

## **ADDENDUM NO 3**

to

**EEA Financial Mechanism 2014-2021**

### **PROGRAMME AGREEMENT**

for the financing of the Programme “Cultural Entrepreneurship, Cultural Heritage and Cultural Cooperation”  
hereinafter referred to as the “Programme Agreement”

between

The Financial Mechanism Committee  
hereinafter referred to as the “FMC”

and

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

Article 1

1. The Annexes to the EEA Financial Mechanism Programme Agreement for the financing of the Programme SK-CULTURE “Cultural Entrepreneurship, Cultural Heritage and Cultural Cooperation” are replaced by the Annexes sent with this Addendum.
2. The modifications contained in the new versions of the Annexes to the Programme Agreement entered into force on 18/12/2020.

Article 2

This Addendum and the Annexes accompanying it constitute an integral part of the Programme Agreement. Except from the modifications stated above, the Programme Agreement remains unchanged.

Signed in Brussels on 13 January 2021

Signed in .....on .....

For the FMC

For the National Focal Point

.....  
Henning Stirø  
Director  
Financial Mechanism Office

.....  
Mrs Iveta Turčanová  
on behalf of the  
Ministry of Investments, Regional  
Development and Informatization of the  
Slovak Republic  
authorised to sign the Addendum of the  
Programme Agreement by the power of  
attorney No 00987/2020/OROPTP-5 since  
07/12/2020

**Annex I to the Programme Agreement**

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

<b>Programme Objective</b>	Social and economic development strengthened through cultural cooperation, cultural entrepreneurship and cultural heritage management
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PA	Outcome/Output	Expected programme results	Indicator	Disaggregation	Unit of measurement	Source of verification	Frequency of reporting	Baseline values	Baseline year	Target value
PA14	Outcome 1	Cultural heritage conditions enhanced	Number of jobs created	Gender, Age	Number	Payroll records, employment agreements	Annually (APR)	0	N/A	25
			Annual revenues generated by the restored monuments (€)	N/A	Annual number	Project promoters' records of revenues	Annually (APR)	1,337,013	2018	2,674,026 <sup>1</sup>
			Annual number of visitors to supported cultural heritage sites, museums and cultural activities	N/A	Annual number	Ticketing recording system; tickets sold	Annually (APR)	130,590	2018	261180 <sup>2</sup>
			Annual number of monuments monitored by regional inspection teams	N/A	Annual number	Monument Technical reports; Photos; Annual	Annually (APR)	80	2017	100

<sup>1</sup> +100% increase compared to the baseline value

<sup>2</sup> +100% increase compared to baseline value

PA	Outcome/Output	Expected programme results	Indicator	Disaggregation	Unit of measurement	Source of verification	Frequency of reporting	Baseline values	Baseline year	Target value
						Project Reports				
	Output 1.1	Cultural heritage restored and revitalised	Number of cultural monuments restored and revitalised	N/A	Number	Record of restoration works; On-site monitoring;	Semi-annually (APR and September IFR)	0	N/A	19
			Number of entrepreneurship strategies developed and implemented	N/A	Number	On-site monitoring; Project interim reports;	Semi-annually (APR and September IFR)	0	N/A	19
			Number of projects that have conducted consultations with the local community	N/A	Number	Project websites; Attendance sheets; Minutes from the meetings; Project promoters' records	Semi-annually (APR and September IFR)	0	N/A	19
			Number of revitalisation projects promoting the culture and heritage of minorities	N/A	Number	Record of restoration works; On-site monitoring;	Semi-annually (APR and September IFR)	0	N/A	10
			Number of partnership agreements concluded between the owner of cultural heritage sites and other players	N/A	Number	Project interim reports; Project websites	Semi-annually (APR and September IFR)	0	N/A	35
	Output 1.2	Cultural heritage	Number of craftsmen trained	Gender	Number	Project Promoters' records,	Semi-annually (APR and	0	N/A	15

PA	Outcome/Output	Expected programme results	Indicator	Disaggregation	Unit of measurement	Source of verification	Frequency of reporting	Baseline values	Baseline year	Target value
		monitored and preserved				Attendance sheets	September IFR)			
			Number of new regional inspection teams' members	N/A	Number	Project interim reports; Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	1
			Number of centres for construction crafts established	N/A	Number	Project interim reports; Project Promoter's records	Semi-annually (APR and September IFR)	0	N/A	3
			Number of cultural monuments monitored	N/A	Number	Monument Technical reports;	Semi-annually (APR and September IFR)	0	N/A	210
			Number of bilateral workshops carried out	N/A	Number	Attendance sheets; Photos; Project Interim reports	Semi-annually (APR and September IFR)	0	N/A	3
PA14	Outcome 2	Access to contemporary arts improved	Annual number of people attending cultural activities <sup>3</sup>	N/A	Annual number	Ministry of Culture statistics	Annually (APR)	3,615,897	2017	4,000,000 <sup>4</sup>
			Expenses of households on culture services <sup>5</sup>	N/A	Number	Available statistical data	Annually (APR)	58.41	2017	60

<sup>3</sup> Includes all cultural activities in Slovakia, not only those supported by the programme.

<sup>4</sup> Number of people attending in the last year of programme implementation. Attendance at theatres, theatre festivals, shows, concerts and live performances - Ministry of Culture Statistics

<sup>5</sup> In EUR per month per person - Statistical Yearbooks of the Slovak Statistics Office.

PA	Outcome/Output	Expected programme results	Indicator	Disaggregation	Unit of measurement	Source of verification	Frequency of reporting	Baseline values	Baseline year	Target value
	Output 2.1	Capacity of cultural players supported	Number of artists and cultural experts directly involved or benefiting from the support	N/A	Number	Project Promoters' records; Project Interim reports	Semi-annually (APR and September IFR)	0	N/A	200
			Number of entrepreneurship strategies developed and implemented	N/A	Number	Project websites; Project Promoters' records; Project interim reports	Semi-annually (APR and September IFR)	0	N/A	15
			Number of cultural players (institutions) supported	N/A	Number	Concluded Project contracts	Semi-annually (APR and September IFR)	0	N/A	20
	Output 2.2	Audience development supported	Number of events targeting audience development	N/A	Number	Project Promoters' records; Tickets sold; Project interim reports	Semi-annually (APR and September IFR)	0	N/A	30
			Number of events dedicated to artistic freedom and/or freedom of expression	N/A	Number	Project interim reports; Photos;	Semi-annually (APR and September IFR)	0	N/A	15
			Number of educational institutions involved	N/A	Number	Project Promoters' records; Project	Semi-annually (APR and	0	N/A	10

PA	Outcome/Output	Expected programme results	Indicator	Disaggregation	Unit of measurement	Source of verification	Frequency of reporting	Baseline values	Baseline year	Target value
						interim reports	September IFR)			
			Number of events focused on raising awareness about minority culture	N/A	Number	Project interim reports; Photos;	Semi-annually (APR and September IFR)	0	N/A	15
Bilateral	Bilateral Outcome	Enhanced collaboration between beneficiary and donor state entities involved in the programme	Level of satisfaction with the partnership	State type	Scale 1-7	Survey results	Annually (APR)	TBD <sup>6</sup>	TBD	≥4.5 <sup>7</sup>
			Level of trust between cooperating entities in Beneficiary States and Donor States	State type	Scale 1-7	Survey results	Annually (APR)	TBD <sup>8</sup>	TBD	≥4.5 <sup>9</sup>
			Share of cooperating organisations that apply the knowledge acquired from bilateral partnership	State type	Percentage	Survey results	Annually (APR)	N/A	N/A	50 %
	Bilateral Output 1	Bilateral cultural cooperation supported	Number of projects involving cooperation with a donor project partner	Donor State	Number	Copies of contracts concluded with Project Promoters, Partnership agreements between Project Promoters and project partners	Semi-annually (APR and September IFR)	0	N/A	30

<sup>6</sup> Survey to be conducted by the FMO

<sup>7</sup> And an increase on the baseline

<sup>8</sup> Survey to be conducted by the FMO

<sup>9</sup> And an increase on the baseline

PA	Outcome/Output	Expected programme results	Indicator	Disaggregation	Unit of measurement	Source of verification	Frequency of reporting	Baseline values	Baseline year	Target value
			Number of bilateral activities targeting minorities	N/A	Number	Project Promoters 'records; Project interim reports	Semi-annually (APR and September IFR)	0	N/A	10
			Number of joint cultural activities implemented	N/A	Number	Project Promoters 'records; Project interim reports	Semi-annually (APR and September IFR)	0	N/A	25



## Conditions

### General

1. The maximum level of funding available from the total eligible expenditure of the programme for infrastructure (hard measures) shall be 60%.
2. The relevant public institution(s) in the Slovak Republic in charge of the policy area in question, including the Ministry of Culture, shall be actively involved in the preparation and implementation of the programme, specifically as member(s) of the Cooperation Committee.
3. The National Focal Point shall ensure that any revenues generated within projects are reinvested in compliance with the programme's outcomes and outputs.
4. The National Focal Point shall ensure that the Programme Operator ensures that project promoters:
  - Keep any buildings purchased, constructed, renovated or reconstructed under the project in their ownership for a period of at least 5 years following the completion of the project and continue to use such buildings for the benefit of the overall objectives of the project for the same period;
  - Keep any buildings purchased, constructed, renovated or reconstructed under the project properly insured against losses such as fire, theft and other normally insurable incidents both during project implementation and for at least 5 years following the completion of the project; and
  - Set aside appropriate resources for the maintenance of any buildings purchased, constructed, renovated or reconstructed under the project for at least 5 years following the completion of the project. The specific means for implementation of this obligation shall be specified in the project contract.
5. For the outcome 1 indicators “Annual number of visitors to supported cultural heritage sites, museums and cultural activities” and “Annual revenues generated by the restored monuments (in €)”, where the baseline value is “to be determined” (TBD), the Programme Operator shall submit to the FMO for approval the baseline value, together with a description of the data collection method used, no later than six months after the finalisation of the selection of projects under the call for proposals within this outcome. The updated baseline value shall be agreed upon through a modification of the programme agreement.

### Pre-eligibility

Not applicable

### Pre-payment

Not applicable

### Pre-completion

Not applicable

### Post-completion

Not applicable

Eligibility of costs - period	First date	Final date
Eligibility of costs	29/11/2016	31/12/2024
Grant rate and co-financing		
Programme eligible expenditure (€)		€ 23,071,765
Programme grant rate (%)		85.00 %
Maximum amount of Programme grant - EEA Financial Mechanism (€)		€ 19,611,000
Maximum amount of Programme grant - Norwegian Financial Mechanism (€)		-

Maximum amount of Programme grant - Total (€)	€ 19,611,000
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PA	Budget Heading	EEA Grants	Total grant	Programme grant rate	Programme co-financing	Programme eligible expenditure	Advance payment
PA14	Programme management	€ 1,300,399	€ 1,300,399	85.00 %	€ 229,482	€ 1,529,881	€ 286,875
PA14	Outcome 1 (EEA Grants)	€ 15,711,000	€ 15,711,000	85.00 %	€ 2,772,529	€ 18,483,529	€ 1,266,559
PA14	Outcome 2 (EEA Grants)	€ 2,599,601	€ 2,599,601	85.00 %	€ 458,753	€ 3,058,354	€ 0
<b>Total</b>		<b>€ 19,611,000</b>	<b>€ 19,611,000</b>	<b>85.00 %</b>	<b>€ 3,460,765<sup>10</sup></b>	<b>€ 23,071,765<sup>11</sup></b>	<b>€ 1,553,434</b>

Retention of management costs	
Retention of management costs - percentage of the management costs	10.00 %
Retention of management costs - planned Euro value	€ 152,988

<sup>10</sup> The Programme co-financing rounded to 2 decimal places is € 3,460,764.71. The above discrepancy appears because of displaying numbers rounded to the whole euro.

<sup>11</sup> The Programme eligible expenditure rounded to 2 decimal places is € 23,071,764.71. The above discrepancy appears because of displaying numbers rounded to the whole euro.

## Cultural Entrepreneurship, Cultural Heritage and Cultural Cooperation

### Operational rules (Annex II)

#### 1. Programme summary

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

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

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

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

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

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

#### 2. Eligibility

##### 2.1 Eligible applicants:

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

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

<p><b>Outcome 2</b> “Access to contemporary arts improved”</p>	<p>and creative sectors as defined in Regulation (EU) No 1295/2013<sup>12</sup> of the European Parliament and of the Council establishing the Creative Europe Programme (2014-2020), provided that the applicant has at least one mandatory partner.</p> <p>Natural persons are not eligible.</p>	<p>Any public or private entity, commercial or non-commercial, as well as non-governmental organisations established as a legal person in one of the Donor States and whose principal activity is in the cultural and creative sectors as defined in Regulation (EU) No 1295/2013<sup>1</sup> of the European Parliament and of the Council establishing the Creative Europe Programme (2014-2020).</p> <p>Natural persons are not eligible.</p> <p>Other partner:</p> <p>Any public or private entity, commercial or non-commercial, as well as non-governmental organisations established as a legal person either in the Donor States or in the Beneficiary States, or any international organisation or body or agency thereof.</p> <p>Natural persons are not eligible.</p>
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All projects under the SGS shall be implemented in partnership with entities from the Donor States.

*2.2 Special rules on eligibility of costs:*

Costs are eligible in accordance with chapter 8 of the Regulation.

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

**3. Bilateral relations**

*3.1 Bilateral relations*

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

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<sup>12</sup> OJ L 347, 20.12.2013

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

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

#### 4. Selection of projects and financial parameters

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

	Indicative timing	Total available amount	Maximum/Minimum grant applied for
<b>Call for proposals</b>			
<b>Outcome 1</b> “Cultural heritage conditions enhanced”	1 <sup>st</sup> semester 2019	€15,883,529	€1,000,000/€200,000
<b>SGS</b>	1 <sup>st</sup> call: 1 <sup>st</sup> semester 2019	1 <sup>st</sup> call: €1,558,354	€200,000/€50,000
<b>Outcome 2</b> “Access to contemporary arts improved”	2 <sup>nd</sup> call: 2 <sup>nd</sup> semester 2020	2 <sup>nd</sup> call: €1,500,000	

##### 4.2 Selection procedures:

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

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

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

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

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

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

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

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

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

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

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

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

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

#### *4.3 Project grant rate:*

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

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

### *5.1 Pre-defined projects*

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

#### **1) "Pro Monumenta II"**

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

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

preventive maintenance of cultural heritage and to increase the competence and availability of craftsmanship.

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

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

## 2) **""Red Monastery - Reborn""**

Project Promoter:	Monuments Board of the Slovak Republic
Donor project partner(s):	National Trust of Norway Norwegian Cultural Heritage
Total maximum eligible costs:	€ 1,100,000
Project grant rate:	100.00 %
Maximum project grant amount:	€ 1,100,000

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

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

- The complete revitalisation of two buildings of the Red Monastery, including the monastery school as an education and training centre, a Cyprian pharmacy as a centre for renewal of traditional folk medicine and a space for meditation and digital detox in the tradition of the Monastery;
- The development and implementation of an entrepreneurship strategy in consultation with the local community;
- Training for professionals on cultural heritage management and protection;
- Presentations/workshops for visitors on traditional craft, including the historical manufacturing of local products such as medicinal herbs, honey and mead;
- The creation of at least three quality exhibitions on the history of the Monastery and cultural heritage;
- The exchange of experience and good practices with the donor project partners.



## 5.2 Financial Instruments

Not applicable

## 6. Programme Management

### 6.1 Payment flows

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

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

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

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

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

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

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

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

### 6.2 Verification of payment claims

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

In line with point i) of Article 5.6.2 of the Regulation incurred expenditure reported shall be subject to administrative verifications before the report is approved. Verifications to be carried out shall cover administrative, financial, technical and physical aspects of projects, as appropriate, and be in

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

<sup>14</sup> Retention may be applied at the end of the implementation or pro rata from each advance payment and interim payments.

accordance with the principle of proportionality. Examination of proof of expenditure related to the administrative verifications may be carried out on a sample basis.

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

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

#### *6.3 Monitoring and reporting*

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

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

#### *6.4 Programme administrative structures*

Not applicable

### **7. Communication**

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

### **8. Miscellaneous**

Not applicable