EEA Financial Mechanism 2014-2021

PROGRAMME AGREEMENT

between

The Financial Mechanism Committee
established by Iceland, Liechtenstein and Norway

and

The National Management Unit,
hereinafter referred to as the "National Focal Point",
representing Portugal,
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	For the National Focal Point
Signed in Oslo on 26/02/2019	Signed in Oslo on 26/02/2019
.....	.....
Niels Engelshiøn Chairman EEA Financial Mechanism Committee	Susana Ramos Head National Focal Point Unidade Nacional de Gestäo, UNG

Annex I to the Programme Agreement

Programme Operators and Partners	
Programme Operator:	Directorate General for Cultural Heritage (DGPC)
Donor Programme Partner:	Norwegian Directorate for Cultural Heritage (RA)
IPO:	-
Other Programme Partner(s):	Arts and Culture Norway (ACN) Directorate General for the Arts (DG ARTES) (PT)

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 management enhanced	Annual number of visitors to supported cultural heritage sites and cultural heritage-related events	N/A	Annual number	Public attendance registry	Annually (APR)	13,054[1]	2021	53,536
			Number of jobs created	Gender, Age	Cumulative number	Payroll records, employment agreements	Annually (APR)	0	N/A	13
			Annual revenue (in €) generated by revitalised cultural heritage sites	N/A	Annual number	Annual accounts	Annually (APR)	2,304.5[2]	2021	467,940.74
	Output 1.1	Coastal cultural heritage restored and revitalised	Number of sustainability plans on use of cultural heritage developed	N/A	Cumulative number	Project contracts	Semi-annually (APR and September IFR)	0	N/A	5

[1] Based on selected sites
[2] Based on selected sites

			Number of immovable cultural heritage assets preserved	N/A	Cumulative number	Project contracts	Semi-annually (APR and September IFR)	0	N/A	5
			Number of new sustainable activities established in restored cultural heritage assets	N/A	Cumulative number	Project contracts	Semi-annually (APR and September IFR)	0	N/A	5
			Number of intangible cultural heritage manifestations included in the project as one piece of the cultural heritage revitalized	N/A	Cumulative number	Project contracts	Semi-annually (APR and September IFR)	0	N/A	5
	Output 1.2	Underwater cultural heritage management and conservation supported	Underwater heritage conservation laboratory equipped	N/A	Binary	Project Promoter records	Semi-annually (APR and September IFR)	No	N/A	Yes
			Number of professional staff trained in underwater heritage management and conservation	Gender, Roma	Cumulative number	Project Promoters' records, Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	20
			Number of underwater archaeological collections made available to the public[3]	N/A	Cumulative number	Project Promoter records	Semi-annually (APR and September IFR)	0	N/A	13
			Number of archaeological sites documented in situ	N/A	Cumulative number	Project Promoter records	Semi-annually (APR and September IFR)	0	N/A	4

[3] Around 600 small scale objects divided in 13 collections have been selected for conservation and to be returned.

			Number of archaeological data from the sites made virtually accessible to the public	N/A	Cumulative number	Project Promoter records	Semi-annually (APR and September IFR)	0	N/A	2
	Output 1.3	Film footage on coastal cultural heritage digitized	Length of cultural heritage film footage (in minutes) digitized	N/A	Cumulative number	Project Promoter records	Semi-annually (APR and September IFR)	0	N/A	10,000
			Number of sea-related films documenting cultural heritage presented at cinematic events	N/A	Cumulative number	Project Promoter records	Semi-annually (APR and September IFR)	0	N/A	30
PA14	Outcome 2	Improved access to contemporary arts in low-density municipalities	Number of people attending supported contemporary arts events[4]	N/A	Cumulative number	Project Promoter Records (Activity Reports)	Annually (APR)	0	N/A	28,800
			Number of jobs created	Gender, Age	Cumulative number	Payroll records, employment agreements	Annually (APR)	0	N/A	8
			Number of people trained who self-report improved skills or knowledge	N/A	Cumulative number	Programme Records (Programme Partner)	Annually (APR)	0	N/A	28
	Output 2.1	Support for contemporary arts provided	Number of low-density municipalities involved in the development of contemporary arts projects	N/A	Cumulative number	Project Contracts (Partnership Agreements, Activity Reports)	Semi-annually (APR and September IFR)	0	N/A	8
			Number of new partnerships developed between arts organizations	N/A	Cumulative number	Project Contracts	Semi-annually (APR and	0	N/A	24

[4] The PO shall report (in narrative form) on any new audience groups (demographic segments).

			in Portugal, Portuguese municipalities, and donor state entities			(Partnership Agreements)	September IFR)			
			Number of participants in training actions organized by the programme	N/A	Cumulative number	Programme Records (Programme Partner)	Semi-annually (APR and September IFR)	0	N/A	32
			Number of local residents in low-density municipalities involved in creative processes supported by the programme	N/A	Cumulative number	Project Promoter Records (Activity Reports)	Semi-annually (APR and September IFR)	0	N/A	2,400
			Number of artistic productions programmed in low-density municipalities	N/A	Cumulative number	Project Promoter Records (Activity Reports)	Semi-annually (APR and September IFR)	0	N/A	80
			Number of public presentations of the artistic productions programmed in low-density municipalities	N/A	Cumulative number	Project Promoter Records (Activity Reports)	Semi-annually (APR and September IFR)	0	N/A	800
PA14	Bilateral Outcome	Enhanced cooperation between donor and beneficiary 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)	6.83	N/A	4.5[5]
			Level of satisfaction with the partnership	N/A	Scale 1-7	Survey results	Annually (APR)	6.71	N/A	4.5[6]
			Share of cooperating organisations that apply the knowledge acquired from bilateral partnership	N/A	Percentage	Survey results	Annually (APR)	N/A	N/A	50 %[7]

[5] Target is ≥4.5, and an increase on the baseline value
[6] Target is ≥4.5, and an increase on the baseline value
[7] Target is minimum 50 %

			Number of joint articles submitted to peer-reviewed publications	Donor State, Type of scientific publication	Cumulative number	Proof of submission	Annually (APR)	0	N/A	2
			Share of contemporary arts produced bilaterally	N/A	Percentage	Project Promoter Records (Activity Reports)	Semi-annually (APR and September IFR)	0 %	N/A	15 %
	Bilateral Output 1	Bilateral 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	12
			Number of professionals from Donor States involved in knowledge sharing with Beneficiary States	N/A	Cumulative number	Programme records	Semi-annually (APR and September IFR)	0	N/A	12
			Number of professionals from Beneficiary States involved in knowledge sharing with Donor States	N/A	Cumulative number	Programme records	Semi-annually (APR and September IFR)	0	N/A	12
			Number of staff from beneficiary states in exchanges	Donor State, Gender, Type of exchange	Cumulative number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	11
			Number of staff from donor states in exchanges	Donor State, Gender, Type of exchange	Cumulative number	Project Promoter's records	Semi-annually (APR and	0	N/A	11

							September IFR)			

Conditions

General

I) The maximum level of funding available from the total eligible expenditures of the programme for infrastructure (hard measures) shall be 41,5%.

2) For Outcome 1 indicators "Annual number of visitors to supported cultural heritage sites and cultural heritage-related events" and "Annual revenue (in €) generated by revitalised cultural heritage sites" 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 6 months following the selection of projects under open call I. The updated baseline values shall be agreed upon through modifications of the programme agreement.

3) 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.

4) The Programme Operator shall in the Annual and Final Programme Reports report on the implementation of the plan to ensure adequate programme management capacity of the Programme Operator submitted in accordance with the Memorandum of Understanding.

5) For predefined project no. I (numbering under Section 5.1 of Annex Il to the Programme Agreement), the Programme Operator's responsibilities regarding the verification of payment claims described in Article 5.6.1 e) of the Regulation, including the verification of the project outputs described in Article 5.6.1 g) of the Regulation shall be externalised and be carried out by a legal entity independent of and unrelated to the Programme Operator.

6) For predefined project no. I (numbering under Section 5.1 of Annex Il to the Programme Agreement), the National Focal Point shall ensure that the Programme Operator ensures that the appraisal foreseen in Article 6.5.3 of the Regulation is externalised and carried out by a legal entity independent of and unrelated to the Programme Operator.

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	23/05/2017	30/04/2025
Grant rate and co-financing		
Programme eligible expenditure (€)		€ 11,135,294
Programme grant rate (%)		85.00 %
Maximum amount of Programme grant - EEA Financial Mechanism (€)		€ 9,465,000
Maximum amount of Programme grant - Norwegian Financial Mechanism (€)		-
Maximum amount of Programme grant - Total (€)		€ 9,465,000

PA	Budget Heading	EEA Grants	Total grant	Programme grant rate	Programme co-financing	Programme eligible expenditure	Advance payment
PA14	Programme management	€ 885,000	€ 885,000	85.00 %	€ 156,176	€ 1,041,176	€ 67,208
PA14	Outcome 1 (EEA Grants)	€ 5,782,624	€ 5,782,624	85.00 %	€ 1,020,463	€ 6,803,087	€ 855,065
PA14	Outcome 2 (EEA Grants)	€ 2,797,376	€ 2,797,376	85.00 %	€ 493,655	€ 3,291,031	€ 426,913
Total		**€ 9,465,000**	**€ 9,465,000**	**85.00 %**	**€ 1,670,294**	**€ 11,135,294**	**€ 1,349,186**

Retention of management costs	
Retention of management costs - Percentage of the management costs	10.00 %
Retention of management costs - Planned Euro value	€ 104,118

Cultural Entrepreneurship, Cultural Heritage and Cultural Cooperation

Operational rules (Annex II)

1. **Programme summary**

I. 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 Directorate General for Cultural Heritage. The Donor Programme Partner is the Norwegian Directorate for Cultural Heritage. The Directorate General for the Arts (DGARTES) is Programme Partner. Arts and Culture Norway shall be actively involved in the preparation of the programme and the facilitation of partnerships under Outcome 2.

The programme objective is "Social and economic development strengthened through cultural cooperation, cultural entrepreneurship and cultural heritage management". The programme shall support projects within the Programme Area "Cultural Entrepreneurship, Cultural Heritage and Cultural Cooperation".

The programme shall support the outcome "Cultural heritage management enhanced" (Outcome I) by way of one call for proposals (call no. I) and two predefined projects (PDPs): "Building capacity and skills for the conservation and management of underwater heritage" (PDP no. 1) and "FILMar: Digitization of film heritage" (PDP no. 2). Call no. 1 will support projects on the restoration and revitalisation of coastal cultural heritage to give it new functions in and for the local communities. The projects shall be developed with local partnerships and based on a development plan for the sustainable use ofthe cultural heritage as an open resource for the local communities.

The programme shall support the outcome "Improved access to contemporary arts" (Outcome 2) by way of one call for proposals (call no. 2). Call no. 2 will support projects on new or existing artistic productions/works in local communities and include activities on audience development to increase access to and participation in culture and arts. The projects shall be implemented with a donor partner.

The programme shall focus on cultural cooperation, cultural entrepreneurship and cultural heritage management with special concern on the role that arts, culture and cultural heritage play in local and regional development. The programme shall emphasise employment, social inclusion and cohesion, cultural entrepreneurship, cultural heritage management, preservation and conservation, audience development and cultural activities in education. Coastal cultural heritage shall be taken into account.

2. Eligibility

2.1 Eligible applicants:

The rules on eligibility of project partners are set in Article 7.2 of the Regulation. In accordance with Article 7.2.4. of the Regulation, the following limitations shall apply:

	Eligible applicants (Project Promoters)	**Eligible partners**

Call 1	Any entity, public or private, commercial or non-commercial and non-governmental organisations, established as a legal person in Portugal, as well as natural persons who are legal residents in Portugal	Any entity, public or private, commercial or non-commercial and non-governmental organisations, established as a legal person in Portugal or in one of the Donor States, as well as natural persons who are legal residents in Portugal or in one of the Donor States. Partnership within local, regional or central public entities established as a legal person in Portugal is mandatory when the applicant is a private entity.
Call 2	Any private entity or non-governmental organisation established as a legal person (natural persons are not eligible) in Portugal that develops professional activity in the cultural and artistic sectors as defined in the Decree-law n.º 103/2017, 24.08, that regulates the DGARTES public funding for the Arts. Private law foundations with a continued financial support by the Portuguese State, under the Culture Budget Programme cannot be applicants under the above mentioned Decree-law.	Any entity, public or private, commercial or non-commercial and non-governmental organisations established as a legal person (natural persons are not eligible) in Portugal or in one of the Donor States and natural persons who are legal residents in Liechtenstein in accordance with article 7.2.3. of the Regulation. Mandatory partners: • Municipalities in low-density areas in Portugal and; • Any entity, public or private, commercial or non-commercial and non-governmental organisations established as a legal person (natural persons are not eligible) in one of the Donor States and whose principal activity is in the cultural and creative sectors as defined in EU Regulation 1295/2014 on the Creative Europe Programme and natural persons who are legal residents in Liechtenstein in accordance with article 7.2.3. of the Regulation.

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

3. Bilateral relations

3.1 Bilateral relations

The programme shall contribute to strengthening bilateral relations between Portugal and the Donor States.

The programme shall 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 programme will facilitate bilateral cooperation between Portugal and the Donor States on cultural heritage management and access to contemporary arts.

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):

Call	Outcome	Estimated timing of the call	Total available amount	Planned minimum grant applied for	Planned maximum grant applied for
Call no. 1	Outcome 1	June 2019	€ 4 397 809	€ 500 000	€ 750 000
Call no. 2	Outcome 2	June 2019	€ 3 273 000	€ 250 000	€ 400 000

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 the award of grants. The Programme Operator shall closely cooperate in the evaluation and selection of projects with the Programme Partner.

The Programme Partner DGARTES shall be responsible for the selection process of Call 2. The following selection procedure rules applicable to the Programme Operator shall be applicable mutatis mutandis to Programme Partner DGARTES in this regard. The Programme Operator shall be responsible for reviewing the applications for compliance with administrative and eligibility criteria. Applicants whose application is rejected at this stage shall be informed of the reasons of rejection in writing and given 10 working days to appeal that decision to the Programme Operator.

Each application that meets the administrative and eligibility criteria shall be reviewed by two impartial experts appointed by the Programme Operator, at least one of which shall be independent of and external to the Programme Operator. The experts shall separately score the project according to the selection criteria published with the call for proposals on a scale of 0 to 100 points. 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, who shall be impartial and independent of the Programme Operator and of the Selection Committee, shall be commissioned by the Programme Operator. In such cases, the average score of the two closest scores shall be used for the ranking of the projects.

The Programme Operator shall establish the Selection Committee. In Call 1, the Selection Committee will consist of three cultural heritage and architecture specialists one of whom will be external and independent from the Programme Operator. In Call 2, the Selection Committee will consist of three arts and audience development specialists (one of whom will be external and independent from the

Programme Operator and the Programme Partner DGARTES). The Donor Programme Partner (Directorate for Cultural Heritage), the Alts Council Norway, the Financial Mechanism Committee,

the National Focal Point and the Royal Norwegian Embassy will be invited to participate in the selection procedures as observers. A summary of the projects will be provided in English.

Any expert and Selection Committee member shall sign a 'no conflicts of interest' declaration.

The Programme Operator will 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. Based on the decision of the Selection Committee, the Programme Operator will make a proposal for a final decision on which projects shall be supported within 10 working days after the verification has been completed. All applicants will be notified thereof and have the right to react in accordance with Article 122 of the Portuguese Code of Administrative Procedure.

The Programme Operator shall communicate decisions on the applications individually to the respective applicants. All unsuccessful applicants shall be provided with a brief description of the reasons for the decision. In the case of approval of funding, the Programme Operators sends a proposal for contract to the successful applicant. If the applicant accepts the conditions, it shall return the duly signed contract to the Programme Operator within 20 working days from the date of receipt. Upon receipt of all signed contracts, the Programme Operator shall publish the final list of contracted projects and Promoters on the Programme's website.

4.3 Project grant rate:
Grants to all projects form the programme may be up to 85% 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. The remaining costs of the project shall be provided or obtained by the project promoter.

Pursuant to Article 6.4.2 of the Regulation when deciding on the grant rate of the project, the Programme Operator shall take into account the economic benefits that are expected to be generated in the course of the project as a result of receiving a financial contribution.

5. Additional mechanisms within the Programme
5.1 Pre-defined projects
There will be two pre-defined projects implemented under the programme:

1) "Building capacity and skills for the conservation and management of underwater heritage"

Project Promoter:	Directorate General for Cultural Heritage (DGPC)
Donor project partner(s):	Norwegian Maritime Museum (NMM)
Total maximum eligible costs:	€ 995,000
Project grant rate:	100.00 %
Maximum project grant amount:	€ 995,000

Programme outcome the project contributes to: "Cultural heritage management enhanced"

The project will develop a national approach to the management, conservation and dissemination of nautical and underwater cultural heritage in Portugal.

The project will include, inter alia, the following main activities:

- The development and implementation of a training and capacity-building programme on the management, conservation and dissemination of nautical and underwater cultural heritage; The documentation, conservation and monitoring of underwater cultural heritage, including the digitialisation of underwater heritage, aimed at making it available to the public;
- Dissemination of underwater archaeological heritage collections to the public;
- Cultural maritime landscape management, including the mapping, evaluation and monitoring of selected archaeological sites;
- Dissemination and access to cultural heritage, including archaeological sites and collections, to the public, including for use in exhibitions and the generation of tourism in local communities.

2) "FILMar — Digitization of film heritage"

Project Promoter:	Cinemateca Portuguesa
Donor project partner(s):	Norwegian Film Institute (NFI)
Total maximum eligible costs:	€ 881,250
Project grant rate:	100.00 %
Maximum project grant amount:	€ 881,250

Programme outcome the project contributes to: "Cultural heritage management enhanced"

The project will increase access to film heritage in local communities as a way of enhancing knowledge of cultural heritage and of local and national identity.

The project will include, inter alia, the following main activities:

- Reparation and digitisation of selected cultural heritage films related to the sea;
- The development of a film programme and its dissemination through activities organised in local communities and in cooperation with relevant entities at local level;
- The exchange of knowledge and practice with the donor project partner, including the organisation of a seminar on the dissemination and distribution of film heritage in Oslo and a seminar on the cultural and historical value of films related to the sea;
- The creation and dissemination of a retrospective of 10-12 Portuguese films and 10-12 Norwegian films related to the sea in cooperation with the donor project partner. The retrospective will be presented in both countries to promote knowledge about the cultural heritage of these films and the traditions related to the sea.

5.2 Financial Instruments
N/A

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 implementation duration as follows:

Project Implementation Duration	First advance payment	Interim payments	Final payment
<12 months	20%	70%	10%
12 months or more	15%	75%	10%

The first advance instalment shall be paid following the signature of the project contract. An advance payment of a percentage of the total grant amount shall be paid within 1 month from the submission of a request after signature of the project contract.

Subsequent payments shall be paid after the approval of project interim reports. The interim payments shall be paid within I month after the approval of project interim reports.

The final payment will be paid after approval of the final report. 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 2 months from the submission of the required information.

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

6.2 Verification of payment claims

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.

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

N/A

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

N/A