 of the Regulation on–the-spot verifications of projects, which may be carried out on a sample basis, shall be carried out.

The detailed procedure for verification will be further detailed in the description of the Programme Operator's management and control systems.

6.3 Monitoring and reporting

The Programme Operator shall monitor, record and report on progress towards the programme's outcomes in accordance with the provisions contained in the legal framework. The Programme Operator shall ensure that suitable and sufficient monitoring and reporting arrangements are made with the project promoters in order to enable the Programme Operator and the National Focal Point to meet its obligations to the Donors.

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

6.4 Programme administrative structures

Not applicable

7. Communication

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

8. Miscellaneous

Not applicable