

*Annexes for the Memorandum of  
Understanding on the implementation  
of the EEA Financial Mechanism  
2004-2009*

## **Annex A**

# **Polish managerial set-up for the implementation of the EEA Financial Mechanism**

## **Implementation system**

1. The EEA Financial Mechanism Committee (FMC) manages the EEA Financial Mechanism and decides on the granting of assistance.
2. The Financial Mechanism Office (FMO) is responsible for the day-to-day implementation of the EEA Financial Mechanism and serves as a contact point.
3. National Focal Point - the Ministry of Regional Development fulfils tasks of a National Focal Point. The National Focal Point has the overall responsibility for the management of the EEA Financial Mechanism's activities in Poland as described in this Memorandum of Understanding (MoU) and the Rules and Procedures adopted by the Financial Mechanism Committee, including the overall responsibility for the use of funds, financial control and audit. In particular, its responsibilities include but are not limited to the following:
  - collect proposals from all intermediate bodies and, with its reasoned opinion of the proposed projects, submit them to the Financial Mechanism Office,
  - ensure correctness of management and implementation of realised projects,
  - chair the Monitoring Committee,
  - ensure efficiency and correctness of use of available funds,
  - draw up annual reports on implementation to be forwarded for approval to the Monitoring Committee and submitted to the Financial Mechanism Office,
  - ensure a complete and sufficient audit path in all engaged institutions,
  - ensure information and publicity about available funds,
  - store all documents relating to projects realised within the EEA Financial Mechanism.

The role of the National Focal Point is to be further elaborated in Grant Agreements between the EEA Financial Mechanism and the Beneficiary State.

4. Intermediate Body - the tasks of Intermediate Bodies have been entrusted with the ministries responsible for each priority sector (see Table 1). Under the overall management and responsibility of the National Focal Point, the main tasks of the Intermediate Body are as follows:
  - call for and collect applications for projects within the priority area from potential beneficiaries,
  - ensure regularity of the management of projects realised within the EEA Financial Mechanism,
  - monitor project implementation, in particular preparation of National Focal Point's periodical reports on the use of financial resources,
  - prepare applications for amendment and transfer these to the National Focal Point,
  - detect irregularities and report these to the National Focal Point,
  - inform the general public about the projects implemented under the EEA Financial Mechanism,
  - store all documents relating to projects realised within the EEA Financial Mechanism
  - conduct formal, technical and content-related application appraisal
  - present to the members of the Steering Committee a ranking list together with justification

5. The Intermediate Body can delegate certain managerial tasks to auxiliary institutions. The Intermediate Body and auxiliary institutions will sign a legal agreement on the taking over by auxiliary institutions of some of the managerial and implementation functions. In this case, the Intermediate Body retains its overall responsibility and is fully responsible to the National Focal Point for the efficiency and accuracy of the management and implementation of the EEA Financial Mechanism.

Table 1.

Priority	Intermediate Body	Auxiliary institution for Intermediate Body
Protection of the environment, including the human environment, through, <i>inter alia</i> , reduction of pollution and promotion of renewable energy	Ministry of Environment	The National Fund for Environmental Protection and Water Management
Promotion of sustainable development through improved resources use and management	Ministry of Environment	The National Fund for Environmental Protection and Water Management
Conservation of European cultural heritage including public transport, and urban renewal	Ministry of Culture and National Heritage	
Human resources development through, <i>inter alia</i> , promotion of education and training, strengthening of administrative or public service capacities of the local government or its institutions as well as the democratic processes that support it	Office of the Committee for European Integration	
Health and childcare	Ministry of Health	The Office for Foreign Aid Programs in Health Care in the Ministry of Health
Academic research grants	Ministry of Science and Higher Education	

6. Monitoring Committee – the National Focal Point will create one Monitoring Committee for the EEA Financial Mechanisms and the Norwegian Financial Mechanism. The Committee is responsible to the National Focal Point for the monitoring of project realisation within the framework of both Financial Mechanisms. The Monitoring Committee is in particular responsible for the following:

- periodically review the progress of the projects being realised,
- examine and approve the periodical reports on the use of financial resources,
- assess the efficiency and effectiveness of using financial resources available in the framework of both Mechanisms.

The Committee shall be made up of representatives of:

- the ministries involved in the implementation of funds from both Mechanisms,
- social and economic partners, including employers' and employees' organisations,
- non-governmental institutions,
- regional and local level government.

The Chairman of the Committee invites, as observers, representatives of the Financial Mechanism Office, and, as appropriate, representatives of other institutions and organisations, whose presence could be essential to the effective implementation of the assistance provided by the EEA Financial Mechanism.

7. Steering Committee - all Intermediate Bodies have to appoint Steering Committees. Based on the ranking list of eligible projects and the justification, as presented by the Intermediate Body, the Steering Committee decides on the possible financing from the EEA Financial Mechanism projects on the ranking list. The Steering Committees' tasks include giving an opinion and making recommendations on projects that are eligible for support within the EEA Financial Mechanism. In order to appropriately evaluate projects, the Steering Committee could create working groups and use the services of individual experts or other institutions. The Steering Committee will operate in an open and transparent manner.

The Committee shall be made up of representatives of:

- the Intermediate Body, depending on priority sectors,
- regional and local level government,
- social and economic partners.

The Chairman of the Committee invites, as observers, representatives of National Focal Point, the Paying Authority and, as appropriate, representatives from other institutions and organisation, whose presence could be essential to the effective implementation of the assistance provided by the EEA Financial Mechanism.

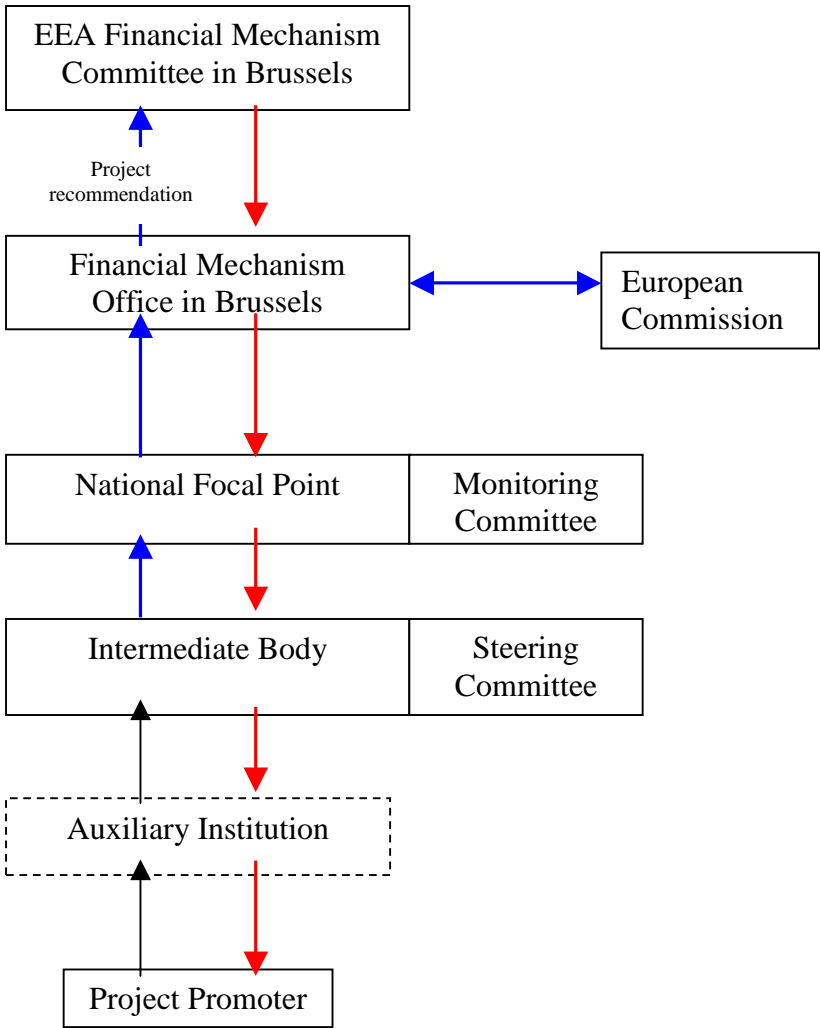
8. Paying Authority functions for both Financial Mechanisms are performed by the Ministry of Finance. Grant assistance disbursement will be made to a designated bank account at the Ministry of Finance. The tasks of the Paying Authority are in particular to:
- manage the accounts on which grants from both Mechanisms are kept,
  - certify to the Financial Mechanism Office that expenditure declarations are made on the basis of reliable and verified documents,
  - report on finance flow to the National Focal Point,
  - draw up and submit to the Financial Mechanism Office payment applications for reimbursement of the expenditures and applications for advance payments,
  - ensure that payments are made to the final beneficiaries as quickly as possible and within the specified deadlines.

Furthermore, the Paying Authority is responsible to the National Focal Point for developing, implementing and maintaining the procedures for financial management and control. The Paying Authority will verify application of these procedures by the Intermediate Body.

9. The Ministry of Finance, through its subordinate departments, performs the tasks of an Audit Institution. Its main responsibility is to::
- carry out audits of projects,
  - preparation of yearly audit plan and a summary of audit reports and submitting them to the National Focal Point,
  - reconcile the summary amounts certified to the FMO with the individual expenditure records and original supporting documents held at the various administrative levels and by the final beneficiaries including, where the latter are not the final recipients of funding, the bodies or firms carrying out operations,
  - verify the allocation and transfer of the available funds from both Financial Mechanisms and national funds,
  - control the regularity of eligible expenditures based on a representative sample of the operations approved,
  - ensure efficient and prompt investigation of any suspected and actual cases of fraud and irregularity and reporting these to the National Focal Point,
  - prepare yearly audit reports for the National Focal Point.

10. In order to facilitate timely transfers of funds to Project Promoters and Intermediaries, the FMC shall provide the National Focal Point with an advance payment (working capital) to be held on an account by the Paying Authority. Payments to Project Promoters and Intermediaries may be transferred from the working capital when Polish national conditions for payments have been met. The amount, special reporting requirement, set-off mechanism and other modalities and conditions shall be specified in an instruction issued by the EEA Financial Mechanism Committee to the National Focal Point. The instruction shall be binding for the National Focal Point.

Project implementation chart for all priority sectors



	Project Proposal
	Project selected at national level
	Accepted project

**The application procedure**

Information relating to the gathering of project proposals will be announced according to availability of funds and projects. As a general rule and based on the nature of the project, the collection of applications shall be carried out by open calls for proposals. The applications should be submitted to the Intermediate Body/Auxiliary Body, which evaluates the completeness of applications and assesses them on the formal aspects. If any faults are found, applications shall be corrected by the applicants upon request from the Intermediate Body/Auxiliary Body. Applications, after preliminary assessment, will be evaluated according to technical and content-related criteria by the Intermediate Body/Auxiliary Body, which awards points to the projects. The procedure results in the preparation of a ranking list of eligible projects, including justification. The list is forwarded to the Steering Committee for approval. The Steering Committee can make justified changes to the list before approval. The list, as approved by the Steering Committee as its recommendations, is submitted to the National Focal Point. Based on the recommendations of the Steering Committee, the National Focal Point decides which proposals are eligible for submission to the Financial Mechanism Office (FMO) and submits such proposals to the FMO along with its reasoned opinion. According to the Rules and Procedures, the FMO makes recommendations on the proposals and submits them to the EEA Financial Mechanism Committee, which makes the final decision on the co-financing of the project. On the basis of a positive decision, a Grant Agreement will be concluded between the EEA Financial Mechanism Committee and the National Focal Point.

## **Annex B**

### **The programming framework referred to in Article 7 of the Memorandum of Understanding**

Within the overall framework of the priority areas mentioned in Article 6 of the MoU, particular attention shall be given to the Focus Areas indicated below. The EEA Financial Mechanism aims to contribute to the reduction of economic and social disparities in the European Economic Area and strengthen the bilateral relations between Poland and the EEA EFTA States.

PRIORITY SECTORS	FOCUS AREAS
<p>Protection of the environment, including the human environment, through, inter alia, reduction of pollution and promotion of renewable energy</p>	<p><b>Priority objective</b> To reduce the quantity of hazardous substances in the environment through, among other things, protection of air and surface waters and rational waste management.</p> <p><b>Types of eligible projects</b> Construction and modernisation of environmental protection infrastructure:</p> <ul style="list-style-type: none"> <li>- restrictions in usage of individual heating systems in favour of communal/municipal heating networks;</li> <li>- replacement of obsolete heating energy sources by modern, energy-saving and ecological ones;</li> <li>- thermal-insulation work in public utility buildings;</li> <li>- investments in the field of use of renewable energy sources, such as small hydropower plants of up to 5 Mega Watts (MW), use of solar energy and of biomass in individual heating systems;</li> <li>- construction, rebuilding or modernisation of municipal waste water treatment plants and sewage pipeline systems;</li> <li>- organisation of selective solid waste collection and its subsequent reuse through recycling.</li> </ul>
<p>Promotion of sustainable development through improved resources use and management</p>	<p><b>Priority objective</b> To promote and bring into effect the principles of sustainable development amongst authorities and communities.</p> <p><b>Types of eligible projects</b> Institution strengthening projects in the following areas:</p> <ul style="list-style-type: none"> <li>- reduction of energy, raw material and water consumption of manufacturing and services activities through improvement of efficiency of productive resources use;</li> <li>- use of alternative energy sources;</li> <li>- support for the creation of a “green workplace” and “green procurement”;</li> <li>- enhancement of environmental education through creation of networks for environmental learning;</li> <li>- activities encouraging protection, improvement and restoration of biodiversity, including marine resources and areas included in the Nature 2000 sites;</li> <li>- activities for supporting forest management</li> </ul>
<p>Conservation of European cultural heritage including public transport and urban renewal</p>	<p><b>Priority objective</b> To preserve and reconstruct the European cultural heritage and its surroundings and to create national cultural tourism products in historical cities (especially Warszawa, Kraków, Wrocław, Poznań, Gdańsk).</p> <p><b>Types of eligible projects</b> Projects of a minimum value of 1 million euros in the fields of:</p> <ul style="list-style-type: none"> <li>- revitalisation, conservation, renovation, modernisation and adaptation of historical objects and complexes and their surroundings for cultural purposes, especially those implemented under national strategies for the development of cultural tourism products;</li> <li>- revitalisation of historical urban areas;</li> <li>- revitalisation, conservation, renovation, modernisation and adaptation of fortification complexes and buildings for cultural purposes;</li> <li>- revitalisation of post-industrial objects with a high historical value for cultural purposes, in particular for modernity museums;</li> <li>- renovation, protection and preservation of martyrdom and memory sites;</li> </ul>

	<ul style="list-style-type: none"> <li>- building and extension of public and non-profit cultural institutions of European meaning;</li> <li>- building, extension, reconstruction and adaptation of cultural infrastructure in places of symbolic importance for Polish culture;</li> <li>- complex conservation programmes of mobile monuments and conservation and digitalisation of history book collections and archives;</li> <li>- creation of protection systems for illegal removal of works of art and protection of mobile and immobile monuments against robbery and destruction.</li> </ul>
<p>Human resources development through, inter alia, promotion of education and training, strengthening of administrative or public service capacities of local government or its institutions and the democratic processes that support it</p>	<p><b>Priority objectives</b>  Enhancement of self-governmental administration through broadening of knowledge and enhancement of skills of the representatives of public administration at voivodship, powiat and gmina level.  In addition, strengthening of civil society through enhancement of the non-governmental sector, with particular attention to the realisation of equal rights for men and women.</p> <p><b>Types of eligible projects</b></p> <ul style="list-style-type: none"> <li>- promotion of vocational training for the broad group of voivodship, powiat and gmina level employees;</li> <li>- development of training curricula on the basis of identified tasks of self-governmental administration, including issues relating to equal rights for men and women;</li> <li>- elaboration of competence standards in the area of EU integration;</li> <li>- training for employees of voivodship, powiat and gmina administration;</li> <li>- support for constancy and information activities for self-governmental administration and the non-governmental sector;</li> <li>- development of appropriate educational tools and promotion of local partnerships;</li> <li>- modernisation of local and regional government administration services and improvement of efficiency and implementation of best business practices through the use of latest IT software and technology;</li> <li>- support for co-operation between self-government and NGOs.</li> </ul>
<p>Health and childcare</p>	<p><b>Priority objectives</b>  Improvement of living standards through, among others, prevention and health promotion programmes, improvement of the quality of services provided by healthcare units and increase of access to and streamlining of primary and specialised healthcare.  Projects within this priority sector should focus on small towns and rural areas, where availability of medical services and information is substantially limited.  The activities implemented in the field of health and childcare should be consistent with the national or regional healthcare development strategies.</p> <p><b>Types of eligible projects</b></p> <ul style="list-style-type: none"> <li>- prevention and health promotion programmes;</li> <li>- perinatal healthcare improvement programmes<sup>1</sup>;</li> <li>- programmes increasing social awareness on modern family planning methods and mature parenthood standards;</li> <li>- programmes within a scope of therapeutic telemedicine systems and medical Internet-based education and data collection systems;</li> <li>- improvement of access to and quality of healthcare;</li> <li>- programmes aimed at integration of societies menaced by pathology and prevention of juvenile crime (with special emphasis on overcoming social pathologies like drug addiction and alcoholism);</li> </ul>

<sup>1</sup> Perinatal health is a comprehensive activity, embracing mother, embryo and infant. It is aimed at ensuring constant care, prevention and proper medical treatment in the preconception, pregnancy, childbirth and childbed period.

	<ul style="list-style-type: none"> <li>- projects aimed at the integration of disabled children with fully abled children;</li> <li>- projects aimed at realisation of open access recreation zones for children.</li> </ul>
Grants for academic research	<p><b>Priority objectives</b>  To support implementing bodies through provision of knowledge of best technological practice, which may be used within the EEA Financial Mechanism. This aim will be achieved through the distribution of financial resources for research by scientific institutions and research teams, and support in the exchange of science and technology between Poland and the EEA countries.</p> <p><b>Types of eligible projects</b>  Research projects from all the disciplines and areas of science realised under the EEA Financial Mechanism.</p>

**Annex C**  
**Specific forms of grants assistance referred to in**  
**Article 8 of the Memorandum of Understanding**

According to Article 2.2.3 of the Rules and Procedures, specific forms of grant assistance (block grants and seed money facility) may be established in addition to individual projects and programmes. Initially, the following specific forms of grant assistance will be developed for final approval according to the application procedures of the Rules and Procedures.

### **1. Technical Assistance Fund**

Measures relating to information on and promotion of the possibilities of using funds from the EEA Financial Mechanism, preparation of management, implementation system, including monitoring, control and audit in the institutions involved in the implementation of the EEA Financial Mechanism and translation of documents and the assistance of experts and advisors

### **2. Funds for Non-governmental Organisations**

Fund for non-governmental associations operating in all priority sectors

### **3. Scholarship and Training Funds**

Scholarship and training funds to be developed within the environmental, cultural, public administration and health and childcare sectors, as well as student exchanges between Poland and the EEA EFTA countries, including strengthening language training

### **4. Seed Money Facility**

A seed money facility will be developed according to the Rules and Procedures for the EEA Financial Mechanism.

### **5. Cultural Exchange Fund**

A cultural exchange fund will be developed to foster cultural exchange between Poland and the EFTA States.