

EEA Financial Mechanism 2009-2014

PROGRAMME AGREEMENT

between

The Financial Mechanism Committee  
established by Iceland, Liechtenstein and Norway

and

The Ministry of Regional Development,  
hereinafter referred to as the “National Focal Point”,  
representing the Republic of Poland,  
hereinafter referred to as the “Beneficiary State”

together hereinafter referred to as the “Parties”

for the financing of the Programme  
“Promotion of Diversity in Culture and Arts within European Cultural Heritage”

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 2009-2014 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 2009-2014:
  - (a) Protocol 38b to the EEA Agreement on the EEA Financial Mechanism 2009-2014;
  - (b) the Regulation on the implementation of the EEA Financial Mechanism 2009-2014 (hereinafter referred to as the "Regulation") issued by the Donor States in accordance with Article 8(8) of Protocol 38b;
  - (c) the Memorandum of Understanding on the Implementation of the EEA Financial Mechanism 2009-2014 (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 1.5 thereof, and the legal framework referred to in Article 1.2 of this programme agreement.

### Article 1.4 Annexes and hierarchy of documents

1. The programme decision, including the financial plan (Annex I), and the operational rules (Annex II) 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 former shall prevail, provided that these provisions are compatible with the Regulation.
3. Commitments, statements and guarantees, explicit as well as implicit, made in the programme proposal 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 fulfillment 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 highest degree of transparency, accountability and cost efficiency as well as the principles of good governance, sustainable development, gender equality and equal opportunities.
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 2009-2014 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 Monitoring Committee 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 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. The programme decision 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 the programme decision.
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 shall:

- (a) contain a breakdown between the Programme’s budget headings using the description put forward in the template for the programme proposal;
- (b) indicate the agreed advance payment, if any.

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

#### Article 2.5

##### Special conditions and programme specific rules

1. The programme decision shall list any conditions set by the FMC with reference to paragraph 3 of Article 5.3 of the Regulation. The National Focal Point shall ensure compliance with these conditions and, in a timely manner, 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 the operational rules.

#### Article 2.6

##### Programme implementation agreement

1. With reference to Article 5.8 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.
2. The signed programme implementation agreement shall be identical to the draft programme implementation agreement confirmed by the FMC in accordance with paragraph 5 of Article 5.8 of the Regulation with regard to the content required according to paragraph 3 thereof. The National Focal Point shall inform the FMC of any deviation from that confirmed draft which may be subject to a new confirmation according to paragraph 5 of Article 5.8 of the Regulation prior to any payment to the Programme.

#### 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 8 and Articles 5.11 and 5.12 of the Regulation as well as statistical 3 reporting in accordance with the Programme Operator’s Manual (Annex 9 to the Regulation).

Article 2.8  
External monitoring

The external monitoring and audit referred to in Articles 10.1, 10.2, 10.3 and 10.4 of the Regulation shall not in any way relieve the National Focal Point or the Programme Operator of its obligations under the programme agreement 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. Modifications that do not affect the objective, outcomes, outputs, indicators or targets of the Programme are permitted without FMC's prior approval provided that they are limited to the following:
  - (a) cumulative transfers between budget headings related to outcomes of an amount less than 10 % of total eligible expenditure of the Programme or € 1,000,000, whichever is higher, and
  - (b) changes of internal practices of the Programme Operator that are not stipulated in the programme agreement.
3. Programme specific exceptions from paragraphs 1 and 2, if any, are set in the operational rules.
4. Expenditures incurred in breach of this article are not eligible.
5. 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.
6. Requests for modifications shall be submitted and assessed in accordance with Article 5.9 of the Regulation.

Article 2.10  
Communication

1. All communication to the FMC regarding to 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.
3. 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.

4. The FMC shall ensure that the National Focal Point is informed about communication between the FMC and the Programme Operator that is relevant for the responsibilities of the National Focal Point under this Agreement.

Article 2.11  
Contact information

1. The contact information of the National Focal Point and the Programme Operator is as specified in the programme proposal.
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](mailto: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 in the programme proposal or other communication 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 the programme proposal, in connection with the programme proposal, the implementation or conclusion of this programme agreement are authentic, accurate and complete.

Chapter 3  
Projects

Article 3.1  
Selection of projects

1. The National Focal Point shall ensure that the Programme Operator selects projects in accordance with Chapter 6 of the Regulation and the operational rules.
2. Eligibility of applicants is stipulated in Article 6.2 of the Regulation and, in accordance with paragraph 3 thereof,

subject only to the limitations stipulated in the operational rules.

3. Pre-defined projects shall be outlined in the operational rules.

4. The National Focal Point shall take proactive steps to ensure that the Programme Operator complies fully with Article 6.6 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 of the project contract shall comply with Article 6.7 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 1.5 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 6.8 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 7.16 of the Regulation.

5. The National Focal Point shall ensure that the Programme Operator verifies that the partnership agreement complies with this article before the signing of the project contract.

#### Article 3.4

Time limits for awarding grants and reallocation of funds

1. The Programme Operator shall make its grant decisions within the time limits set in the Regulation.

2. Reallocation of unused or cancelled financial contributions to projects shall be made in compliance with Article 6.9 of the Regulation.

3. Decisions to reallocate funds to already approved projects shall be taken no later than 30 April 2015.

4. Project grants not reallocated shall be reimbursed to the FMC in accordance with Article 6.9 of the Regulation.

## Chapter 4 Finance

#### Article 4.1 Eligible expenditures

1. Subject to Article 7.6 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;

(c) expenditure of funds for bilateral relations in accordance with Article 7.7 of the Regulation;

2. Expenditure related to the categories referred to in subparagraphs (d), (e) and (f) of Article 7.1 of the Regulation are eligible in accordance with Chapter 7 thereof if such expenditures are explicitly approved by the FMC in the programme decision. The implementation of the activities under these categories shall be in compliance with the operational rules.

3. Eligible expenditures of projects are those actually incurred by the Project Promoter or project partners, meet the criteria set in Article 7.2 of the Regulation and fall within the categories and fulfill the conditions of direct eligible expenditure set in Article 7.3 of the Regulation as well as indirect costs in accordance with Article 7.4 of the Regulation.

4. The first date of eligibility of expenditures in projects shall be set in the project contract in accordance with Article 7.14 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 Article 5.5 of the Regulation.

5. The maximum eligible costs of the categories referred to in paragraphs 1 and 2 are set in the programme decision. Programme specific rules on the eligibility of expenditure set in the programme decision or in the operational rules 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 7.13 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 8.2, 8.3 and 8.4 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 the operational rules.

4. The National Focal Point shall ensure that payments are transferred in accordance with paragraph 2 of Article 8.1 of the Regulation.

5. Chapter 8 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 2009-2014 to the Programme in accordance with Article 8.8 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 12 thereof. The National Focal Point has a duty to take all necessary measures to ensure that the provisions in Chapter 11 and 12 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 12.6 of the Regulation or a decision to suspend payments according to paragraph 1(h) of Article 12.1 of the Regulation has not been lifted within 6 months of such a decision;

(b) a suspension of payments according to Article 12.1 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 12.2 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 12 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.

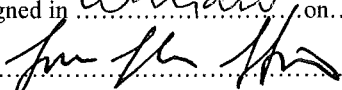
Article 5.4  
Entry into force and duration

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.

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

For the FMC

Signed in Warsaw on 9 May 2012  


Jonas Gahr Støre  
Minister of Foreign Affairs

For the National Focal Point

Signed in Warsaw on 9 May 2012  


Elżbieta Bieńkowska  
Minister of Regional Development

EEA Financial Mechanism 2009-2014

**Programme Decision (Annex I)**  
 Promotion of Diversity in Culture and Arts within European Cultural Heritage

**1. Indicators for Expected Outcomes & Outputs**

<b>Expected Outcome:</b>	Art and culture presented and reaching a broader audience
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Standard Indicator	Baseline	Target	Source of Verification
Number of cultural performances held	0	100	Beneficiary reporting.

Optional Indicator	Baseline	Target	Source of Verification
Number of project partnership agreements	0	20	Beneficiary reporting.
Number of institutions in which cultural and artistic events were presented	0	40	Beneficiary reporting.
Number of cultural and artistic events' recipients	0	140,800	Beneficiary reporting.
Number of people involved in organising inter-cultural events	0	880	Beneficiary reporting.
Number of inter-cultural projects accomplished	0	20	Beneficiary reporting



Output	Indicator	Baseline	Target	Source of Verification
Projects concerning artistic and cultural education	Number of educational projects concerning culture and art	0	3	Beneficiary reporting.
Projects concerning cultural heritage	Number of projects concerning cultural heritage	0	5	Beneficiary reporting.
Projects concerning music and stage arts	Number of projects concerning music and stage arts	0	8	Beneficiary reporting.
Projects concerning fine and visual arts	Number of projects concerning fine and visual arts	0	4	Beneficiary reporting.

## 2. Conditions

### 2.1 General

- 1) If the Beneficiary Guide concerns beneficiaries in Poland and the donor states it shall be agreed with the Donor Programme Partner
- 2) Before the first interim payment to the Programme, the National Focal Point shall send for the FMO's approval, a description of the system for verification of payment claims by project promoters and project partners and of the audit and monitoring systems of the Programme Operator.
- 3) The Grant Offer is subject to any comments or observations made by the European Commission in relation to the screening process.

### 2.2 Pre-eligibility

Not applicable.

### 2.3 Pre-payment:

Not applicable.

2.4 *Pre-completion*

Not applicable.

2.5 *Post-completion*

Not applicable.

**3. Eligibility of Costs**

3.1 *Eligibility period*

The eligibility period of costs (excluding programme proposal preparation costs) is: 20<sup>th</sup> April 2012 – 30<sup>th</sup> April 2017.

The eligibility period of programme proposal preparation costs is: 17<sup>th</sup> June 2011 – 20<sup>th</sup> April 2012.

3.1 *Grant rate and co-financing:*

Programme estimated total cost	EUR 11,111,111
Programme estimated eligible cost	EUR 11,111,111
Programme grant rate (%)	90%
Maximum amount of programme grant	EUR 10,000,000

3.2 *Maximum eligible costs (€) and Advance payment amount (€):*

<b>Budget heading</b>	<b>Eligible expenditure</b>	<b>Advance payment</b>
Programme Management	€1,077,778	€114,709
Art and culture presented and reaching a broader audience	€9,755,555	-
Fund for bilateral relations	€166,667	-
Complementary action	-	-
Preparation of programme proposal	-	-
Reserve for exchange rate losses	€111,111	-
<b>Total</b>	<b>€11,111,111</b>	<b>€114,709</b>

3.3 *Retention of management costs:*

Retention of management costs - percentage of the grant amount.	10%
Retention of management costs – planned euro value	€97,000

3.4 *Small grant scheme:*

Not applicable.

EEA Financial Mechanism 2009-2014

**Operational rules (Annex II)**

Promotion of Diversity in Culture and Arts within European Cultural Heritage

**1. Eligibility**

*1.1 Eligible measures (sub-measures if any):*

The Programme Operator is the Ministry of Culture and National Heritage (MCNH).

The Programme shall promote the cultural cooperation between Poland and the Donor States (Iceland, Liechtenstein, and Norway).

The Programme shall support activities related to cultural exchange between these countries in the following four areas:

- 1) Artistic and cultural education.
- 2) Cultural heritage (including tangible and intangible cultural heritage as well as literature and archives).
- 3) Music and stage arts.
- 4) Fine and visual arts.

The programme will support the following types of activities within the above areas:

- organization of exhibitions, performances, concerts, festivals (including film festivals) and other artistic events;
- supporting cooperation and exchange of artists, within inter alia visual arts, stage arts, music, photography, film and others;
- supporting cooperation of artistic schools and universities;
- collaboration of experts in the field of modern conservation techniques (including digitalisation of cultural goods); documentation; protection, conservation and promotion of cultural heritage; combating threats to cultural goods, including prevention of crime against monuments and cultural goods; national heritage management;
- inter-institutional cooperation between cultural institutions and archives.

The re-granting amount will be split as follows:

- 70% will go to large projects within the four areas defined above.
- 30% will go to small projects within the same four areas defined above.

All projects must be implemented in partnership with a partner from the Donor States.

Only “soft”, i.e. non-investment projects, shall be eligible under the Programme.

*1.2 Eligible applicants:*

Eligible applicants are:

- national and local government cultural institutions, film institutions;
- public artistic schools and universities;

- public universities (in the case of projects implemented by their artistic faculties as well as faculties concerning cultural studies, history, cultural heritage, and cultural management);
- state archives;
- local government units and their associations;
- non-governmental organisations active in the field of culture.

### *1.3 Special rules on eligibility of costs:*

In general, costs are eligible in accordance with Chapter 7 of the Regulation with the following exceptions:

- a) In addition to Article 7.6 of the Regulations, the following costs are not eligible:
- purchase of land and real estate;
  - depreciation and purchase of fixed assets, including purchase of musical instruments (the cost of purchasing new equipment is an eligible cost only in justified cases and only when the equipment is not entered as a capital expenditure);
  - awards and scholarships;
  - in-kind contribution, including voluntary work.
- b) The following costs are eligible under the Programme :
- costs of publications, studies and analysis;
  - materials and services, including rent of facilities, related to the organization and service of events within the project;
  - costs of electricity, gas, water, internet and other indirect costs.

The first date of eligibility of project cost is the day of awarding the project grant (i.e. signing of a decision on co-financing), with the exception of the Bilateral Cooperation Fund, where the first date of eligibility is the date of the approval of the Programme by the Donors.

Projects shall be of a non-commercial character. In case of any economic benefits in projects the general rule in Article 5.4.2 of the Regulation shall be followed.

## **2. Financial parameters**

### *2.1 Minimum and maximum grant amount per project:*

For Small Projects:

The minimum amount of grant assistance applied for small projects is EUR 50,000; the maximum amount for small projects is EUR 150,000.

For Large Projects:

The minimum amount of grant assistance applied for large projects is above EUR 150,000, and the maximum amount is EUR 1,000,000

### *2.2 Project grant rate:*

Grants from the programme will not exceed 90% of total eligible project costs. The remaining costs of the project shall be provided or obtained by the Project Promoter. However, where the Project Promoter is an entity which belongs to the budget-line of the (MCNH) the grant rate shall be 100%.

### **3. Selection of projects**

#### *3.1 Selection procedures:*

The selection procedures will mainly follow the procedures provided for in Article 6.5 of the Regulation with the exception that, an additional appeals procedure after the review by the experts is added. The Selection Committee makes a final decision on which projects are supported, which is not subject to review by the Programme Operator (PO).

The PO shall review the applications for compliance with administrative and eligibility criteria. This review shall last for 10 working days. If at this stage the PO detects any inconsistencies or obvious errors that can be remedied, the applicant shall be given 3 working days to do so, from the date of the sending the notification letter by the PO. This will pause the 10 day reviewing period. Applicants whose applications are rejected at this stage have the right to appeal that decision to the PO. In case of a negative decision of the PO, that decision can be appealed further to the National Focal Point. In case of a positive decision by the PO or the NFP the decision will be subject to an appraisal, otherwise the application goes no further.

Each application which meets the administrative and eligibility criteria shall be reviewed by the “Team for the Proposals Appraisal” i.e. two independent and impartial experts, one from Norway and one Poland . The experts will separately score the projects according to the selection criteria adopted by the Cooperation Committee and in accordance with paragraph 3 and 4 of Article 6.5 . Costs related to experts shall be covered from the management cost of the PO. Applicants are informed of the results of this content-related review of the experts and have the right to appeal their decision to the PO and subsequently to the NFP.

Based on the scoring of the “Team for the Proposals Appraisal”, the PO shall provide the Selection Committee with a list of the projects ranked from the highest number of points to the lowest.

The Selection Committee reviews the ranked list of projects and may modify the ranking in justified cases. The Selection Committee consists of representatives of the Programme Operator and the Partner, representatives of local government and representatives of non-governmental organisations representing the four thematic areas of the Programme. Representatives of the National Focal Point and the Donor States are invited to participate in the Committee meetings as observers.

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 PO. Apart from the basic list of recommended projects, the Committee may also indicate projects that should be on the reserve list. Then the PO will inform the applicants of the results of the assessment and publish the approved ranking list on the Programme website.

#### *3.2 Open calls and availability of funds (including number of calls, duration of calls, and estimated size):*

Two calls for proposals are planned. The first call shall be launched no later than in the last quarter of 2012 and make available at least 50% of the total re-granting amount. The second shall be launched no later than in the last quarter of 2013. The calls shall be open at least for 2 months.

In determining the length of the open call period, factors such as public holiday periods during the summer shall be duly taken into account.

In case of an insufficient number of proposals or of an insufficient substantive value submitted in the main call, the PO can conduct a supplementary call or calls.

### 3.3 Selection criteria:

Each funded project must include cooperation with at least one partner entity from at least one Donor State. Eligible partners shall originate from (i.e. be based in/established in) the Donor- States (Iceland, Liechtenstein, Norway). The partner participation in the project shall be justified and at the stage of submitting an application it shall be accompanied by a Letter of Intent or a Partnership Agreement, and at the stage of a grant agreement - a Partnership Agreement. The partners shall be from among the following type of institutions:

- cultural institutions;
- artistic school and universities;
- independent artistic departments at universities;
- archives;
- local government units;
- non-governmental organisations from the field of culture;
- non-profit economic entities from the field of culture.

The open call and content related criteria will be approved by the Cooperation Committee and include, amongst other things:

- artistic value of the project/the importance and the relevance of the project,
- budget preparation,
- promotion of cultural diversity.

Approved detailed criteria for the first call for proposal are the following:

#### I Economic and technical aspects, including the budget

1. Appraisal of expenditures within the project – expenditures for artistic / content-related measures
2. Appraisal of expenditures within the project – expenditures for the project management
3. Appraisal of the accuracy of the budget accounting
4. Level of the Applicant's own contribution financing
5. Institutional analysis of the Applicant
6. Institutional analysis of the Partner(s)
7. The project management
8. The importance of the project for the future cooperation of the Applicant and the Partner
9. The schedule for the implementation of the project
10. The appraisal of the risk analysis
11. Indicators

#### II Substantive aspects

12. The need for the implementation of the project
13. The artistic value / the importance and the relevance of the project
14. The geographical scope of the project
15. The complexity and many-sidedness of the project
16. Impact of the project on local communities and the evaluation of social aspects
17. Promotion of the cultural diversity
18. Partnership in the project
19. Information and promotion

Furthermore, the open calls and selection criteria shall reflect the principles of cultural diversity and intercultural dialogue, and take into account the multicultural history of Poland. The open call and selection criteria shall also reflect the principles of anti-discrimination and tolerance.

#### **4. Payment flows, verification of payment claims, monitoring and reporting**

##### *4.1 Payment flows*

Payments towards the end beneficiaries will be in the form of advance payments with the exception of the last tranche, which will be paid in the form of reimbursement of incurred expenditures based on approved final financial report.

The first advance payment shall be requested by the Project Promoter in the application form.

The first advance payment for small projects may be up to 80% of the awarded grant amount but may not exceed EUR 50,000.

The first advance payment for large projects may be up to 40% of the awarded grant amount but may not exceed EUR 80,000.

The advance shall be offset against incurred expenditure reported in the interim financial reports. The advance is deducted from the reimbursements of incurred expenditure until the total advance payment has been offset.

Total advanced payment to a Project Promoter cannot exceed 80% of the grant amount. Each payment will be made only after the Programme Operator verifies that 70% of any previous payment has been incurred by the Project Promoter.

##### *4.2 Verification of payment claims*

Payments to projects are made on the basis of approved interim/final reports.

Project Promoters shall submit interim reports no later than 10 working days after the end of a reporting period.

Verification and approval of interim/final reports will be conducted by the Programme Operator.

Verification and approval of interim reports will be based on information on financial status and projects progress contained in the reports, and on additional information to be submitted together with the report.

In case of additional questions, the Programme Operator may ask Beneficiary for further explanations/clarifications.

Before the first interim payment to the Programme, the National Focal Point shall send for the FMO's approval, a description of the system for verification of payment claims by project promoters and project partners and of the audit and monitoring systems of the Programme Operator.

This does not in any way affect or reduce the responsibility of the Programme Operator for developing the description of the Programme's management and control systems according to article 4.8.2 of the Regulation.

#### *4.3 Monitoring and reporting*

Project Promoters shall be required to report on project progress and outputs in interim reports three times a year and at the end of the project in a final report.

The interim reporting periods are fixed and will cover January-April, May-August, September-December respectively.

On-the-spot checks will be conducted every year on a sample of projects selected on the basis of a risk analysis. The analysis takes into account the material and financial progress of a project, the time remaining to project completion, and the correctness of prepared reporting documentation.

On the spot checks can also be conducted on an ad-hoc basis when considered necessary.

On-the-spot checks are carried out by the Programme Operator.

Information on Reporting and Monitoring will further be outlined in the description of the Programme's management and control systems according to article 4.8.2 of the regulation.

### **5. Additional mechanisms within the programme**

#### *5.1 Funds for bilateral relations*

The use of funds for bilateral relations for partnerships seminars shall be agreed with the DPP and discussed in the Cooperation Committee.

The Programme Operator sets aside a share of the Programme budget (1.5% of the total Programme eligible costs) for the needs of the Bilateral Cooperation Fund on the Programme level.

From the total budget of the Bilateral Cooperation Fund:

- approximately 83% will be allocated for the search for project partners from the Donor States prior to or during the preparation of a project application and the preparation of the partnership project application (measure "a");
- approximately 17% will be allocated for the networking, exchange sharing and transfer of knowledge, technology, experience and best practices between Project Promoters and entities from the Donor States (measure "b").

Approximately EUR 40,000 of the allocation for the Bilateral Cooperation Fund will be allocated to activities organised by the Programme Operator, aiming at the achievement of both measures ("a" and "b").

The remaining part of the Bilateral Cooperation Fund, that is approximately EUR 126,000 of the allocation for the Bilateral Cooperation Fund, will be available for Applicants who will receive grants from the Programme, as a refund of expenditures incurred both by Applicants and Project Partners in order to establish partnership for the project (measure "a").

The Applicants may apply for a 90% reimbursement of costs incurred under the Bilateral Cooperation Fund. The remaining costs of the project shall be provided by the Project Promoter. However, if the project promoter is an entity which belongs to the budget-line of the MCNH the grant rate shall be 100%. The level of reimbursed expenditures within the Fund will depend on the available amount of funds, but it shall not exceed EUR 6,300.



The reimbursement for the Bilateral Cooperation Fund will be based on the documentation indicated in point 4.2 above.

### *5.2 Complementary action*

The Programme does not include provisions for complementary actions.

### *5.3 Reserve for exchange rate losses*

Contracts between the Programme Operator and the Project Promoter will be defined in PLN.

The reserve for exchange rate losses will be used to cover exchange rate losses resulting from the difference between the exchange rate used for the Programme budget planning and the exchange rates used for the actual expenditures (including the difference between the exchange rate used for awarding grants to projects and the exchange rate used for the settlement of project grants).

### *5.4 Small Grant Schemes*

The Programme does not include provisions for a Small Grant Scheme.

## **6. Pre-defined projects**

The Programme does not include any pre-defined projects.

## **7. Modification of projects**

Small amendments will be possible in projects if they do not affect the main objective of the project. Changes in projects that result in modification of the content of the Application forms will need the Programme Operator's approval except for change of dates, which will need to be notified to the Programme Operator, given that they are minor adjustments. Financial shifts between the budget headings, of up to 20% of the total eligible expenditure of the project, will have to be notified to the Programme Operator. Financial shifts above this limit will need the Programme Operator's approval.

Detailed rules will become a part of the Project Contract between the Programme Operator and the Project Promoter.

## **8. Programme proposal version**

Any reference to the programme proposal in this programme agreement shall be interpreted as a reference to the version signed by the Programme Operator on 20 January 2012 and shall include all subsequent correspondence and communication between the Donors, the Financial Mechanism Office, the National Focal Point and the Programme Operator.