

15 NOV, 2013

EEA Financial Mechanism 2009-2014

PROGRAMME AGREEMENT

between

The Financial Mechanism Committee
established by Iceland, Liechtenstein and Norway

and

The Government Office of the Slovak Republic,
hereinafter referred to as the "National Focal Point",
representing Slovakia ,
hereinafter referred to as the "Beneficiary State"

together hereinafter referred to as the "Parties"

for the financing of the Programme "Conservation and Revitalisation of Cultural and Natural Heritage &
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 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 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 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. 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 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 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 programme 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
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 Reallocation of funds

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

Article 4.5

Irregularities, suspension and reimbursements

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 of 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.

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

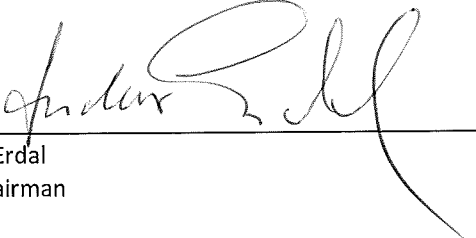
1. This programme agreement shall enter into force on the date of the last signature of the Parties.

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

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

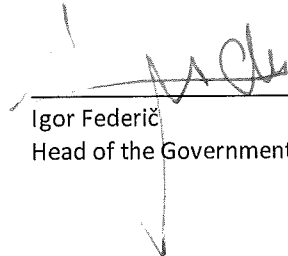
For the FMC

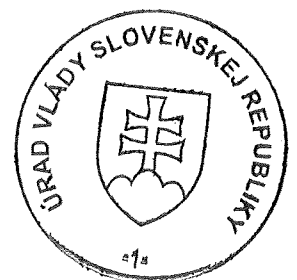
Signed in Bratislava on 13. 11. 2013


Anders Erdal
FMC Chairman

For the National Focal Point

Signed in Bratislava on 13. 11. 2013


Igor Federič
Head of the Government Office



Annex I - Programme Decision

1. Expected Outcomes & Indicators for Outputs

Expected Outcome(s): Cultural heritage restored, renovated and protected

Output

Restored/reconstructed heritage buildings

Output indicator(s)	Baseline	Target	Source of Verification
Number of restored/reconstructed heritage buildings	0	3	project reporting, on-site monitoring, annual programme evaluation

Output

Restored archaeological finds and interior, building structures

Output indicator(s)	Baseline	Target	Source of Verification
Number of restored (renovated) archaeological finds, mobiliari, doors, windows, etc	0	15	project reporting, on-site monitoring, annual programme evaluation

Output

Monuments monitored

Output indicator(s)	Baseline	Target	Source of Verification
Number of monuments monitored	0	100	project reporting, on-site monitoring, annual programme evaluation

Expected Outcome(s): Cultural heritage made accessible to the public

Output

Preserved and restored heritage giving public access

Output indicator(s)	Baseline	Target	Source of Verification
Number of restored/preserved heritage giving public access	0	3	project reporting, on-site monitoring, annual programme evaluation

Output

Newly established expositions, information tables installed at education paths and area

Output indicator(s)	Baseline	Target	Source of Verification
Number of newly established exposition, information and educational trails	0	3	project reporting, on-site monitoring, annual programme evaluation

Expected Outcome(s): Awareness of cultural diversity raised and intercultural dialogue strengthened

Output

Local cultural associations involved in the implementation of projects

Output indicator(s)	Baseline	Target	Source of Verification
Number of local cultural associations involved in the implemented projects	0	6	project reporting, on-site monitoring, annual programme evaluation

Output

Projects focused on international cooperation in cultural and artistic management and promotion

Output indicator(s)	Baseline	Target	Source of Verification
Number of projects focused on international cooperation and bilateral exchange in contemporary culture and living art	0	6	project reporting, on-site monitoring, annual programme evaluation

2. Conditions

2.1 General

- 1) Bilateral, outcome and output indicators shall be reported on in the annual report.
- 2) The National Focal Point shall ensure that any revenues generated within projects are reinvested in compliance with the programme's outcomes and outputs.
- 3) The National Focal Point shall ensure that the Programme Operator ensures that Project Promoters:
 - Keep any buildings purchased, constructed, renovated or reconstructed under the project in their ownership for a period of at least 5 years following the completion of the project and continue to use such buildings for the benefit of the overall objectives of the project for the same period;
 - Keep any buildings purchased, constructed, renovated or reconstructed under the project properly insured against losses such as fire, theft and other normally insurable incidents both during project implementation and for at least 5 years following the completion of the project; and
 - Set aside appropriate resources for the maintenance of any buildings purchased, constructed, renovated or reconstructed under the project for at least 5 years following the completion of the project. The specific means for implementation of this obligation shall be specified in the project contract.
- 4) The National Focal Point shall ensure that any residual or extracted material from project activities is reused, recycled, treated and/or deposited in an environmentally sound manner.
- 5) The National Focal Point shall ensure that Project Promoters who have, in line with this Agreement, received an exception from the general rule in Article 7.3.1(c) of the Regulation with respect to any equipment (the excepted equipment):
 - Keep the excepted equipment in their ownership for a period of at least five years following the completion of the project and continue to use that equipment for the benefit of the overall objectives of the project for the same period;
 - Keep the excepted equipment 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 the excepted equipment for at least 5 years following the completion of the project.

The specific means for implementation of this obligation shall be specified in the project contract; provided however that the Programme Operator may release any Project Promoter from the above obligations with respect to any specifically identified excepted equipment where the Programme Operator is satisfied that, having regard to all relevant circumstances, continued use of that equipment for the overall objectives of the project would serve no useful economic purpose. The National Focal Point shall furthermore ensure that the Programme Operator keeps a list of the excepted equipment for each project.
- 6) The National Focal Point shall ensure that any public support under this programme complies with the procedural and substantive State Aid rules applicable at the time when the public support is granted. The National Focal Point shall, by way of the Programme Implementation Agreement, ensure that the Programme Operator maintains written records of all assessments concerning compliance with State Aid rules, particularly decisions to award grants and set grant rates, and provides such records to the FMC upon request. The approval of the Programme by the FMC does not imply a positive assessment of such compliance.
- 7) The National Focal Point shall ensure that the pre-defined project 'Rusovce Servants' House and historic gardens' under this Programme is appraised by an external and independent entity prior to the signing of a project contract in order to verify its quality and contribution to the objectives of the Programme as well as its compliance with EU and national legislation.
- 8) The National Focal Point shall ensure that a minimum of 5% of the funding available through the call for proposals under Programme Area 16 shall be allocated to Jewish cultural heritage. This shall be reflected in the text of the calls for proposals as well as the selection criteria, together with the principles of non-discrimination and tolerance, cultural diversity and intercultural dialogue. Funding towards the Jewish and the multicultural heritage of the Slovak Republic and cultural diversity and intercultural dialogue will be reported on, inter alia, in the Annual and Final Programme Reports.
- 9) The Cooperation Committee shall include member(s) representing the relevant institution(s) in the Slovak Republic in charge of the policy area in question. A representative of the Royal Norwegian Embassy to the Slovak Republic shall be entitled to participate as an observer in the Cooperation and Selection Committees.
- 10) The National Focal Point shall ensure that the costs of partners of the pre-defined projects as defined in section 6 of Annex II to this Programme Agreement are covered by the allocation to the respective pre-defined projects.
- 11) The National Focal Point shall ensure that the Programme Operator ensures synergies with the other relevant programmes.
- 12) The National Focal Point shall ensure that the pre-defined project 'Rusovce Servants' House and historic gardens' will be separate from the procurement of Rusovce Manor House and based on a separate project plan and budget.

13) The National Focal Point shall ensure that the procurement procedure for the pre-defined project 'Rusovce Servants' House and historic gardens' under this Programme shall be audited by an independent and certified auditor, certifying that the claimed costs are incurred in accordance with the Regulation, the relevant national law and accounting practices, once the project is completed.

14) The National Focal Point shall ensure that an independent check of expenditures is carried out before any payments are made to suppliers under the pre-defined project 'Rusovce Servants' House and historic gardens'.

15) The National Focal Point shall ensure that monitoring and financial control under the pre-defined project 'Rusovce Servants' House and historic gardens' shall be carried out by a supervisor which shall be an external and independent entity. The Project Interim Reports shall be approved by this entity and no payment shall be done to the project account until the Project Interim Report is approved by the supervisor.

2.2 Pre-eligibility

Not applicable.

2.3 Pre-payment

1) The National Focal Point shall ensure that detailed descriptions, plans and budgets for the two pre-defined projects are submitted to the FMC for approval.

2) The indicators under section 1 above shall be reviewed and submitted to the FMO for approval prior to the first disbursement to the projects.

2.4 Pre-completion

Not applicable.

2.5 Post-completion

Not applicable.

2.6 Other

3. Eligibility of costs

3.1 Eligibility of costs - period

Eligibility of costs (excluding prog prep costs): 22/04/2013-30/04/2017

Eligibility of programme proposal preparation costs: 16/11/2011-21/04/2013

3.2 Grant rate and co-financing

Programme estimated total cost (€)	€14,026,471
Programme estimated eligible cost (€)	€14,026,471
Programme grant rate (%)	85.0000%
Maximum amount of Programme grant (€)	€11,922,500

3.3 Maximum eligible costs (€) and Advance payment amount (€)

Budget heading	Eligible expenditure	Advance payment*
Programme management	€486,059	€130,000
Cultural heritage restored, renovated and protected	€3,900,998	€650,000
Cultural heritage made accessible to the public	€7,948,943	€1,300,000
Awareness of cultural diversity raised and intercultural dialogue strengthened	€1,405,074	€373,675
Fund for bilateral relations	€210,397	€55,901
Complementary action	€25,000	€0
Preparation of programme proposal	€50,000	€42,500
Reserve for exchange rate losses	€0	€0
Total	€14,026,471	€2,552,076

* The advance payment is composed of €2,169,265 in grant amount and €382,811 in co-financing.

3.4 Retention of management costs

Retention of management costs - percentage of the management costs	10.00%
Retention of management costs - planned Euro value	€41,315

3.5 Small Grant Scheme

Outcome	Awareness of cultural diversity raised and intercultural dialogue strengthened
Total Amount Reserved	€1,405,074
Grant Amount at Project Level	€50,000 – 200,000
Duration of the Project	6 – 24 months
Maximum Grant Rate at Project Level	90.00%

Annex II - Operational Rules

1. Eligibility

1.1 Eligible measures (sub-measures if any):

The Programme Operator is the Government Office of the Slovak Republic.

The Programme will contribute to the protecting and preserving of cultural heritage in the Slovak Republic for future generations and making it accessible for the public (PA16) and to intensifying cultural dialogue and strengthening European identity by understanding cultural diversity (PA17).

The Programme shall contribute to achieving the following outcomes:

1. Cultural heritage restored, renovated and protected;
2. Cultural heritage made accessible to the public; and
3. Awareness of cultural diversity raised and intercultural dialogue strengthened.

The Programme consists of two open calls, one Small Grants Scheme and two pre-defined projects:

Open Calls (PA 16):

Measure 1: Support to safeguard castles and fortifications and city palaces of national significance, as defined in the Slovak governmental resolution 813/2011.

Measure 2: Support to safeguard the most important national cultural heritage monuments registered in the Slovak Republic.

Small Grants Scheme: Presentation of diversity in contemporary art and culture and promotion of bilateral exchange in living arts.

Pre-defined projects:

1. Reconstruction of the Rusovce Servant House and revitalisation of the adjacent historical park
2. Pro Monumenta – prevention by maintenance

1.2 Eligible applicants:

The rules on eligibility of applicants are set in Article 6.2 of the Regulation. The following specifications apply to this programme:

Measures 1 and 2: Entities meeting the requirements set out in Article 6.2.1 of the Regulation are eligible.

Small Grants Scheme: Entities meeting the requirements set out in Articles 6.2.1 and 6.2.2 of the Regulation are eligible.

1.3 Special rules on eligibility of costs:

Costs are eligible in accordance with Chapter 7 of the Regulation with the following exceptions:

- By way of exception from Article 7.3.1(c) of the Regulation, the entire purchase price of new equipment will be eligible under PA16 if the equipment is an integral and necessary component and is essential for achieving the outcome of the project. The Programme Operator will check and verify compliance with this condition.

In addition to Article 7.6 of the Regulation the following costs are not eligible:

- The cost of purchase and depreciation of second hand equipment;
- Furniture under PA16, except for the pre-defined project "Rusovce Servant's House and Gardens", as defined in section 6 of this Annex II.

The costs of the partners for the pre-defined projects as specified in section 6 of this Annex II shall be covered by the project costs.

2. Financial parameters

2.1 Minimum and maximum grant amount per project:

Measure 1: The minimum amount of grant assistance applied for is €250,000; the maximum amount is €1,000,000.

Measure 2: The minimum amount of grant assistance applied for is €250,000; the maximum amount is €1,000,000.

2.2 Project grant rate:

Measures 1 and 2: Grants from the Programme will not exceed 90% of total eligible project costs for NGOs; and 85% for all other legal entities.

Small grants scheme:

Grants from the Programme will not exceed 90% of total eligible project costs.

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 Promoters.

By way of exception from Article 5.4.5 of the Regulation, in-kind contributions shall not be eligible.

3. Selection of projects

3.1 Selection procedures:

All selection procedures carried out under this Programme shall be in accordance with Article 6.5 of the Regulation. The independent and impartial experts referred to in Article 6.5.2 - 6.5.4 shall be independent of the Programme Operator, the Selection Committee and the project applicants.

The selection procedures may result in the establishment of a reserve list of projects.

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

There shall be one open call for proposals for each of the measures 1 and 2, making available the following amounts:

- Measure 1: €2,948,943 and
- Measure 2: €2,948,942.

These calls for proposals will be launched simultaneously and no later than in the second quarter of 2013.

In case of an insufficient number of applications, insufficient value, or insufficient quality of the applications submitted in the planned open call, the Programme Operator may conduct a supplementary call to be launched no later than in the 1st quarter of 2014.

All calls shall be open at least for 2 months.

3.3 Selection criteria:

The following selection criteria shall be taken into account for the open calls and the Small Grants Scheme:

-General criteria:

- Relevance and importance of the Project
- Project logical framework and design
- Project budget and cost effectiveness
- Project management

-Specific criteria:

5% of the funding available through the open call(s) shall be allocated to projects taking account of or related to the Jewish cultural heritage of Slovakia. This shall be reflected in the text of the open call(s) for proposals as well as the selection criteria.

Furthermore, the text of the open call(s) and the selection criteria shall reflect the principles of non-discrimination and tolerance (including the aim to reduce anti-Semitism), cultural diversity and intercultural dialogue (also involving national minorities).

In addition, the selection criteria shall take account of the principles of equality and anti-discrimination and shall foster the submission of project applications supporting cultural diversity and cultural expression of minority groups.

The final selection criteria will be further elaborated by the Programme Operator and must be included in the text of the call for proposals.

Funding towards the Jewish and the multicultural heritage of the Slovak Republic and cultural diversity and intercultural dialogue shall be reported on inter alia in the Annual and Final Programme Reports.

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

4.1 Payment flows

The Programme Operator shall open two separate bank accounts, one for the receipt and payments of funds for management costs and bilateral funds, the second for the receipt and payments of funds allocated to re-granting.

Payments towards the projects will be in the form of advance instalments, of up to 90% of the total awarded grant amount, and in

the form of reimbursements of incurred expenditure to be paid after the approval of a final report.

The first advance installment shall be paid following the signing of the Project Contract. Subsequent advance installments shall be paid after the approval of Project Interim Reports.

Project Promoters shall be required to report on project financial progress and outputs in Interim Project Reports, and at the end of the project in a final report. The frequency of interim reporting to the Programme Operator shall be based on an agreed timetable, but no less than three times a year.

Advance installments are offset against incurred expenditure reported in the Project Interim Reports. Project Promoters can receive any subsequent advance installments only when 50% of all previously provided installments have been reported as incurred in the Project Interim Reports.

The level of advance installments to be provided to Project promoters shall be linked to the duration of the Project implementation periods according to the table below:

Project Implementation Duration	< 12 months	12 – 18 months	18 – more
First Advance Payment	80%	40%	25%
Second Advance Payment	10%	20%	25%
Third Advance Payment	-	20%	25%
Forth Advance Payment	-	10%	15%
Final Payment (reimbursement)	10%	10%	10%

In duly justified cases a Project Promoter may receive exceptional payments as advance installments or as reimbursement of incurred expenditure, provided that the Programme Operator has sufficient capacity to provide it.

Payments shall be transferred to Project Promoters no later than three months from the submission of an interim payment claim (Interim Project Report) and no later than one month after its approval by the Programme Operator provided that the submitted Interim Project Report is corrected and complies with all obligations in this regard.

4.2 Verification of payment claims

Verification and approval of Interim Project Reports is conducted by the Programme Operator and will be based on information on incurred expenditure, financial status and project progress contained in the Interim Reports, and on additional information to be submitted together with the reports.

As part of payment claim verification, the Programme Operator may carry out on-the-spot checks to account for reported incurred expenditure in Projects.

The procedure for verification of payment claims, periodicity of reporting periods, and deadlines for reporting will further be outlined in the description of the Programmes management and control systems according to article 4.8.2 of the Regulation.

4.3 Monitoring and reporting

The Programme Operator will carry out on-going monitoring and review of the projects.

Monitoring will be carried out in order to ensure that agreed proceedings are observed, to verify the progress, to identify potential problems in time and to be able to adopt the adequate corrective measures.

The monitoring will rely on the following inputs

- Project application
- Detailed Appraisal Report
- Information provided by the applicant in the process of project approval
- Interim Project Reports
- On the spot checks
- Questionnaires, interviews with Project Promoters and project partners
- Information from the relevant stakeholders active in the respective region/field

Projects will be identified for monitoring on the basis of the following criteria:

- Each project with total eligible expenses exceeding €1,000,000 must be monitored at least once a year.

- Projects with allocation less than €1,000,000 must be monitored at least once during the project implementation and not later than 6 months before the planned completion of the project.
- Projects with allocation less than €250,000 shall be selected according to the methodology applicable to reviews.

Project reviews will assess whether projects are progressing according to plan, and will focus on the operational aspects of the project, its progress and results. Reviews will be carried out by ways of administrative verification (IPRs) and on-the-spot checks.

Projects are selected for review on the basis of the following criteria:

- Amount of the project grant
- Percentage of co-financing of the Promoter
- Percentage of spending
- Legal status of the Project Promoter
- Identified irregularities
- Compliance with project schedule
- Results of previous controls

5. Additional mechanisms within the programme

5.1 Funds for bilateral relations

The Programme Operator will set aside €210,397 of the total Programme budget to a fund for bilateral relations.

20% of the fund for bilateral relations will be used for seminars for potential applicants and potential partners from the Donor States. The purpose is to search for project partners and develop partnership ideas and projects (measure A).

80% of the fund for bilateral relations will be used for networking events, as well as the exchange of knowledge and experience between Project Promoters and entities in the Donor States (measure B).

The minimum amount of grant assistance applied for under both measures is €800 and the maximum amount is €10,000.

The maximum grant rate under the fund for bilateral relations is 100 %.

Further detailed provisions regulating the bilateral fund, the criteria for awarding support from the fund and any other relevant details will be developed by the Programme Operator and discussed in the Cooperation Committee.

5.2 Complementary action

The Programme Operator will set aside €25,000 for complementary action.

Complementary action under this Programme shall be further defined by the Programme Operator in accordance with Article 7.11 of the Regulation.

5.3 Reserve for exchange rate losses

Not applicable.

5.4 Small Grants Schemes

A Small Grants Scheme shall be established under the Programme to support measures dedicated to the presentation of contemporary art and culture and its diversity. A total amount of €1,405,074 is made available for this scheme.

The call for proposals for the Small Grants Scheme will be published no later than in the second quarter of 2013.

The minimum amount of grant assistance applied for under the Small Grants Scheme is €50,000; the maximum amount is €200,000. The call shall remain open for at least 2 months.

Grants from the Small Grants Scheme will not exceed 90% of total eligible project costs. The 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 beneficiaries.

The selection procedures and criteria under the Small Grants Scheme shall be in accordance with sections 3.1 and 3.3 of this Annex II.

6. Pre-defined projects

1) Project title: "Rusovce Servant's House and Gardens"
 Project promoter: Government Office of the Slovak Republic,
 Total maximum eligible project cost: to be determined
 Project grant rate: up to 85%
 Maximum contribution from the Programme: €5,000,000
 Expected outcome: "Cultural heritage made accessible to the public"

The project will consist of the reconstruction of former Rusovce Servant house and of the revitalization of the surrounding gardens with the aim to make the area of the Servant House and the historical gardens accessible to the wider public as a cultural and tourist information centre.

The pre-defined project shall consist of the following activities:

1. The reconstruction of the former Servant House
2. The revitalization of the gardens

The direct responsibility for the project's implementation shall not lie with the Department of Management and Implementation of the EEA and Norway Grants, but with the Section for Economics and Technical Administration, in order to separate the function of Programme Operator from the function of Project Promoter within the Government Office.

2) Project title: "Pro Monumenta – prevention by maintenance"
 Project promoter: Monuments Board of the Slovak Republic
 Project Partner: The Directorate for Cultural Heritage, Norway (Riksantikvaren)
 Total maximum eligible project cost: €952,056
 Project grant rate: 100%
 Maximum contribution from the Programme: €952,056
 Expected outcome: "Cultural heritage restored, renovated and protected"

The project shall fund the building of a system of preventive monitoring and maintenance of immovable national cultural monuments filed in the Central Register of Monuments under Art. 22 of the Act No. 49/2002 Coll. on the protection of monuments and historic sites.

The project will further contribute to the sharing of knowledge on the upkeep of monuments in Norway and the Slovak Republic by increasing the bilateral cooperation between the Monuments Board of the Slovak Republic and the Directorate for Cultural Heritage, Norway (Riksantikvaren).

The pre-defined project shall consist of the following activities:

1. Establishment of three monitoring teams, training and courses, production of a managing manual for teams, communication with academic institutions and specialists,
2. Purchase of devices and equipment,
3. Monitoring of cultural monuments, generating database of "technical reports",
4. Cooperation with the Norwegian Directorate for Cultural Heritage,
5. Project management and publicity.

7. Modification of the programme

Any modifications of the Programme will follow the rules set forth in the Regulation and in Article 2.9 of the Programme agreement.

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 28 August 2012 and shall include all subsequent correspondence and communication between the Donors, the Financial Mechanism Office, the National Focal Point and the Programme Operator.

9. Miscellaneous

Not applicable.