EEA Financial Mechanism 2014-2021

PROGRAMME AGREEMENT

between

The Financial Mechanism Committee
established by Iceland, Liechtenstein and Norway

and

The Investment Department, Ministry of Finance,
hereinafter referred to as the "National Focal Point",
representing Lithuania,
hereinafter referred to as the "Beneficiary State"

together hereinafter referred to as the "Parties"

for the financing of the Programme "Culture"

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 Brussels on 19/06/2019

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Pia Gjesme Holm for Niels Engelschiøn
Chairman of the Financial Mechanism Committee

For the National Focal Point

Signed in Brussels on 19/06/2019

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Paulius Baniunas
Head of the National Focal Point

Annex I to the Programme Agreement

Programme Operators and Partners	
Programme Operator:	Central Project Management Agency (CPMA)
Donor Programme Partner:	Norwegian Directorate for Cultural Heritage (RA) Arts and Culture Norway (ACN)
IPO:	-
Other Programme Partner(s):	Ministry of Culture of the Republic of Lithuania

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	Access to cultural, artistic and creative activities improved	Share of local beneficiaries involved in project activities	N/A	Percentage	Project Promoters' records, attendance sheets. Official statistics	Annually (APR)	N/A	N/A	42.8 %
			Number of people attending supported events	N/A	Cumulative number	Project Promoters' records, attendance sheets.	Annually (APR)	0	N/A	32,100
			Share of people reporting increased access to cultural activities	N/A	Percentage	Survey results	Annually (APR)	N/A	N/A	76 %
	Output 1.1	Audience development supported at regional or local level	Number of children and youth involved in events and activities at regional or local level	N/A	Cumulative number	Project Promoters' records, attendance sheets.	Semi-annually (APR and September IFR)	0	N/A	5,350

			Number of activities supported	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	107
			Number of local stakeholders involved in events and activities at regional or local level[1]	N/A	Cumulative number	Project Promoters' records, attendance sheets	Semi-annually (APR and September IFR)	0	N/A	11
			Number of projects related to social inclusion and anti-discrimination	N/A	Cumulative number	Project contracts	Semi-annually (APR and September IFR)	0	N/A	3
	Output 1.2	Local communities empowered through use of cultural activities	Number of people participating in educational activities	N/A	Cumulative number	Project Promoters' records, attendance sheets	Semi-annually (APR and September IFR)	0	N/A	321
			Number of cross-sectoral partnerships supported	N/A	Cumulative number	Project contracts; partnership agreements	Semi-annually (APR and September IFR)	0	N/A	4
PA14	Outcome 2	Cultural heritage management enhanced	Number of cultural heritage objects monitored	N/A	Cumulative number	Project Promoters' record - heritage objects monitoring reports	Annually (APR)	0	2019	200
			Number of jobs created	Gender, Age	Cumulative number	Payroll records, employment agreements	Annually (APR)	0	N/A	9

[1] Local entities on a municipal level (institutions, organizations, companies or communities)

	Output 2.1	Knowledge and good practice in cultural heritage management at regional level enhanced	Number of mobile team(s) created	N/A	Cumulative number	Project Promoter's records, payroll records, employment agreements, contracts for delivery of equipment	Semi-annually (APR and September IFR)	0	N/A	3
			Number of people trained at local level	Gender	Cumulative number	Project Promoters' records, Attendance sheets	Semi-annually (APR and September IFR)	0	N/A	120
			Number of awareness building events, conferences for general public organised at local level	N/A	Cumulative number	Project Promoters' records, attendance sheets	Semi-annually (APR and September IFR)	0	N/A	30
			Number of comprehensive plans for prevention and maintenance of cultural heritage prepared	N/A	Cumulative number	Copies of prepared plans	Semi-annually (APR and September IFR)	0	N/A	200
			Number of consultations with local stakeholders regarding preservation and revitalisation of specific cultural heritage objects organised[2]	N/A	Cumulative number	Project Promoters' records, attendance sheets	Semi-annually (APR and September IFR)	0	N/A	6
PA14	Outcome 3	Local cultural entrepreneurship fostered	Share of projects implemented by local communities (as project promoters)	N/A	Percentage	Project contracts; partnership agreements	Annually (APR)	0 %	N/A	30 %

[2] "Specific" means selected objects as case studies that represent the main challenges and opportunities in the field of intangible cultural heritage.

			Revenues generated by activities of the projects	N/A	Cumulative number	Project Promoter´s records - accounts	Annually (APR)	0	N/A	153,239.6 [3]
			Share of trained people reporting enhanced capacity in cultural entrepreneurship	N/A	Percentage	Survey results	Annually (APR)	N/A	N/A	50 %
	Output 3.1	Cultural entrepreneurship skills developed	Number of people trained in cultural entrepreneurship	N/A	Cumulative number	Project Promoters' records, attendance sheets	Semi-annually (APR and September IFR)	0	N/A	100
			Number of activities or campaigns on the use of cultural resources	N/A	Cumulative number	Project contracts	Semi-annually (APR and September IFR)	0	N/A	2
			Number of marketing strategies developed	N/A	Cumulative number	Copies of prepared marketing strategies	Semi-annually (APR and September IFR)	0	N/A	4
	Output 3.2	Cultural potential and resources applied for local development and regeneration in the community	Number of local stakeholders involved in entrepreneurial activities	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	10
			Number of new services created	N/A	Cumulative number	Project Promoters' records	Semi-annually (APR and September IFR)	0	N/A	4
			Number of projects using creative placemaking approach	N/A	Cumulative number	Project contracts	Semi-annually (APR and	0	N/A	4

[3] based on data from projects

							September IFR)			
			Number of cultural heritage sites restored and revitalized for cultural purposes	N/A	Cumulative number	Deeds of acceptance of works, declarations on finalised works, on-the-spot cheks reports	Semi-annually (APR and September IFR)	0	N/A	2
			Number of sites revitalized for cultural purposes	N/A	Cumulative number	Deeds of acceptance of works, declarations on finalised works, on-the-spot cheks reports	Semi-annually (APR and September IFR)	0	N/A	2
PA14	Bilateral Outcome	Enhanced cooperation between Donors State and beneficiary state entities in the programme	Level of trust between cooperating entities in Beneficiary States and Donor States	N/A	Scale 1-7	Survey results	Annually (APR)	6.49[4]	2022[5]	4.5[6]
			Level of satisfaction with the partnership	N/A	Scale 1-7	Survey results	Annually (APR)	6.45[7]	2022[8]	4.5[9]
			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	Capacities of cultural players enhanced	Number of joint cultural activities implemented	N/A	Cumulative number	Project Promoter's records	Semi-annually (APR and	0	N/A	13

[4] Based on the survey carried out on behalf of the FMO
[5] Survey carried out on behalf of the FMO
[6] Target is ≥4.5, and an increase on the baseline value.
[7] Based on the survey carried out on behalf of the FMO
[8] Survey carried out on behalf of the FMO
[9] Target is ≥4.5, and an increase on the baseline value.

		through bilateral cooperation					September IFR)			
			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	31
			Number of staff from Donor States in exchanges	Donor State, Gender, Type of exchange	Cumulative number	Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	26
			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

Conditions

General

1. The maximum level of funding available from the total eligible expenditures of the programme for infrastructure (hard measures) shall be 40%.

2. The National Focal Point shall ensure that the Programme Operator ensures that Project Promoters (except the Project Promoter in the pre-defined project):

- 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 contrac

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	25/04/2018	30/04/2025
Grant rate and co-financing		
Programme eligible expenditure (€)		€ 7,554,461
Programme grant rate (%)		85.00 %
Maximum amount of Programme grant - EEA Financial Mechanism (€)		€ 6,421,292
Maximum amount of Programme grant - Norwegian Financial Mechanism (€)		-
Maximum amount of Programme grant - Total (€)		€ 6,421,292

PA	Budget Heading	EEA Grants	Total grant	Programme grant rate	Programme co-financing	Programme eligible expenditure	Advance payment
PA14	Programme management	€ 700,000	€ 700,000	85.00 %	€ 123,529	€ 823,529	€ 180,795
PA14	Outcome 1 (EEA Grants)	€ 1,306,561	€ 1,306,561	85.00 %	€ 230,570	€ 1,537,130	€ 0
PA14	Outcome 2 (EEA Grants)	€ 1,370,000	€ 1,370,000	85.00 %	€ 241,765	€ 1,611,765	€ 593,649
PA14	Outcome 3 (EEA Grants)	€ 3,044,731	€ 3,044,731	85.00 %	€ 537,306	€ 3,582,037	€ 0
Total		**€ 6,421,292**	**€ 6,421,292**	**85.00 %**	**€ 1,133,169**	**€ 7,554,461**	**€ 774,444**

Retention of management costs	
Retention of management costs - Percentage of the management costs	10.00 %
Retention of management costs - Planned Euro value	€ 82,353

Culture

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 Central Project Management Agency (CPMA). The Donor Programme Partners are the Norwegian Directorate for Cultural Heritage (RA) and the Arts and Culture Norway (ACN). The Ministry of Culture of the Republic of Lithuania is Programme Partner and shall be actively involved in and effectively contribute to the development and implementation of the programme.

The programme shall cover Programme Area 14, "Cultural Entrepreneurship, Cultural Heritage and Cultural Cooperation". The programme objective "Social and economic development strengthened through cultural cooperation, cultural entrepreneurship and cultural heritage management" shall be attained through projects to be supported under three outcomes, as detailed below:

- Access to cultural, artistic and creative activities improved (Outcome 1) shall be attained through projects selected by way of an open call for proposals promoting audience development and the mobility of high-quality professional cultural and creative productions and services (open call no. 1). The call shall encourage cross-sectoral partnerships, participative and inclusive approaches, dialogue with local communities and innovation in engaging the audience to ensure better access to high quality cultural and creative productions and services throughout the regions of Lithuania with the aim to ensure social inclusion and anti-discrimination. Bilateral partnerships with donor state entities shall be mandatory in all projects.
- Cultural heritage management enhanced (Outcome 2) shall be attained by way of a pre-defined project (FIXUS). The project shall raise awareness and improve the capacity of local communities as well as owners and managers of immovable cultural heritage objects in the management of cultural heritage and shall spread good practice on the preventive maintenance of cultural heritage.
- Local cultural entrepreneurship fostered (Outcome 3) shall be attained through projects selected by way of an open call for proposals promoting cultural entrepreneurship and creative place-making (open call no. 2). The call shall support capacity building on cultural entrepreneurship and place-based, community-led cultural initiatives built on cross-sectoral partnerships and active community involvement to stimulate local economies through sustainable revitalisation activities and through cultural products and services created based on local cultural resources. Partnerships with local authorities and local communities shall be mandatory in all projects. The call shall encourage bilateral partnerships with donor state entities. Funding for infrastructure shall be limited to 50 percent of the total expenses of the project.

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 limitations shall apply:

	Eligible applicants (project promoters)	**Eligible partners**
Open call no. 1 **Outcome 1:** Access to cultural, artistic and creative activities improved	Any entity, public or private, commercial or non-commercial and non-governmental organisations, established as a	Partners from Donor States: Any entity, public or private, commercial or non-commercial and non-governmental organisations,

	legal person in the Republic of Lithuania. Natural persons shall not be eligible project promoters.	established as a legal person in one of the Donor States whose principal activity is in the cultural and creative sectors as defined in Regulation (EU) No. 1295/2013 on the Creative Europe Programme and natural persons who are legal residents in Liechtenstein in accordance with Article 7.2.3 of the Regulation. Involvement of partners from Donor States is mandatory. Other partners: Natural persons shall not be eligible partners. In the case that the applicant's principal activity is not in the cultural and creative sectors as defined in Regulation (EU) No. 1295/2013, it is mandatory to have a Lithuanian partner whose principal activity is in these sectors.
Open call no. 2 **Outcome 3:** Local cultural entrepreneurship fostered	Any entity, public or private, commercial or non-commercial and non-governmental organisations, established as a legal person in the Republic of Lithuania. Natural persons shall not be eligible project promoters.	In accordance with Article 7.2.2 of the Regulation. Natural persons shall not be eligible partners. In the case that the applicant is not a Lithuanian local authority or a Lithuanian local community, it is mandatory to have both types of entities as partners. In the case that the applicant is a Lithuanian local authority, it is mandatory to have a Lithuanian local community as partner. In the case that the applicant is a Lithuanian local community, it is mandatory to have a Lithuanian local authority as partner.

2.2 Special rules on eligibility of costs:

Costs are eligible in accordance with Chapter 8 of the Regulation. The following exemptions apply:

- By way of exception from the rule contained in Article 8.2.4 of the Regulation, the entire purchase price of new or secondhand equipment may be eligible, in case that the Programme Operator determines that the equipment is an integral and necessary component for achieving the outcomes of the project.
- Purchase of real estate and land shall not be eligible cost.
- Inkind contribution shall not be eligible cost.

3. Bilateral relations

3.1 Bilateral relations

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

The programme shall, as appropriate, facilitate donor partnership projects by encouraging or requesting partnerships with donor state entities in the open calls.

The programme will facilitate bilateral cooperation between Lithuania and the Donor States on the preventive maintenance of cultural heritage.

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**
Open call no. 1 **Outcome 1:** Access to cultural, artistic and creative activities improved	10/2019	€ 1,607,000	€ 200,000/ € 50,000
Open call no. 2 **Outcome 3:** Local cultural entrepreneurship fostered	10/2019	€ 4,193,000	€ 1,000,000/ € 200,000

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 the project evaluation and for the award of grants. The Programme Operator will closely cooperate with the Programme Partner in evaluating and selecting projects.

There shall be a single-stage call, or a two-stage call for proposals. The two-stage call foresees a submission of project concepts at the first stage. The project concepts will be assessed according to the evaluation criteria set out in the guidelines for applicants. Selected concepts will be invited to submit a full project application. The Cooperation Committee shall decide which type of procedure will be applied for the calls.

The FMO shall be informed of all calls for proposals at least four weeks in advance of their announcement, and, at the same time, be provided with an English translation of the text of each call.

The Programme Operator shall carry out an initial administrative check that requires applicants only to submit a declaration on the compliance with the administrative criteria (i.e., no other documents will

have to be submitted at this stage). The full administrative check (i.e., based on all requested documents such as annual reports, declarations, partnership statements) will only be performed on projects that have been selected by the Programme Operator. Rejected applicants should be informed of the reasons for the rejection and given a reasonable time to appeal.

The Programme Operator shall establish a Selection Committee that shall recommend the projects to be funded within the programme. A representative of the Programme Partner shall be appointed as chairperson of the Selection Committee. At least one of the members of the Selection Committee needs to be external to and independent of the Programme Operator and the Programme Partner. Representatives of the Donor Programme Partners, the National Focal Point and the FMO shall be invited to participate in the meetings of the Selection Committee as observers.

Each application that passes the initial administrative check and meets the eligibility criteria shall be reviewed by two experts appointed by the Programme Operator, who shall be impartial and at least one of them shall be independent of the Programme Operator, the Programme Partner, 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 scores that were closest to each other 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 projects in justified cases, e.g., because of new circumstances that could not be known and taken into account during project evaluation. 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 decision of the selection Committee, make a decision on which projects shall be supported. If the Programme Operator modifies the decision of the Selection Committee, 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.

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

1) "FIXUS"

Project Promoter:	The Cultural Heritage Centre
Donor project partner(s):	Association for Employers in the Church of Norway Norwegian Directorate for Cultural Heritage (RA)
Other project partner(s):	Lithuanian Monuments Department of Cultural Heritage under the Ministry of Culture
Total maximum eligible costs:	€ 1,611,765
Project grant rate:	100.00 %
Maximum project grant amount:	€ 1,611,765
Estimated duration:	36 months

The main goal of the project is to ensure heritage preservation via preventive maintenance and strengthening of practical skills. The rationale behind the project is the fact that regular maintenance of cultural heritage objects significantly reduces the need, and thereby also the cost, for their restoration.

The estimated project activities involve the establishment of three mobile inspection teams, each consisting of three members, equipped with mobile vehicles used as mobile workshops. Mobile inspection teams will monitor and deliver reports on the condition of selected monuments, consult the owners, make minor repairs and draw an individual calendar preventive maintenance plan and recommendations for further investigation/restoration (if necessary) for each of the inspected heritage objects. All the team members will go through extensive training to be able to work interchangeably both on paperwork and practical repairs. An effective and comprehensive methodology of inspection, report and repairs, based on traditional technologies, will be created.

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.

The Project Promoters have the possibility to request an advance payment not exceeding 30% of the total grant amount. The level of advance payment and the off-set mechanism will be specified in the Project Contract. A guarantee concerning an advance payment will be requested from Project Promoters considering the legal status of the project promoter and the amount of an advance payment.

The interim payments will be based on pre-financing or reimbursement of expenditure. The Programme Operator has the possibility to withhold up to 10% of the total grant for the final balance.

Additional information on the advance payment conditions and related guarantee, the off-set mechanism, the periodicity of reporting periods and deadlines for reporting shall be further outlined 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

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.